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This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy securities within the United States or by residents of the United States. There shall be no sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Prospective investors should only rely on the information in this Offering Memorandum. No person has been authorized to give any information or make any representation in respect of the Trust or the securities offered herein and any such information or representation must not be relied upon. Any such information or representation that is given or received must not be relied upon. By accepting this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein.

OFFERING MEMORANDUM

September 9, 2024



EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

\$38,164,385.50⁽¹⁾

7,811,361.16 Participating Preferred Trust Units⁽¹⁾

Participating Preferred Class A Trust Units

FundSERV Code: AXC 701

Participating Preferred Class F Trust Units

FundSERV Code: AXC 703

⁽¹⁾ Before exercise of the Over-Subscription Option (as defined in the attached Offering Memorandum). If the Over-Subscription Option is exercised in full, the total number of Participating Preferred Trust Units issuable would be 10,648,203.26 and the aggregate Gross Proceeds (as defined in the attached Offering Memorandum) would be \$52,603,965.50.

The Offering

The Issuer	Epiphany Legacy Investment Mutual Fund Trust 50-550 WT Hill Blvd South Lethbridge, AB T1J 4Z8
Phone Number	(403) 359-8606
Website Address	https://www.legacyinvestment.ca/
E-mail Address	info@legacyinvestment.ca
Currently listed or quoted	No. These securities do not trade on any exchange or market.
Reporting Issuer	No
Securities Offered	Participating Preferred Class A trust units (collectively, the " Participating Preferred Class A Units ") and Participating Preferred Class F trust units (the " Participating Preferred Class F Units " and collectively, the " Participating Preferred Trust Units ").
Price Per Security	<p>Price Per Security for Participating Preferred Class A Units</p> <p>\$4.75 per Participating Preferred Class A Unit for up to 1,811,361 Participating Preferred Class A Units (\$8,603,965.50) (the "Class A Second Tranche")</p> <p>\$5.00 per Participating Preferred Class A Unit for up to 6,000,000 Participating Preferred Class A Units (\$30,000,000) (the "Class A Third Tranche")</p> <p>Price Per Security for Participating Preferred Class F Units</p> <p>\$4.75 per Participating Preferred Class F Unit for up to 1,811,361 Participating Preferred Class F Units (\$8,603,965.50) (the "Class F Second Tranche", together with the Class A Second Tranche, the "Second Tranche")</p> <p>\$5.00 per Participating Preferred Class F Unit for up to 6,000,000 Participating Preferred Class F Units (\$30,000,000) (the "Class F Third Tranche", together with the Class A Third Tranche, the "Third Tranche")</p> <p>The differences in prices between the tranches above reflects the difference in risk associated with an investment in the Trust depending on its level of capitalization. As funds are raised pursuant to the Offering and additional financing has been obtained to fund the Business (as defined in the attached Offering Memorandum) of the Partnerships, the level of risk associated with an investment in the Trust decreases. See also Item 1.2 – Use of Available Funds.</p> <p>The Administrator (as defined in the attached Offering Memorandum) will have the discretion, pursuant to the Over-Subscription Option, to accept additional subscriptions at each issue price even though the pricing tranches set out above are exceeded, in circumstances where subscriptions have previously been completed by Subscribers or submitted but were not processed prior to the tranche being exceeded. The number of Participating Preferred Trust Units that may be issued pursuant to the exercise of the Over-Subscription Option will not exceed 35% of the aggregate number of Participating Preferred Trust Units intended to be issued at the relevant price (i.e., up to 2,548,203.26 and 8,100,000 additional Participating Preferred Trust Units may be issued at \$4.75 and \$5.00, respectively).</p> <p>Minimum subscription of \$2,508 for Participating Preferred Class A Units and \$50,008 for Participating Preferred Class F Units, until all Participating Preferred Trust Units in the Second Tranche have been issued. The Administrator may accept lesser subscription amounts in its sole discretion.</p>
Preferential Distributions	<p>Preferential Distributions</p> <p>Participating Preferred Class A Units are entitled to receive quarterly preferential cash distributions ("Class A Unit Preferential Distributions") from cash flow generated by the Partnerships' operations. Investors may receive a participating preferred return of up to:</p> <p>(a) 8.2% for investors that purchase Participating Preferred Class A Units at a price of \$4.75; and</p>

	<p>(b) 7.8% for investors that purchase Participating Preferred Class A Units at a price of \$5.00 in a calendar year.</p> <p>Participating Preferred Class F Units are entitled to receive quarterly preferential cash distributions ("Class F Unit Preferential Distributions") from cash flow generated by the Partnerships' operations. Investors may receive a participating preferred return of up to:</p> <p>(a) 10.0% for investors that purchase Participating Preferred Class F Units at a price of \$4.75; and</p> <p>(b) 9.5% for investors that purchase Participating Preferred Class F Units at a price of \$5.00 in a calendar year.</p>	
Minimum Offering	This Offering is not subject to any minimum offering amount. You may be the only purchaser.	
Maximum Offering	\$38,164,385.50	(7,811,361.16 Participating Preferred Trust Units). If the Over-Subscription Option is exercised in full, the Offering size would be \$52,603,965.50 (with an aggregate of 10,648,203.26 Participating Preferred Trust Units being issued).
Minimum Subscription Amount Per Subscriber	\$2,508	(528 Participating Preferred Class A Units) until all Participating Preferred Trust Units in the Second Tranche have been issued. The Administrator may accept lesser subscription amounts in its sole discretion.
	\$50,008	(10,528 Participating Preferred Class F Units) until all Participating Preferred Trust Units in the Second Tranche have been issued.
Payment Terms	Payment in full by certified cheque, bank draft, cheque, wire transfer or other form of payment acceptable to the Trust, in its sole discretion, of the subscription price is to be made with the delivery of a duly executed and completed Subscription Agreement. See Item 5.2 – Subscription Procedure .	
Proposed Closing Date(s)	Closings (as defined in the attached Offering Memorandum) will take place periodically at the Trust's discretion.	
Income Tax Consequences	There are important tax consequences to these securities. See Item 8 – Income Tax Consequences and Deferred Plan Eligibility .	
Insufficient Funds	The Business (as defined in the attached Offering Memorandum) is already operational and cash flow positive. The funds from this Offering (as defined in the attached Offering Memorandum) are intended to grow the Business. In the event the Trust does not raise the full amount under this Offering, then the Trust will simply reduce the amount of available funds provided to the Partnerships (as defined in the attached Offering Memorandum) and the growth of the Business will be slowed. Funds available under this Offering may not be sufficient to accomplish the proposed objectives. See Item 2.12 – Insufficient Funds .	
Compensation Paid to Sellers and Finders	A person has received or will receive compensation for the sale of securities under this Offering. See Item 9 – Compensation Paid to Sellers and Finders .	
	<p>Where allowed by applicable securities legislation, the Trust intends to offer compensation of up to 8% of the subscription proceeds referred by Agents from subscribers for Participating Preferred Class A Units introduced to the Trust by such persons (the "Raised Proceeds") and a trailing commission of up to 1% of the Raised Proceeds annually until the Participating Preferred Trust Units are redeemed. In certain circumstances the Trust may reimburse Agents for their due diligence costs and provide other forms of consideration in respect of sales of Participating Preferred Trust Units, such amounts not to exceed 3.0% of the Raised Proceeds. See Item 9 – Compensation Paid to Sellers and Finders.</p> <p>Access Capital Advisors Inc. ("Access"), one of the agents retained by the Trust in respect of the Offering pursuant to an agreement made between the Trust, the Promoters (as defined in the attached Offering Memorandum) and Access, is considered to be "connected" to the Trust under applicable law. Peter Jarman, a dealing representative, director and shareholder of Access, who is acting on behalf of Access in connection with the Offering, is also a trustee of the Trust. Peter Jarman only offers Participating Preferred Trust Units in his role as a dealing representative for Access. See "Related or Connected Issuer" below and see Item 9 – Compensation Paid to Sellers and Finders.</p>	
Resale Restrictions	You will be restricted from selling your securities for an indefinite period, subject to very certain exceptions. See Item 12 – Resale Restrictions .	
Working Capital Deficiency	The Trust does not have a working capital deficiency. See Item 1.1 – Available Funds .	
Payments Among	Some of your investment may be paid to a related party of the Trust. See Item 1.2 – Use of Available Funds, Item 1.4 – Proceeds Transferred to Other Issuers, Item 2.14 – Related Party Transactions , and Schedule E.	

Related Parties	
Certain Related Party Transactions	The Offering Memorandum contains disclosure with respect to one or more transactions between two of the Partnerships (that are Related Parties as between themselves) in which the Trust has invested. See Item 1.2 – Use of Available Funds, Item 1.4 – Proceeds Transferred to Other Issuers , and Schedule E.
Certain Dividends or Distributions	Since its inception, the Trust has not paid any distributions that exceeded its cash flow from operations.
Conditions on Redemptions	<p>You will have a right to require the Trust to redeem the Participating Preferred Trust Units from you, but this right is qualified by a specified price, restrictions and fees. As a result, you might not receive the amount of proceeds that you want. See Item 4.1 – Securities Except for Debt Securities – Summary of the Declaration of Trust – Redemptions.</p> <p>Each Participating Preferred Trust Unitholder shall be entitled to require the Trust to redeem at any time or from time to time at the demand of the Participating Preferred Trust Unitholder all or any part of the Participating Preferred Trust Units registered in the name of the Participating Preferred Trust Unitholder pursuant to the timeline and the amounts determined and payable in accordance with the Declaration of Trust (as defined in the attached Offering Memorandum), provided however that for the first 12 months following the date on which the Participating Preferred Trust Units were acquired, the Trustees shall have the discretion to suspend redemptions subject to certain terms and conditions outlined in the Declaration of Trust. Redemptions will be satisfied on a quarterly basis according to the schedule outlined in the Declaration of Trust following which the Redemption Notice (as defined in the attached Offering Memorandum) was provided. Subject to applicable Redemption Fees (as defined in the attached Offering Memorandum), upon receipt by the Trust of a Redemption Notice, the Redeeming Unitholder (as defined in the attached Offering Memorandum) of the Participating Preferred Trust Units tendered for redemption will receive a Redemption Price (as defined in the attached Offering Memorandum) per Participating Preferred Trust Unit of:</p> <ul style="list-style-type: none"> a) the listed price per Participating Preferred Trust Unit if the Participating Preferred Trust Units are listed; or b) if the Participating Preferred Trust Units are not listed, a redemption price equal to the Net Asset Value per Participating Preferred Trust Unit. <p>See Item 4.1 – Securities Except for Debt Securities – Summary of the Declaration of Trust – Redemptions.</p>
Related or Connected Issuer:	Access, a registered exempt market dealer, is one of the agents retained by the Trust to assist in the marketing and distribution of the Offering of the Participating Preferred Trust Units and in its capacity as the Investment Fund Manager (as defined in the Offering Memorandum) of the Trust and is considered to be "connected" to the Trust under applicable law. Access earns fees from the Trust. See Item 9 – Compensation Paid to Sellers and Finders and Item 9.3 – Reimbursement of Agents . The information and analyses contained in this Offering Memorandum, and the terms and conditions contained in the Declaration of Trust and the Subscription Agreement, have been prepared by the trustees and the Administrator on behalf of the Trust. The information and analyses in this Offering Memorandum, the terms of the Offering and the structure and background of the Trust, the Partnerships, Black Elm Financial, 222 AB and 243 AB (as defined in the attached Offering Memorandum), all as general partners of the Partnerships, as applicable, have not been determined or developed by Access and have been reviewed by Access only as necessary for Access to comply with its "know-your-product" (KYP) obligations under NI 31-103 (as defined herein) and cannot be, and are not, otherwise assured by Access.
Purchasers' Rights	You have two business days to cancel your Subscription Agreement (as defined herein) to purchase these securities. If there is a misrepresentation in this Offering Memorandum (as defined herein), you have the right to sue either for damages or to cancel the Subscription Agreement. See Item 13 – Purchasers' Rights .
<p>TRUST COPY – Please initial below and submit this page with your Subscription Agreement.</p> <p>_____</p> <p>Investor Initials</p>	

September 9, 2024

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NOTE REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

This Offering Memorandum contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "feels", "may", "will", "would", "believe", "plans", "intends", "possible", "future" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this Offering Memorandum contains forward-looking information and statements pertaining to, among other things: the use of the proceeds from the issuance of Participating Preferred Trust Units; the minimum and maximum Participating Preferred Trust Units issuable pursuant to the Offering and the proceeds resulting therefrom; expected tax treatment of Deferred Plan Capital (as defined herein); the Trust's intentions to pay commissions and/or reimbursements to certain parties; the estimated costs of the Offering; the use of proceeds of the Offering; the intended Business of the Partnerships; the targeted rates of return for the Participating Preferred Trust Units; the redemption of Participating Preferred Trust Units in response to repurchase requests; the anticipated timelines in respect of raising funds pursuant to the Offering; the intentions of the Trust as outlined in **Item 2.6 – The Business**; the information respecting the business and operations of the Partnerships including, among other things, future plans, objectives, anticipated performance, expansion, management of assets, and areas of investment as provided in **Item 2.3 – Operations Management** and **Item 2.7 – Business of the Partnerships**; the timing of the Trust in raising the amount of the maximum Offering, as further described in **Item 2.11 – Short Term Objectives and How We Intend to Achieve Them**; payment of the Debentures by any of the Partnerships; business objectives of the Trust; property fair value determination criteria and process; any intention of the Trustees to make additional distributions; entry of the Trust into financial arrangements, including secured loans, lines of credit, issuance of debt instruments, or otherwise; future business or market expansion plans of the Partnerships; the growth and other developments in the real estate markets; population growth in Alberta; economic growth and GDP growth in the Western Provinces; change in Canadian inflation rates or interest rates; and the acquisition and management by the Partnerships and Braemore of the Partnerships' properties. This forward-looking information and the related statements are based upon factors, expectations and assumptions reflected in the forward-looking statements that are reasonable at this time, but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking information and statements contained in this Offering Memorandum are based upon several material factors, expectations and assumptions of the Trust including, without limitation: that the Trust will continue to conduct its operations in a manner consistent with past operations; the Trust and the Partnerships may introduce new products and services as the market dictates; the general continuance of current or, where applicable, assumed industry conditions; availability of sources to fund the Trust's and the Partnerships' capital and operating requirements as needed; the ability of the Trust to attract Subscribers; no changes to the current taxation regime that may impact the Trust, the Partnerships, or any Deferred Plan Capital raised by the Trust; that in all circumstances, the Lenders will act in a commercially reasonable manner; and certain other cost assumptions.

The forward-looking information and statements included in this Offering Memorandum are not guarantees of future performance and should not be unduly relied upon. Forward-looking information and statements are based (in whole or in part) upon a number of factors that, if and when subject to variations, may cause actual results, performance or achievements of the Trust, to differ materially from those contemplated or predicted (whether expressly or by implication) in the forward-looking information and statements. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information and statements. These risks, uncertainties and other factors include without limitation: general economic, market and business conditions; absence of review by any securities regulatory authority or regulator; absence of deposit insurance; the Trust's limited working capital; redemption risk; redemption limitations; tax risk; changes in tax laws; inability of the Trust to continue to qualify as a "mutual fund trust" as understood in the Tax Act; absence of any advanced tax ruling; potential changes of trustees, absence of, or limited voting rights attached to Participating Preferred Trust Units; lack of formal corporate trustee in connection with Participating Preferred Trust Units; an investment in Participating Preferred Trust Units is not guaranteed to earn a specified or any rate of return; the Administrator has limited prior experience in managing a trust; there is no market for the Participating Preferred Trust Units and none is expected to develop; fees and expenses payable by the Trust may decrease the assets available for investment by the Trust; there may be defects

in title to or other ownership disputes with respect to the Trust's or Partnerships' assets; fluctuations in the rate of inflation can cause the value of assets or income from investments to be worth less in the future; the ability of Braemore and/or the Partnerships to compete with other entities in the real estate management and residential and commercial real estate industries, many of whom are larger, which may decrease the investment opportunities available to the Trust; conflicts of interest; changes in portfolio resulting from industry change; terms of the Debentures (defined herein) and Class X Units; the terms of any indebtedness of the Trust or the Partnerships whether outstanding as of the date hereof or in the future and the general ability of the Trust or the Partnerships to obtain loans or other financing when or if needed or desirable; absence of management rights attached to Participating Preferred Trust Units; risks associated with debt securities; limited operating history; illiquidity of investment; interest rate risk; the inability of the Trust to achieve the maximum Offering or otherwise arrange sufficient financing; the timing and extent of revenues generated by the Business of the Partnerships; the currently intended Business of each of the Partnerships may change based on any number of factors, including those enumerated in **Item 10 – Risk Factors**; tax consequences to acquiring, holding and disposing of Participating Preferred Trust Units; legislative and regulatory developments that may affect costs, revenues, the speed and degree of competition entering the market, global capital markets activity, timing and extent of changes in prevailing interest rates; impediments and adversity affecting, directly or indirectly, in whole or in part, the Partnerships' ability to successfully construct and develop, operate, use, sell, or generate a profit from, the investment of the Trust in the Trust Assets; changes in fees associated with legal, tax and other advisors or consultants; and other risks described in **Item 10 – Risk Factors** herein. While we do not know what impact any of those differences may have, our business, results of operations, financial condition and credit stability may be materially adversely affected. Further, should any one of a number of issues arise, the Trust may find it necessary to alter its current business strategy and/or capital expenditure program; including, without limitation, those risks identified in this document. See **Item 10 – Risk Factors**.

We caution you that the above lists of material assumptions and risk factors are not exhaustive. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this Offering Memorandum, and neither the Trust nor the Administrator undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable laws. The foregoing statements expressly qualify any forward-looking information contained in this Offering Memorandum.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, the market and industry data contained in this Offering Memorandum is based upon information from independent industry and government publications. While Operations Management believes this data to be reliable, market and industry data is subject to variation and cannot be verified 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. Neither the Trust, Operations Management or the Administrator has independently verified the accuracy or completeness of such information contained herein.

HISTORICAL INFORMATION

Any historical information provided in this Offering Memorandum is for general information purposes and there is no assurance that future performance and events will be similar to past performance or events. See **Item 10 – Risk Factors**.

NON-GAAP MEASURES

The Trust and the Partnerships use the terms: Net Asset Value; Net Realized Capital Gains; NOI; and Distributable Cash, each as defined in the Glossary. The Trustees consider such non-GAAP measures to be a valuable measure for evaluating its operating performance and in achieving the Trust's objectives. Such measures are not defined under

GAAP nor should any of these measures be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP. Subscribers should be further cautioned that Net Asset Value, Net Realized Capital Gains, NOI, and Distributable Cash, as calculated by the Trust and the Partnerships, may not be comparable to similar measures presented by other issuers.

MARKETING MATERIALS

Any "OM marketing materials" (as such term is defined in NI 45-106) related to each distribution under this Offering Memorandum and delivered or made reasonably available to a prospective purchaser before the termination of such distribution will be, and will be deemed to be, incorporated by reference into this Offering Memorandum in accordance with NI 45-106, provided that any OM marketing materials to be incorporated by reference into this Offering Memorandum are not part of the Offering Memorandum to the extent that the contents of such OM marketing materials have been modified or superseded by a statement contained in an amended or amended and restated Offering Memorandum or OM marketing materials subsequently delivered or made reasonably available to a prospective purchaser prior to the execution of the Subscription Agreement by the Subscriber.

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

Information contained or otherwise accessed through the Trust's website or any website does not form part of this Offering Memorandum or the Offering.

GLOSSARY

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

"**222 AB**" means 2222204 Alberta Ltd., a corporation that is an Affiliate of Epiphany Group.

"**243 AB**" means 2435227 Alberta Ltd., a corporation that is an Affiliate of Epiphany Group.

"**ABCA**" means the *Business Corporations Act* (Alberta), RSA 2000, c B-9, as amended from time to time.

"**Administrator**" means IA²S Inc., a corporation incorporated under the laws of the Province of Alberta.

"**Administrator Agreement**" means an Administrator Agreement effective as of September 2, 2021 between the Trust and the Administrator.

"**Affiliate**" has the meaning assigned to that term in the *Securities Act* (Alberta), as in effect on the date of execution of the Declaration of Trust.

"**Agency Agreement**" means the form of agency agreement entered into among the Trust, the Partnerships, the Promoters and any Agents utilized by the Trust from time to time.

"**Agents**" means, collectively, registered dealers and exempt market dealing representatives, who are registered in accordance with applicable securities laws and persons who introduce the Trust to potential subscribers of Participating Preferred Trust Units pursuant to the Offering in accordance with applicable securities laws.

"**Agents' Fees**" means the fees payable to Agents. See **Item 9 – Compensation Paid to Sellers and Finders**.

"**arm's length**" has the meaning assigned to that term in the Tax Act.

"**BELP**" means Black Elm Financial Limited Partnership.

"**BELP Agreement**" means the fifth amended and restated limited partnership dated June 15, 2023, among Black Elm Financial, as general partner, and various other limited partners, pursuant to the laws of the Province of Alberta.

"**BELP Asset Management Agreement**" means the asset management agreement dated July 1, 2021, as amended from time to time, between BELP and Epiphany Consulting Services, as asset manager.

"**BELP Business**" means the business and operations of BELP which has included and may in the future include, from time to time, purchasing, managing, leasing, developing and disposing of or selling real property and other related activities, including retaining advisory services and a licensed property management provider as may be necessary or desirable and engaging in all other activities and carrying on all other ancillary businesses as determined by its general partner.

"**BELP Commitment Letter**" means the letter agreement dated October 5, 2023, as amended from time to time, between BELP, as the borrower, and CWB, as the Lender, in respect of the BELP Loan.

"**BELP Guarantors**" means Black Elm Financial, Epiphany Group and Epiphany Consulting Services.

"**BELP Loan**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**BELP Loan Conditions**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**BELP Management Agreement**" means the restated management agreement dated September 1, 2024, as amended from time to time, between BELP and Braemore, as manager.

"**BELP Properties**" means any properties owned by BELP from time to time.

"**Black Elm Financial**" means Black Elm Financial Corp.

"**Braemore**" means Braemore Management Ltd., a corporation that is an Affiliate of Epiphany Group.

"**Braemore Realty**" means a division of Braemore.

"**Business**" means the business of the Trust as outlined in **Item 4.1 – Securities Except for Debt Securities – Business of the Trust** and **Item 2 – Business of Epiphany Legacy Investment Mutual Fund Trust**, which business is currently being undertaken through the Trust's investments in the Partnerships which, in turns, undertake together, the ECLP Business, the EMLP Business and historically and potentially in the future, the BELP Business or any other business of the Partnerships or the Legacy Entities from time to time (collectively, the "**Business of the Partnerships**"), as applicable and outlined in **Item 2.3 – Operations Management** and **Item 2.7 – Business of the Partnerships**.

"**Business Day**" means any day except Saturday, a Sunday or a statutory holiday in the City of Lethbridge, Alberta.

"**Business of the Partnerships**" has the meaning assigned to that term in the definition of Business.

"**Calculation Period**" in respect of the Debentures means each fiscal quarter during which such Debentures are outstanding.

"**CAM**" means common area maintenance in regard to certain properties held by the Partnerships.

"**cap rate**" means capitalization rate.

"**Class**" means either of the two classes of Participating Preferred Trust Units and any other class of units of the Trust that may be outstanding from time to time, and "**Classes**" means all of them.

"**Class X Redemption Price**" has the meaning assigned to that term in **Item 2.13 – Material Agreements – LP Agreements**.

"**Class X Unit**" means a Class X limited partnership unit in the Partnerships with the terms as described in the LP Agreements and "**Class X Units**" means more than one of them.

"**Closing**" means the acceptance by the Trust of the subscription of any Participating Preferred Trust Units subsequent to the Initial Contribution.

"**Closing Date**" means the date on which a Closing occurs.

"**CMHC**" means Canada Mortgage and Housing Corporation.

"**Collateral**" means present and after acquired property of the Partnerships, as described further in the Debentures.

"**Commission Subscriber**" means a Participating Preferred Class A Trust Unitholder for which an Agent received a commission and/or commission and trailer at Closing.

"**Commitment Fee**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**Conflict of Interests**" has the meaning assigned to that term in **Item 4.1 – Securities Except for Debt Securities – Governance of the Trust and the Administrator**.

"**CRA**" means Canada Revenue Agency.

"**CWB**" means Canadian Western Bank Financial Group.

"**CWB Prime**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**Debentures**" means the fluctuating rate subordinated secured debentures of the Partnerships acquired by the Trust from time to time.

"**Declaration of Trust**" means the declaration of trust dated as of September 2, 2021 among the Trustees, the Initial Participating Preferred Trust Unitholder, and each person who becomes a Participating Preferred Trust Unitholder thereafter, which was amended and restated on March 29, 2022, and was later amended and restated on June 12, 2023, together with all amendments, supplements, restatements and replacements thereof from time to time.

"**Deferred Plan Capital**" means capital of any kind raised by the Trust from an Exempt Plan pursuant to this Offering.

"**Distributable Cash**" of the Trust at any particular time means:

- (a) the amount of cash held by the Trust at that time, less any amounts that in the opinion of the Administrator, acting reasonably and in good faith (or in the opinion of the Trustees in the absence of an Administrator), are required in order to finance the Trust's business and operations and meet its obligations; and
- (b) at the time of dissolution of the Trust, shall include the value of any assets of the Trust required to be distributed *in specie*.

"**Distribution(s)**" means all amounts paid or securities or other Trust Assets distributed to a Participating Preferred Trust Unitholder in respect of such Participating Preferred Trust Unitholder's interest or entitlement in the Trust in accordance with the provisions of the Declaration of Trust.

"**Distribution Payment Date**" means in respect of a Distribution Period, the date that is the last Business Day of the month immediately following the end of a Distribution Period, or such other date as may be determined from time to time by the Trustees or the Administrator.

"**Distribution Period**" means the three-month periods ending March 31, June 30, September 30 and December 31 in each calendar year, or such other periods as may be determined from time to time by the Trustees or the Administrator.

"**Distribution Record Date**" means the last Business Day in a Distribution Period or such other date as may be determined from time to time by the Trustees or the Administrator.

"**DRIP**" means the distribution reinvestment plan for the Trust pursuant to the Declaration of Trust.

"**ECLP**" means Epiphany Commercial Limited Partnership, historically referred to as Epiphany Perpetuity Limited Partnership.

"**ECLP Agreement**" means the sixth amended and restated limited partnership agreement dated May 1, 2024 among 222 AB, as general partner, and various other limited partners pursuant to the laws in the Province of Alberta.

"**ECLP Asset Management Agreement**" means the asset management agreement dated July 1, 2021, as amended from time to time, between ECLP and Epiphany Consulting Services, as asset manager.

"**ECLP Business**" means the business and operations of ECLP, which has included and may in the future include, from time to time, acquiring, developing, selling, disposing of, leasing, maintaining, managing and/or renting commercial real property and other related activities, including retaining advisory services and a licensed property management provider as may be necessary or desirable and engaging in all other activities and carrying on all other ancillary businesses as determined by its general partner.

"**ECLP Commitment Letter**" means the letter agreement dated December 2, 2022, as amended from time to time, between ECLP, as the borrower, and CWB in respect of the ECLP Loan.

"**ECLP Guarantors**" means collectively, Epiphany Group, 222 AB and Epiphany Consulting Services.

"**ECLP Loan**" has the meaning assigned to that term in **Item 2.13 – Material Agreements – ECLP Commitment Letter**.

"**ECLP Loan Conditions**" has the meaning assigned to that term in **Item 2.13 – Material Agreements – ECLP Commitment Letter – ECLP Loan Conditions**.

"**ECLP Management Agreement**" means the restated management agreement dated June 14, 2023, as amended from time to time, between ECLP and Braemore, as manager.

"**ECLP Properties**" has the meaning assigned to that term in **Item 2.7 – Business of the Partnerships – Current Property Portfolio**.

"**Eighth EMLP Loan**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**Eleventh EMLP Loan**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**EMLP**" means Epiphany Multi-Family Limited Partnership, historically referred to as Emerald Delta Limited Partnership.

"**EMLP Agreement**" means the second amended and restated limited partnership agreement dated May 1, 2024, among 243 AB, as general partner, and various other limited partners pursuant to the laws in the Province of Alberta.

"**EMLP Asset Management Agreement**" means the asset management agreement dated May 15, 2023, as amended from time to time, between EMLP and Epiphany Consulting Services, as asset manager.

"**EMLP Business**" means the business and operations of EMLP, which has included and may in the future include, from time to time, acquiring, developing, selling, disposing of, leasing, maintaining, managing and/or renting residential real property and other related activities, including retaining advisory services and a licensed property management provider as may be necessary or desirable and engaging in all other activities and carrying on all other ancillary businesses as determined by its general partner.

"**EMLP Commitment Letters**" means the letter agreements dated March 31, 2023, April 27, 2023, May 12, 2023, January 2, 2024, March 15, 2024, and April 30, 2024, as amended from time to time, between EMLP, as the borrower, and Peoples, as the Lender, in respect of the EMLP Loans as further described in **Item 2.13 – Material Agreements**.

"**EMLP Guarantors**" means Epiphany Group.

"**EMLP Loans**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**EMLP Management Agreement**" means the management agreement dated effective September 1, 2024, as amended from time to time, between EMLP and Braemore, as manager.

"**EMLP Properties**" has the meaning assigned to that term in **Item 2.7 – Business of the Partnerships – Current Property Portfolio**.

"**Epiphany Consulting Services**" means Epiphany Consulting Services Ltd., a corporation that is an Affiliate of Epiphany Group.

"**Epiphany Group**" means Epiphany Group Ltd. and its Affiliates.

"**Event of Default**" has the meaning assigned to that term in **Item 2.13 – Material Agreements – Inter-Partnership Lending Agreement**.

"**Exempt Plan**" means any registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan ("**DPSP**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax-free savings account ("**TFSA**"), or first home savings account ("**FHSA**"), all as defined in the Tax Act.

"**Extraordinary Resolution**" means when used in respect of the Trust, a resolution proposed to be passed as an extraordinary resolution at a meeting of a Class of Participating Preferred Trust Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions of the Declaration of Trust at which a quorum is present, which resolution is passed by the affirmative votes of the holders of more than 66 2/3% of the Participating Preferred Trust Units of that Class represented at the meeting and voted upon such resolution.

"**Fifth EMLP Loan**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**Financial Institution**" means a financial institution as defined in subsection 142.2(1) of the Tax Act.

"**First EMLP Loan**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**Fourth EMLP Loan**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**GAAP**" means Canadian generally accepted accounting principles determined with reference to The Handbook of the Chartered Professional Accountants of Canada (which for greater certainty includes IFRS, at the relevant time).

"**GDP**" means gross domestic product, which is the measurement of the total value of final goods and services produced over a specific time-period in a jurisdiction.

"**Gross Proceeds**" means, the aggregate gross proceeds realized by the Trust from the amount of Participating Preferred Trust Units sold to Subscribers pursuant to the Offering.

"**Holder**" has the meaning assigned to that term in **Item 8 – Income Tax Consequences and Deferred Plan Eligibility**.

"**IAS 40**" has the meaning assigned to that term in **Item 2.4 – Investment Flow Charts**.

"**IFRS**" means the International Financial Reporting Standards applicable to the business of the Trust, as such principles are established and in effect from time to time.

"**Indebtedness**" means any present or future Indebtedness of the Partnerships but does not include the Debentures.

"**Independent**" or "**Independence**" will be determined in accordance with the test set out in National Instrument 52-110 – *Audit Committees*.

"**Initial Contribution**" means the amount of \$4,500.00 paid by the settlor of the Trust, the Initial Participating Preferred Trust Unitholder, to the Trustees for the purpose of settling the Trust.

"**Initial Participating Preferred Trust Unitholder**" the individual who is the initial Participating Preferred Trust Unitholder, pursuant to the Declaration of Trust.

"**Inter-Partnership Lending Agreement**" means the agreement dated September 29, 2021 among ECLP, BELP, CWB and the Trust.

"**Investment Fund Management Agreement**" means the investment fund management and advisory services agreement effective as of April 20, 2022 between the Trust and the Investment Fund Manager, as may be amended from time to time. See **Item 2.13 – Material Agreements – Investment Fund Management Agreement**.

"**Investment Fund Manager**" means the investment fund manager of the Trust appointed under the Investment Fund Management Agreement to provide investment fund manager and advisory services to the Trust, which is currently Axxess Capital Advisors Inc., a corporation incorporated under the laws of Canada.

"**Legacy Entities**" means the Trust and the Partnerships and any of their respective Affiliates from time to time.

"**Lenders**" mean any Scheduled banks under the *Bank Act* (Canada) that have forwarded money to the Partnerships (or any Partnership) as loan proceeds for the purposes of the Business or the operations of such Partnerships or Partnership, and includes Senior Creditors, and "**Lender**" means any one of them.

"**Lenders Debts**" means any Indebtedness incurred by the Partnerships from Lenders incurred by the Partnerships from time to time and includes Senior Indebtedness. As of the date hereof, the Lenders Debts consist of the BELP Loan, the ECLP Loan, and the EMLP Loans.

"**LP Agreements**" means the BELP Agreement, the ECLP Agreement and the EMLP Agreement.

"**Material Agreements**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**Net Asset Value**" means the amount, as at the last day of the applicable fiscal quarter, resulting from adding IFRS balance sheet assets of the Trust, subtracting IFRS balance sheet liabilities of the Trust, adding appropriate non-IFRS adjustments. The non-IFRS adjustments may include, but are not limited to:

- (a) adjustments for applicable property portfolio premiums;
- (b) adjustments due to the capitalization of certain capital expenses, which accrue over a long period of time and should be allocated between holders of Participating Preferred Trust Units exiting, remaining and incoming to the Trust but may be written off or effectively written off under IFRS, or where the value of such expense is not yet reflected, in whole or in part in the property portfolio valuation due to lags in timing;
- (c) between quarters property portfolio adjustments; and/or
- (d) additional discretionary adjustments.

For the purposes of this calculation, "**property portfolio premium**" means an adjustment to IFRS valuations to take into account the difference a buyer may pay for a portfolio of properties versus an individual property.

"**Net Asset Value per Participating Preferred Trust Unit**" means at a particular time the amount of the relevant Net Asset Value, as determined in accordance with the Declaration of Trust, divided by all of the issued and outstanding Participating Preferred Trust Units at that time.

"**Net Realized Capital Gains**" means the net realized capital gains of the Trust for any taxation year of the Trust, which 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:

- (a) the aggregate of the capital losses of the Trust realized in such year; and
- (b) each amount determined by the Trustees in respect of any net capital loss for any prior taxation year that the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for the current taxation year of the Trust.

"**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*.

"**Ninth EMLP Loan**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**NOI**" means net operating income.

"**Non-resident**" means a person who is not a resident of Canada for the purposes of the Tax Act.

"**Offering**" means the offering of Participating Preferred Trust Units by the Trust from time to time, pursuant to this Offering Memorandum, or other applicable prospectus exemptions in accordance with applicable securities laws.

"**Offering Jurisdictions**" means Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Saskatchewan, and Yukon, the Provinces and Territories of Canada in which Trust is conducting the Offering.

"**Offering Memorandum Exemption**" means the exemptions from the prospectus requirements pursuant to Section 2.9(1), 2.9(2) and 2.9(2.1) of NI 45-106.

"**Operations Management**" means Epiphany Group's in-house operations team.

"**Ordinary Resolution**" means in respect of the Trust, a resolution proposed to be passed as an ordinary resolution at a meeting of Participating Preferred Trust Unitholders of a Class (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions hereof at which a quorum is present, which resolution is passed by the affirmative votes of a majority of the Participating Preferred Trust Units of that Class represented at the meeting in person or by proxy and voted upon such resolution.

"**Over-Subscription Option**" means the discretion of the Administrator to accept subscriptions for Participating Preferred Trust Units at each of the issue prices of \$4.75 and \$5.00, as applicable, even though the tranche number of Participating Preferred Trust Units (1,811,361, and 6,000,000 Participating Preferred Trust Units, as applicable) to be issued at a relevant price has been exceeded, in circumstances where subscriptions have previously been completed by subscribers or submitted but were not processed prior to the relevant tranche being exceeded. The Over-Subscription Option is exercisable in whole or in part, and the number of additional Participating Preferred Trust Units that may be issued at each price will not exceed 35% of the aggregate number of Participating Preferred Trust Units intended to be issued at the relevant price (i.e., up to 2,548,203.26 and/or 8,100,000 additional Participating Preferred Trust Units may be issued at \$4.75 and \$5.00, respectively). If the Over-Subscription Option is exercised in full, an aggregate of 10,648,203.26 Participating Preferred Trust Units would be issued and the Gross Proceeds of the Offering would be 52,603,965.50.

"**Participating Preferred Class A Trust Unit**" means a Class A Participating Preferred Trust Unit of the Trust entitling the holder of record thereof to the rights, restrictions, privileges and obligations provided in the Declaration of Trust.

"Participating Preferred Class A Trust Unitholder" means, at any time, the holder of one or more Participating Preferred Class A Trust Units, as shown on the Register.

"Participating Preferred Class F Trust Unit" means a Class F Participating Preferred Trust Unit of the Trust entitling the holder of record thereof to the rights, restrictions, privileges and obligations provided in the Declaration of Trust.

"Participating Preferred Class F Trust Unitholder" means, at any time, the holder of one or more Participating Preferred Class F Trust Units, as shown on the Register.

"Participating Preferred Trust Unit(s)" or **"Trust Unit(s)"** means the Participating Preferred Class A Trust Units, the Participating Preferred Class F Trust Units and such other classes of participating preferred trust units as the Trustees may issue from time to time pursuant to the Declaration of Trust, and as more particularly described under **Item 5.1 – Terms of Securities**.

"Participating Preferred Trust Unit Certificates" means a certificate, in a form that complies with the requirements of the Declaration of Trust and that is approved by the Trustee(s), evidencing one or more Participating Preferred Trust Units issued in accordance with the Declaration of Trust.

"Participating Preferred Trust Unitholder" means, at any time, the holders of one or more Participating Preferred Trust Units, as shown on the Register.

"Partnership Act" means *Partnership Act* (Alberta), as amended from time to time.

"Partnerships" means together, BELP, ECLP and EMLP or any other partnership of Epiphany Group that the Trust may invest in from time to time, and **"Partnership"** means any one of them.

"Payment Mechanism" means upon receipt by the Trust of a confirmation of electronic funds transfer of the Trust to the Participating Preferred Trust Unitholder or alternatively, mailing of a cheque in a postage pre-paid envelope, addressed to the Participating Preferred Trust Unitholder at the Participating Preferred Trust Unitholder's address appearing in the Register, unless such cheque is dishonoured upon presentment.

"Peoples" means Peoples Trust Company, Peoples Bank of Canada, and Peoples Group, as applicable.

"Promoters" means Black Elm Financial and 222 AB.

"Recordkeeper" means the recordkeeper of the Trust, with such person or persons being appointed by the Administrator from time to time to keep track of the owners of Participating Preferred Trust Units and process subscription and redemption orders, the initial recordkeeper being the Administrator.

"Redeeming Unitholder" means the Participating Preferred Trust Unitholder exercising the redemption privilege pursuant to the Declaration of Trust.

"Redemption Fee" means in each case, the fees deducted from the amount paid by the Trust to the Redeeming Unitholder for each Participating Preferred Trust Unit that is redeemed:

- (a) if the Redeeming Unitholder is a Participating Preferred Class A Trust Unitholder that was a Trailer Subscriber, then such Participating Preferred Trust Unitholder will pay a redemption fee that is equal to 3% of the Redemption Price; or
- (b) if the Redeeming Unitholder is a Participating Preferred Class A Trust Unitholder that was a Commission Subscriber, then such Participating Preferred Trust Unitholder will pay the applicable redemption fee set forth below:

<u>Period in which Redemption Notices received by the Trust following each Closing:</u>	<u>Applicable Redemption Fee:</u>
1 to 12 months	9%
13 to 24 months	7%
25 to 36 months	5%
37 to 48 months	3%
49 to 60 months	0%

- (c) if the Redeeming Unitholder is a Participating Preferred Class F Trust Unitholder, then such Participating Preferred Trust Unitholder will pay a Nil% redemption fee, which for greater certainty means that if the Redeeming Unitholder is a Class F Participating Preferred Trust Unitholder, they will be entitled to receive the full Redemption Price, provided that the Trustees may, in their sole discretion, apply a redemption fee of 12% on the Redemption Price of any Participating Preferred Class F Trust Unit redeemed within 24 months of the issuance of such Participating Preferred Class F Trust Unit to protect the Trust from any potential arbitrage risk.

"**Redemption Notes**" means promissory notes issued in series, or otherwise, by the Trust pursuant to a note indenture or otherwise and issued to a redeeming Participating Preferred Trust Unitholder through the conversion of the remaining Participating Preferred Trust Units not redeemed into Redemption Notes, as described in **Item 4.1 – Securities Except for Debt Securities – Summary of the Declaration of Trust – Redemptions** and having the following terms and conditions:

- (a) unsecured and bearing interest from and including the issue date of each such note at a market rate determined at the time of issuance, based on the advice of an independent financial advisor, by the Administrator and payable annually in arrears (with interest after as well as before maturity, default and judgement, and interest on overdue interest at such rate);
- (b) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Trust with holders of senior indebtedness;
- (c) subject to earlier prepayment, being due and payable on the fifth anniversary of the date of issuance; and
- (d) subject to such other standard terms and conditions as would be included in a note indenture or other document for promissory notes of this kind, as may be approved by the Administrator.

"**Redemption Notice**" means a notice sent by a Participating Preferred Trust Unitholder to the Trust, in accordance with the terms and conditions of the Declaration of Trust, in respect of the Participating Preferred Trust Units that Participating Preferred Trust Unitholder wishes to redeem.

"**Redemption Notice Receipt Date**" means, Redemption Notices that are received by the Trust by December 1, March 1, June 1, or September 1 of each year.

"**Redemption Payment Date**" means the date the redemption payment amount (as determined by the Declaration of Trust) is paid to a Participating Preferred Trust Unitholder exercising the redemption privilege being the applicable April 30, July 31, October 31 or January 31 following a Redemption Processing Date.

"**Redemption Price**" means a redemption price per Participating Preferred Trust Unit of:

- (a) the listed price per Participating Preferred Trust Unit if the Participating Preferred Trust Units are listed; or
- (b) if the Participating Preferred Trust Units are not listed, a redemption price equal to the Net Asset Value per Participating Preferred Trust Unit,

in each case, less the applicable Redemption Fee; provided however that, notwithstanding anything else herein, until the sixth anniversary date of the Declaration of Trust, the Redemption Price for any Participating Preferred Trust Unit acquired by a Participating Preferred Trust Unitholder prior to the date on which the aggregate gross proceeds received by the Trust from subscriptions for Participating Preferred Trust Units was equal to or greater than \$20 million, will not be less than \$5.00 per Participating Preferred Trust Unit.

"Redemption Processing Date" means a subsequent date that a Redemption Notice is processed by Trust after a Redemption Notice Receipt Date, being the applicable March 31, June 30, September 30 or December 31 following a Redemption Notice Receipt Date.

"Register" means a register of holders of Participating Preferred Trust Units that will be kept on behalf of the Trust and will contain the names and addresses of the holders of Participating Preferred Trust Units, the respective numbers of Participating Preferred Trust Units held by them, the dates of issue and certificate numbers of the Participating Preferred Trust Unit Certificates representing such Participating Preferred Trust Units and a record of all transfers and redemptions thereof pursuant to the Declaration of Trust.

"Regulations" has the meaning assigned to that term in **Item 8 – Income Tax Consequences and Deferred Plan Eligibility**.

"Related Party" has the meaning assigned to that term in NI 45-106 as at the date of this Offering Memorandum.

"Retroactive Tax Election" has the meaning assigned to that term in **Item 2.2 – The Trust**.

"Second EMLP Loan" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"Securities Act" means the *Securities Act* (Alberta), as amended from time to time.

"Senior Creditor" means the holder of any Senior Indebtedness.

"Senior Indebtedness" means the principal amount, interest and all other obligations and liabilities of a Partnership in respect of indebtedness for money borrowed by the Partnerships from a Scheduled bank under the *Bank Act* (Canada).

"Senior Security" means any security interest provided by as a result of any Senior Indebtedness.

"Seventh EMLP Loan" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"SIFT Rules" has the meaning assigned to that term in **Item 8 – Income Tax Consequences and Deferred Plan Eligibility**.

"Sixth EMLP Loan" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"Standard of Care" has the meaning assigned to that term in **Item 4.1 – Securities Except for Debt Securities – Capital – Summary of the Declaration of Trust – Trustees**.

"Subscriber(s)" means a person who subscribes for Participating Preferred Trust Units.

"**Subscription Agreement**" means the subscription agreement to be completed by all Subscribers pursuant to the Offering, in the form prescribed by the Administrator.

"**Subscription Price**" means the original amount paid by each Participating Preferred Trust Unitholder for each Participating Preferred Trust Unit held by them.

"**Supplier**" has the meaning assigned to that term in **Item 10 – Risk Factors**.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time.

"**Tax Amendments**" has the meaning assigned to that term in **Item 8 – Income Tax Consequences and Deferred Plan Eligibility**.

"**Tax Proposals**" has the meaning assigned to that term in **Item 8 – Income Tax Consequences and Deferred Plan Eligibility**.

"**Tenth EMLP Loan**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**Termination Date**" means September 2, 2121, unless the Trust's operations are continued in accordance with the Declaration of Trust. See **Item 4.1 – Securities Except for Debt Securities – Summary of the Declaration of Trust – Term of the Trust and Distribution on Wind-Up**.

"**Third EMLP Loan**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**Thirteenth EMLP Loan**" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"**TIPP Program**" Tax Instalment Payment Plan implemented by municipalities to collect property tax payable by property owners in periodic instalments.

"**Total Debenture Value**" means to aggregate amount of Debentures of a Partnership issued and outstanding on the particular date of determination.

"**Total Trust Commitment Fee**" has the meaning assigned to that term in **Item 2.13 – Material Agreements – The Debentures**.

"**Trailer Subscriber**" means a Participating Preferred Class A Trust Unitholder for which an Agent received only a trailing commission.

"**Trust**" means Epiphany Legacy Investment Mutual Fund Trust.

"**Trust Assets**" means any and all properties and assets held from time to time by the Trust or by the Trustees on behalf of the Trust, including:

- (a) the Initial Contribution;
- (b) all funds or property derived from the issuance of Participating Preferred Trust Units or other funds or property received by the Trust;
- (c) any securities, whether debt or equity, of the Partnerships or any of the Legacy Entities;
- (d) any property or assets held from time to time by or on behalf of the Trust;

- (e) any proceeds of disposition of any of the foregoing property or in respect of the investment or substitution of the foregoing property; and
- (f) 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 Income" means the income of the Trust for any taxation year of the Trust will be the income for such year computed in accordance with IFRS; provided, however, that capital gains and capital losses (as those terms are understood for purposes of the Tax Act) will be excluded from the computation of Trust Income.

"Trust Liabilities" any taxes, levies, imposts or charges or fines, penalties or interest in respect thereof payable by the Trust or by the Trustees or by any other person (except the Participating Preferred Trust Unitholder to the extent required by applicable tax laws) on behalf of or in connection with the activities or affairs of the Trust.

"Trustee" means, at any time, a person who is, in accordance with the provisions hereof, a trustee of the Trust at such time, and **"Trustees"** means, at any time, all of the persons, each of whom is at that time a Trustee. See **Item 3 – Trustees, Directors, Management, Promoters and Principal Holders**.

"Trustee's Certificate" has the meaning assigned to that term in **Item 8 – Income Tax Consequences and Deferred Plan Eligibility**.

"Twelfth EMLP Loan" has the meaning assigned to that term in **Item 2.13 – Material Agreements**.

"Western Provinces" means the Canadian provinces of British Columbia, Alberta, Saskatchewan, and Manitoba.

"Working Capital Reserve" or **"WCR"** means an amount of cash and cash equivalents as determined by the Trust, in writing, on an annual basis and tested monthly, which amount shall be at least equal to 10% of the aggregate value of the Debentures issued and outstanding from time to time but shall not be greater than 20% of the aggregate value of the Debentures issued and outstanding from time to time.

"\$" means Canadian dollars.

In this Offering Memorandum, unless the context otherwise requires, grammatical variations of the words and terms in this Glossary have meanings corresponding to the meanings given in this Glossary. Without limiting the generality of the foregoing, words and terms in the Glossary that give the singular number only include the plural and vice versa, and words and terms importing the masculine, feminine or neuter gender include the other genders.

In this Offering Memorandum, unless expressly modified by the words "only" or "solely", the words "include", "includes" or "including", when following any general term or statement, are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters but rather are to be construed as meaning "include(s) without limitation" or "including without limitation" (as the context requires) and permitting such general term or statement to refer to all other items or matters that could reasonably fall within its broadest possible scope.

In this Offering Memorandum, unless the context otherwise requires, terms such as "we", "us" and "our" are meant to refer to the Trust and the Partnerships and terms such as "you" are meant to refer to Subscribers who purchase Trust Units under the Offering, thereupon becoming a Participating Preferred Trust Unitholder.

Item 1. USE OF AVAILABLE FUNDS

1.1 Available Funds.

This Offering is part of a larger offering by the Trust, and the remaining Gross Proceeds to be raised under the Offering are \$38,164,385.50 if the maximum Offering is completed (prior to the exercise of the Over-Subscription Option, if applicable). The following table sets out the funds that will be available for investment by the Trust in connection with the maximum Offering:

	Available Funds	If Maximum Offering Achieved⁽¹⁾
A	Amounts to be raised by the Issuance of this Offering ¹	\$38,164,385.50
B	Selling commission and Agents' Fees ^{2, 4}	\$3,053,150.84
C	Estimated Offering costs ^{3, 4}	\$700,000.00
D	Available funds: D = A-(B+C)	\$34,411,234.66
E	Additional sources of funding required ⁴	\$3,753,150.84
F	Working capital deficiency	\$0.00
G	Total: G = (D+E) – F	\$38,164,385.50

Notes:

- ⁽¹⁾ Assumes no Participating Preferred Trust Units are issued pursuant to the exercise of the Over-Subscription Option in the Second Tranche and the Third Tranche.
- ⁽²⁾ The Trust will incur certain expenses in connection with the Offering, including paying Agents' Fees to Agents or, where permitted, non-registrants of up to 8% of the subscription proceeds obtained by such persons or from subscribers for Participating Preferred Class A Trust Units introduced to the Trust by such persons. This amount assumes that only Participating Preferred Class A Trust Units are sold. See **Item 9 – Compensation Paid to Sellers and Finders**.
- ⁽³⁾ Expenses of the Offering include, but are not limited to, legal, accounting and audit, travel and marketing expenses which are estimated to be \$700,000.00.
- ⁽⁴⁾ Under the terms of the Debentures, the minimum interest payments for any Calculation Period in all cases will be equal to the Total Trust Commitment Fee, see **Item 2.13 – Material Agreements – Debentures**, such that all costs of the Trust will ultimately be borne by the Partnerships.

1.2 Use of Available Funds.

The following table provides a detailed breakdown of how the Trust will use the available funds of this Offering in the 36 months ensuing from the date of this Offering Memorandum:

	Use of Available Funds	Maximum Offering
A	Pay for all costs and selling commissions associated with this Offering	\$0
B	Capital available to acquire the Trust Assets, which will be utilized by the Partnerships to acquire properties, fund redemptions, invest in the Business and for general working capital purposes. ^{1,2}	\$38,164,385.50
	Total	\$38,164,385.50

Notes:

- ⁽¹⁾ This value accounts for start-up costs and other initial costs incurred by the Trust and Partnerships, which costs will ultimately be borne by the Partnerships in accordance with the Total Trust Commitment Fee (as discussed in note 4 of **Item 1.1 – Available Funds**). The total amounts above represent the total funds raised by the Offering less any applicable selling commission and Agents' Fees.
- ⁽²⁾ A portion of the available funds will be used by the Trust for payments to Related Parties. See **Item 1.4 – Proceeds Transferred to Other Issuers, Item 2.13 – Material Agreements, Item 10 – Risk Factors – Related Party Conflicts of Interest**, and Schedule E.

1.3 Reallocation.

The Trust intends to spend the available funds as stated, see **Item 1.1 – Available Funds** and **Item 1.2 – Use of Available Funds**. The Trust will reallocate the funds only for sound business reasons and in a manner that generally aligns with, or is supportive of, the overall nature and goals of the Business. See **Item 4.1 – Securities Except for Debt Securities – Summary of the Declaration of Trust**.

1.4 Proceeds Transferred to Other Issuers.

A significant amount of proceeds from this Offering will be transferred to the Partnerships by way of the Debentures. The relationship between the Trust and the Partnerships, along with the nature of the Debentures is discussed, and diagrammed, in more detail below. See **Item 2 – The Business of Epiphany Legacy Investment Mutual Fund Trust** and **Item 4 – Capital Structure**. Schedule E to this Offering Memorandum contains disclosure regarding the real estate activities of the Partnerships. From time to time, among other things and based on what Operations Management determines to be in the best interests of the Business of the Partnerships, the Partnerships may transfer, sell or assign the properties set out at Schedule E among themselves, to external parties or to additional partnerships or other entities created following the date hereof. Further, in the event that it becomes expedient to do so, Operations Management may determine to transfer substantially all of the assets from, or wind-up, an existing Partnership, in which case the treatment of the assets set out at Schedule E will be subject to further changes. At this time, no properties are owned by BELP, as better rates of returns were available in ECLP and EMLP due to pre-existing contractual limitations. Operations Management will continue to assess opportunities for the Business of the Partnerships. The Trust cannot guarantee that the properties, any future properties, or the results of the Trust will match, or be reflective of, the information included in Schedule E and the Trust does not undertake, except as required by applicable laws, any obligation to update or to revise any statements (including any forward-looking statements) in this **Item 1.4 – Proceeds Transferred to Other Issuers**, **Item 2.7 – The Business of the Partnerships** or Schedule E, whether as a result of new information, future events or otherwise.

1.5 Future Cash Calls.

An investor in these securities will not be required to make any additional funds available to the Trust in addition to their Subscription Price.

Item 2. BUSINESS OF EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

2.1 Structure.

The Trust has been formed for the purpose of directly investing in the Business of the Partnerships, which are operated out of Lethbridge, Alberta (see **Item 4.1 - Securities Except for Debt Securities - Business of the Trust**). The Trust intends to use all or substantially all of the net proceeds realized from its Offering to invest in securities of the Partnerships, specifically the Debentures and Class X Units. In turn, the Partnerships will use the funds received from the Trust investments for the purposes set out in **Item 1.2 – Use of Available Funds** herein (see **Item 2.7 – Business of the Partnerships**).

As described more fully below (see **Item 2.13 – Material Agreements – The Debentures** and **Item 2.13 – Material Agreements – The LP Agreements**), concurrently with the issuance or redemption of any Debentures to the Trust, the Partnerships will also issue or redeem, respectively Class X Units to the Trust.

The Trust will earn interest on the Debentures, which it will then pass on to the Participating Preferred Trust Unitholders through its regular Distributions. The interest on the Debentures paid to the trust will vary (see **Item 2.4 – Investment Flow Chart**, **Item 2.13 – Material Agreements – The Debentures** and **Item 4.1 – Securities Except for Debt Securities – Distributions**).

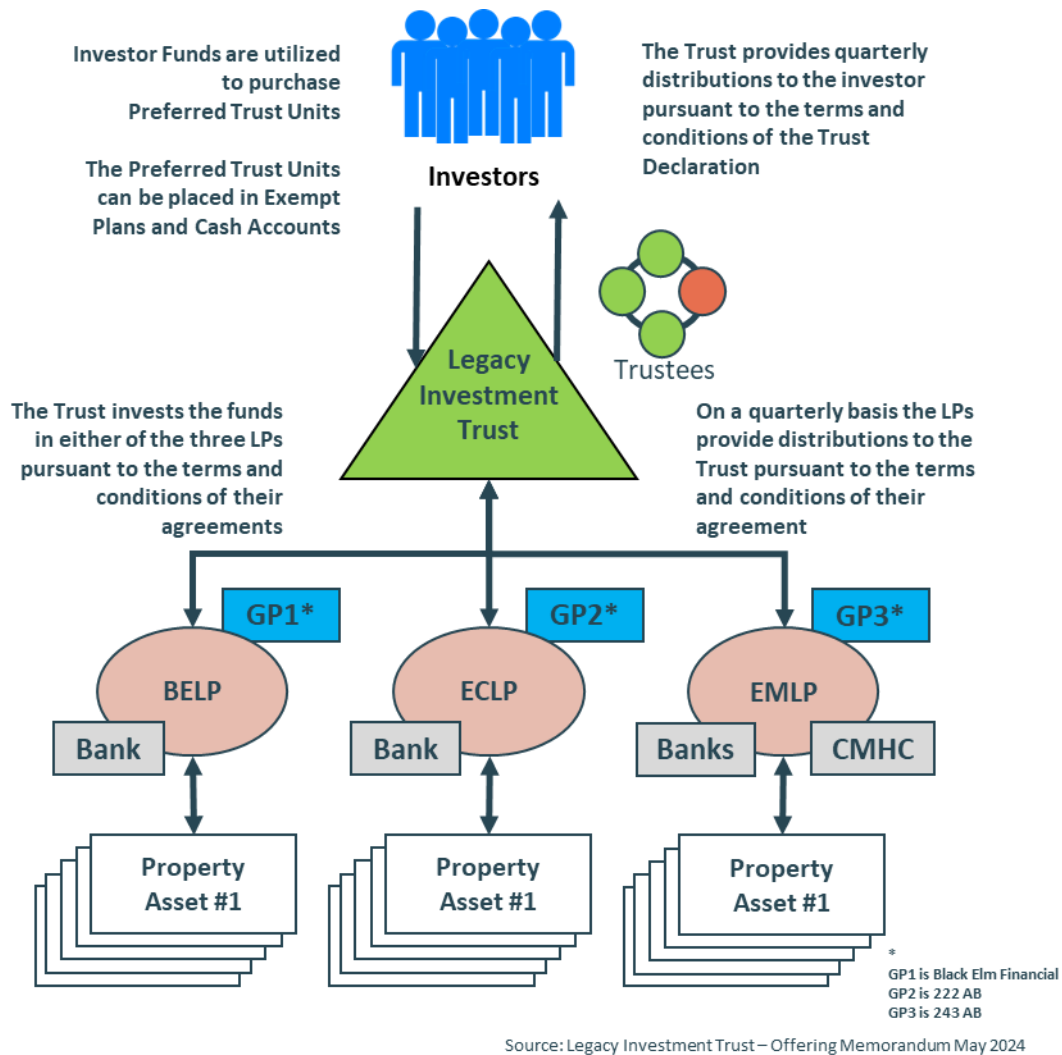
The Trust will not receive any income or distributions in respect of the Class X Units. Instead, the Trust will realize value, if any, on the Class X Units upon the redemption or repurchase of the Class X Units by the Partnerships and the distribution of the applicable Class X Redemption Price for such Class X Units to the Trust.

The Class X Units will be issued at a price per Class X Unit that is equal to the Class X Redemption Price on the date of issuance. The total number of Class X Units issued at the time of any issuance of Debentures, will be equal in aggregate value to the principal amount of Debentures then being issued. In this regard, the value and number of Class X Units issued in connection with the Debentures will vary Closing to Closing. Similarly, as the Class X Redemption Price will fluctuate based on estimated total values of real property assets and interests, the amount of gain (or loss) realized in respect of the Class X Units between the date of acquisition and the date of repurchase or redemption, will vary. Given that the value of the Debentures and Class X Units held by the Trust will form all or substantially all of the Net Asset Value of the Trust, where the value between the Class X Redemption Price on the date of redemption or repurchase is significantly higher than the Class X Redemption Price on the date of acquisition, the Net Asset Value of the Trust will have a commensurate increase and, therefore, Participating Preferred Trust Unitholders redeeming or having their Participating Preferred Trust Units repurchased in such circumstances will realize a higher Redemption Price for their Trust Units than they would if the Class X Redemption Price on the date of redemption or repurchase was only marginally higher, or even lower, than the Class X Redemption Price on the date of acquisition.

As such, the Trust will, through the Debentures, receive interest at a fluctuating rate based on the quarterly performance of the Partnerships and, through the Class X Units, will realize one-time value based on estimated real property asset and interest values at the time of redemption or repurchase of Trust Units. Given that the Distributions and Redemption Prices in respect of the Trust Units are based on the interest and income earned by the Trust, the Participating Preferred Trust Unitholders will, therefore, be afforded the opportunity to receive regular Distributions as well as additional value based on the ongoing success of the Partnerships.

In addition to using funds received from Subscribers to invest in the Business of the Partnerships, the Trust may, from time to time, enter into other financial arrangements, including through obtaining secured loans, receiving lines of credit, issuing other debt instruments or otherwise. These other financial arrangements, and the terms of such arrangements, may be utilized by the Trust in circumstances where the Trustees have determined it to be in the best interests of the Trust or the Participating Preferred Trust Unitholders.

The following diagram shows the relationship between the Participating Preferred Trust Unitholders, the Trust and the Partnerships and the anticipated flow of funds. This diagram is provided for illustrative purposes, is intentionally non-technical in nature and is qualified in its entirety by the detailed information found elsewhere in this Offering Memorandum.



2.2 The Trust.

The Trust was formed under the laws of the Province of Alberta on September 2, 2021 under the name "Epiphany Legacy Investment Mutual Fund Trust" pursuant to the Declaration of Trust. Certain provisions of the Declaration of Trust are summarized in this Offering Memorandum. See **Item 4.1 – Securities Except for Debt Securities**.

The Trust has been established to invest the Gross Proceeds generated from the sale of its Participating Preferred Trust Units by utilizing such proceeds to acquire the Trust Assets, which will be utilized by the Partnerships to acquire properties, fund redemptions, invest in the Business of the Partnerships, and for general working capital purposes. To date the Trust has raised aggregate Gross Proceeds of \$11,835,614.50 pursuant to the sale of Participating Preferred Trust Units to Subscribers, with 2,754,584.93 Participating Preferred Trust Units currently issued and outstanding, which includes issuances pursuant to the DRIP.

The investment objective of the Trust is to provide Participating Preferred Trust Unitholders with:

- (a) an annualized participating preferred return of up to 8.2% or 7.8% based on a \$4.75 and \$5.00 Participating Preferred Class A Trust Unit issue price, respectively;

- (b) an annualized participating preferred return of up to 10.0% or 9.5% based on a \$4.75 and \$5.00 Participating Preferred Class F Trust Unit issue price, respectively;
- (c) if the Participating Preferred Trust Unitholder selects, the Participating Preferred Trust Unitholder may in certain situations be able to receive its Distribution as a return of capital, a portion of which may be tax free (depending on availability and in the sole discretion of the Trustees); and
- (d) an investment backed by residential and commercial real estate assets through the Trust Assets.

For investors that purchase Participating Preferred Class A Trust Units at prices of \$4.75 and \$5.00, the annualized participating preferred return target is up to 8.2% or 7.8%, respectively. As noted above, the annualized participating preferred return threshold is up to 8.2% for investors that purchase Participating Preferred Class A Trust Units at a price of \$4.75. For investors that purchase Participating Preferred Class F Trust Units at prices of \$4.75 and \$5.00, the annualized participating preferred return target is up to 10.0% or 9.5%, respectively. As noted above, the annualized participating preferred return threshold is up to 10.0% for investors that purchase Participating Preferred Class F Trust Units at a price of \$4.75.

The Trust has two classes of Participating Preferred Trust Units, the Participating Preferred Class A Trust Units and the Participating Preferred Class F Trust Units. The Participating Preferred Class A Trust Units and Participating Preferred Class F Trust Units are identical to each other, except the Redemption Fees and selling expenses applicable to each Class. See **Item 9 – Compensation Paid to Sellers and Finders**.

The Trust is not considered a mutual fund under applicable Canadian securities legislation. The Trust qualified as a mutual fund trust under the Tax Act and elected, pursuant to subsection 132(6.1) of the Tax Act, in its tax return for its 2021 taxation year (its first taxation year), to be qualified as a mutual fund trust under the Tax Act from the beginning of its 2021 taxation year ("**Retroactive Tax Election**"). In order to remain qualified as a mutual fund trust there is a requirement, among other things, that there must be at least 150 Participating Preferred Trust Unitholders each of whom holds:

- (a) not less than one "block of units" of a class of Participating Preferred Trust Units; and
- (b) units of that class of Participating Preferred Trust Units having an aggregate fair market value of not less than \$504.

In the event that the Trust fails to continue to meet these requirements, the CRA may designate the Trust to no longer be an eligible investment for the purposes of Exempt Plans and Participating Preferred Trust Unitholders could be subject to significant adverse tax consequences.

The registered office of the Trust is 444 7 Ave SW #400, Calgary, AB T2P 0X8. The head office of the Trust is 50-550 WT Hill Blvd South, Lethbridge, AB T1J 4Z8.

2.3 Operations Management.

The name and principal occupation of each member of the management team of the Partnerships over the past five years is as follows:

Name	Principal Occupation & Industry Experience
Riley Dykslag Chief of Opportunities and Partnerships of BELP, ECLP and EMLP	Riley Dykslag is the Chief of Opportunities and Partnerships of the Partnerships and Epiphany Group. Riley got his start in real estate investing after building up a portfolio of rental properties in Lethbridge, Alberta. After dealing with the issues of personally managing a real estate portfolio, Riley explored a more purpose driven type of real estate investing. Through that vision, the Partnerships have

now grown into a completely investor hands-off approach to real estate. Riley is responsible for finding and attracting new prospective partners and properties to the Partnerships and executing and overseeing all operational components of all the real estate limited partnerships of Epiphany Group. Riley works to grow the Partnerships, maintain returns, and make investment decisions alongside his supporting team at Epiphany Group.

Before entering the real estate investment market, Riley served as a police officer in some of the highest investigative units within the province of Alberta. Today, he uses the leadership experience, discipline, and problem-solving skills that he gained through his policing career to guide the real estate limited partnerships on a day-to-day basis.

Matt Hemmerling
Broker, CEO of Braemore
Management Ltd.

Matt has deep roots in the real estate industry coming from a family with over 100 years operating within the home building, community development and professional home inspection industries. Matt began his career in property management in 2017, which drove valuable knowledge of real estate investing and how to optimize real estate investments. Matt managed over 500 doors in Alberta and maintained a less than 1% vacancy rate on this portfolio. Identifying the opportunity for a realty division within Braemore, Matt was responsible for opening Braemore Realty, a division of Braemore Management in 2020. A real estate investor himself in multiple provinces, Matt has a deep knowledge of tenancy laws and real estate economics in Western Canada and holds a Real Estate Broker license in Alberta and Saskatchewan.

Braemore – General Overview

Braemore was founded in Lethbridge, Alberta in November of 1980. Originally formed for the purpose of providing property management and real estate services to the Lethbridge community, Braemore soon turned its focus to property management. When, after over 35 years in operation, the ownership structure of Braemore changed hands, Braemore began to branch out to surrounding communities to offer professional property management services and seized the opportunity to re-introduce its realty division to the market.

Through its property management arm, Braemore has dedicated teams of professionals managing all manner of residential rental properties, condominiums, and commercial, retail, and industrial properties. In keeping with its long history of success in the property management industry, Braemore uses its expertise to ensure that its management and reporting services are effectively and efficiently executed. This is done by not only focusing on managing, maintaining, or increasing the value of the properties under its management but also undertaking the work for which it has been retained on time and on budget.

As with its property management business, the business arm of Braemore that focuses on the buying and selling of real estate is undertaken by a highly experienced team of professionals and a developed support system. Standing behind every realtor is access to Braemore's full marketing team, which includes graphic designers and social media coordinators. In addition, the Braemore team includes dedicated conveyancing, accounting, and support staff in order to ensure that Braemore Realty operates smoothly.

Braemore is an integral part of the acquisition and property management strategies of the Partnerships. When assisting with property acquisitions, some of the matters considered include, among others, cap rates, net operating income, vacancy rates, local market conditions to determine the capital investment allocation and strategy. Capital is allocated to the acquisitions that are the best suited to the portfolios of the Partnerships at the time and an extensive due diligence process is undertaken on every property by a team of accredited accountants and property management professionals. Opportunities are located for the Partnerships using a dedicated acquisition specialist, who is a licensed commercial realtor working through the Braemore Realty brokerage. This position solely locates,

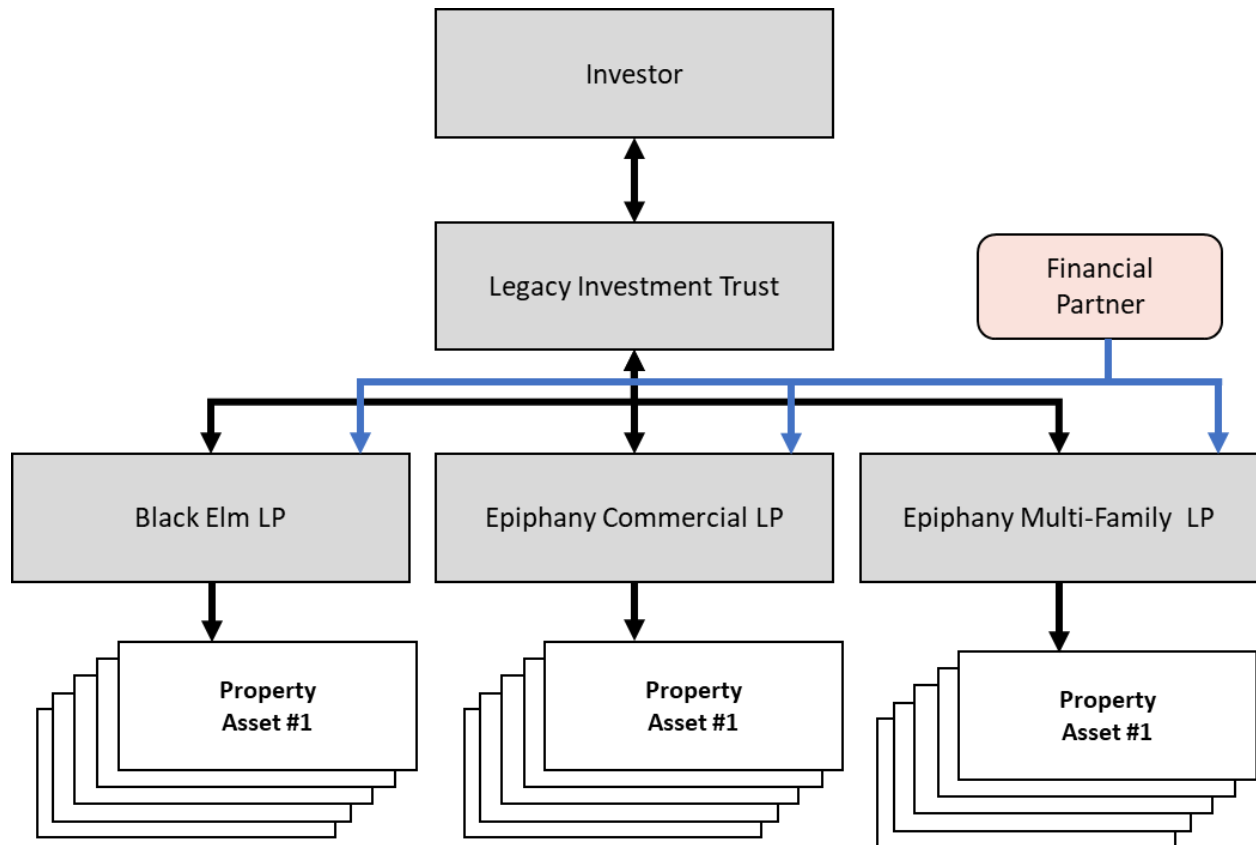
negotiates, and creates agreements on all Partnerships acquisitions utilizing Braemore's extensive network of real estate professionals across Western Canada.

Upon a Partnership acquiring a new property, Braemore's operations management team has the primary responsibility for maintaining, evolving, and optimizing that property. Braemore's operations management team works on a quarterly basis with the Partnerships, together with the Trust, to ensure any refinements to the existing property program are understood and supported.

While there are still requirements for physical management, Braemore has been able to use resident managers and/or additional property managers in other markets to appropriately service the Partnerships' properties and, using technology (in circumstances where on-the-ground maintenance is not required), Braemore has been able to increase the team's capacity and service properties remotely, which has allowed for greater accountability of the tenants, and a better view of the overall maintenance of the properties of the Partnerships on any given day. In addition, the Partnerships have been careful to maintain a capital reserve equal to 1% of the overall value of the assets managed by Braemore for maintenance and unexpected issues at any property. This allows the in-house maintenance team at Braemore to respond to tenant maintenance requests and proactively maintain the assets.

2.4 Investment Flow Chart.

The following represents the proposed use of the available funds of this Offering after the payment of the costs associated with this Offering. See **Item 1.1 – Available Funds**.

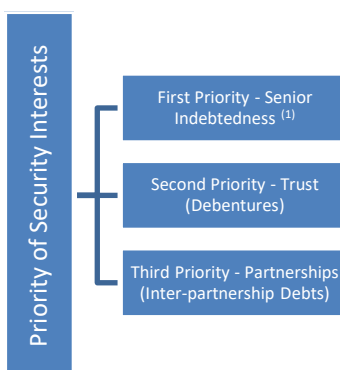


Notes:

- (1) Subscribers purchase Participating Preferred Trust Units in the Trust with funds from Deferred Plan Capital or cash.
- (2) The Trust issues Participating Preferred Trust Units to the Subscribers.
- (3) The Trust utilizes the available funds of this Offering to acquire the Trust Assets.

- (4) From time to time, the Partnerships (or any one or more of them) will use the available funds of this Offering to acquire and develop additional properties for each of the Partnerships in accordance with Business of the Partnerships, as applicable.
- (5) When incurred or outstanding from time to time, Lenders Debts are used by the Partnerships to provide on-going working capital.

The Partnerships may, from time to time, issue or redeem Debentures. Pursuant to the terms of the Debentures, in respect of the obligations of the Partnerships under the Debentures, the Trust has been granted a security interest over all of the Partnerships' present and after-acquired personal property. This security interest has been, and will continue to be, postponed and subordinated to any Senior Indebtedness and any Senior Creditor does and will hold a security interest ranking senior in rights to any security interest held by the Trust. For clarity and avoidance of doubt, the security interest granted by the Debentures shall not extend or apply to, and any collateral shall not include, any right, title or interest in real property. The security interests of the Partnerships as against each other, pursuant to the terms of their inter-partnership lending arrangements have been and will continue to be postponed and subordinated to the security interests of both the Trust and the Senior Creditor. As of the date hereof, EMLP has not entered into an inter-partnership lending arrangement involving any other Partnership. However, as EMLP continues to grow its assets, it may enter into additional agreements with Senior Creditors or require the amendment of agreements with Senior Creditors and may also enter into inter-partnership lending arrangements with one or more creditors and one or more of the other Partnerships or require an amendment or restatement of the existing Inter-Partnership Lending Agreement. It is currently anticipated that any agreements, or amendments of agreements, with Senior Creditors will be undertaken on generally standard market terms available for entities such as the Partnership(s) at the time and will address matters relating to security, inter-partnership lending (where applicable) and priority. As such, from time to time, the Senior Creditors of the Partnerships may change, and the amounts of Senior Indebtedness may change. Notwithstanding any such changes, however, Senior Indebtedness (regardless of amount or Senior Creditor) will be secured with a first priority security interest over all Partnership debt. In addition, and in line with the foregoing, in the event that EMLP does enter into an inter-partnership lending arrangement(s) involving one or more of the other Partnerships (resulting in new inter-partnership lending arrangements or an amendment or restatement of the existing Inter-Partnership Lending Agreement), the priority of the security interests of the Partnerships themselves (as third priority following the Trust), will remain the same. See **Item 2.13 – Material Agreements**.



Note:

⁽¹⁾ As of the date hereof, CWB and Peoples are the only Senior Creditors. See **Item 2.13 – Material Agreements**.

Capital Allocation and Optimization of the Property

The Trust works with Operations Management to determine the best allocation of net new capital on a quarterly basis. Some of the factors that Operations Management looks at are cap rate, NOI, vacancy rates, cash flow, potential operational efficiencies, and local market conditions to determine the capital investment allocation and strategy.

Operations Management has the primary responsibility for maintaining, evolving and optimizing the existing properties owned by the Partnerships. Operations Management works on a quarterly basis with the Trust to ensure any refinements to the existing property program are understood and supported.

Net Asset Value Valuation Policy

Net Asset Value will be determined by the Partnerships and the Administrator and will be approved by the Trustees. The Partnerships and Administrator will work with the Trustees, who will use reasonable methods of determining Net Asset Value. The Administrator and Trustees may adopt alternative methods to calculate the investment property values and Net Asset Value from time to time, without notice to or approval by the Participating Preferred Trust Unitholders. The Trustees have adopted the following policy to determine Net Asset Value.

Valuation of the Properties

The properties held by the Partnerships are valued using the fair value model in accordance with IFRS section IAS 40 – Investment Properties ("IAS 40"). Investment property in IAS 40 is defined as property held to earn rentals or for capital appreciation or both and are initially recorded at cost, including related transaction costs. Subsequent to initial valuation, investment properties are measured at fair value, which reflects market conditions at the reporting date. The Administrator applies judgment in determining if the acquisition of an investment property qualifies as a business combination in accordance with IFRS 3 or as an asset acquisition. Transaction costs (including commissions, land transfer tax, appraisals, legal fees and third-party inspection reports associated with a purchase) related to property acquisitions, not considered business combinations, are capitalized in accordance with IAS 40. Transaction costs are expensed in accordance with IFRS 3 where such acquisitions are considered business combinations.

The properties held by the Partnerships' fair value is determined using a valuation process developed by the Partnerships and the Administrator and approved by the Trustees. The Partnerships, working with the Administrator, consider the following in determining fair value:

- (a) recent prices of similar properties in similar market areas;
- (b) third party appraisals of the properties, completed every three years; and
- (c) the direct capitalization method, which is based on the conversion of current and future normalized net earnings potential directly into an expression of market value. The normalized net earnings for the year are divided by an overall cap rate to estimate fair value.

On an annual basis, the Partnerships and the Administrator intend to:

- (a) determine the cap rates that would be used in valuing the properties held by the Partnerships;
- (b) provide comparable sales and supporting relevant market information;
- (c) utilize industry standard set off and normalization assumptions used in the calculation of normalized net earnings;
- (d) review the valuation process to determine whether any changes or updates are required;
- (e) review the audited year-end financial statements and compliance with the valuation process and compliance with IAS 40; and
- (f) provide a fair value report for financial statement purposes.

The Trust's auditors will report on the audited financial statements of the Trust on an annual basis as to the compliance of the financial statements with IFRS. The Trust's auditors complete their audit using Canadian generally accepted auditing standards, which require that they plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. The audits include evaluating the appropriateness of accounting polices used, and the reasonableness of accounting estimates made by management.

The Partnerships, while working with the Administrator, on an annual basis are responsible for:

- (a) gathering the property specific data used in the valuation process set forth;
- (b) reviewing the valuation process to determine whether any changes or updates are required;
- (c) inputting the cap rates, set offs and normalization assumptions; and
- (d) delivering the completed valuation process to the auditors at year-end for the completion of the audit on the financial statements.

Investment properties held by the Partnerships that have been disposed of or permanently withdrawn from the property portfolio will not be included in the fair value process. Any gains or losses on the disposition of investment properties held by the Partnerships are recognized in the income statement in the year of disposition.

2.5 The Administrator.

The Administrator was incorporated under the provisions of the ABCA on July 14, 2021.

During the existence of the Trust, the Administrator's sole business activity will be acting as administrator of the Trust.

See **Item 2.13 – Material Agreements – The Administrator Agreement** for a summary of the roles and responsibilities of the Administrator.

The Administrator will not co-mingle any of its own funds with those of the Trust.

2.6 The Business.

Although the Trust was only recently formed for the purpose of lending the funds to the Partnerships, BELP has been in operation since June 2019, ECLP has been in operation since November 2019, and EMLP has been in operation since June 2022.

The Trust is raising funds for the purpose of acquiring the Trust Assets in the amount of the available funds from this Offering. The Partnerships will use the funds to:

- (a) pay for all costs, fees and commissions associated with this Offering pursuant to the terms and conditions of the Debentures;
- (b) acquire additional residential and commercial properties, in accordance with the Trust's overall investment management and the business strategy of the Partnerships; and
- (c) invest in the Business of the Partnerships, fund redemptions, and for the Partnerships' general working capital purposes.

After deducting for redemptions, as of the date of this Offering Memorandum, the Trust has raised \$11,645,753.12 through the issuance of Participating Preferred Trust Units to Subscribers (not including issuances pursuant to the DRIP). As of September 9, 2024, \$9,581,956.81 was the amount that was owed by the Partnerships to the Trust pursuant to the Debentures.

2.7 Business of the Partnerships.

The Trust was formed in September 2021, with the primary goal of raising capital to accelerate the growth of the residential and commercial real estate businesses in Western Canada.

The Trust was created with the following investment mandate:

- (a) create accretive growth through the disciplined acquisition of commercial and residential real estate assets;
- (b) increase cash flow and profitability by utilizing its expertise in acquisitions, operations, finance and management;
- (c) provide stewardship of the Trust Assets through a focus on process, in order to drive certainty, consistency, and growth in the Trust and the underlying Business;
- (d) focus on balance sheet strength and liquidity, to support consistent Distributions to the Participating Preferred Trust Unitholders;
- (e) maintain strong banking relationships to optimize its cost of capital and provide enhanced liquidity and flexibility in its financing options, resulting in a competitive advantage and allowing the Trust and the Business to react efficiently to market changes; and
- (f) deliver sustainable value to the Participating Preferred Trust Unitholders year after year through adherence to clear, well-defined, team driven parameters and strong governance principals.

Business and Property Acquisition Strategy

The Partnerships have experience in the Business of the Partnerships, including acquisitions and dispositions, property management, construction and leasehold improvements, marketing and sales, and finance and administration.

The Partnerships seek to own and manage residential and commercial facilities, creating a diversified portfolio. The Partnerships have engaged Braemore, a third-party property manager controlled by the Epiphany Group, to oversee the day-to-day management of most real estate properties and to find various high-quality tenants, where applicable, to lease these properties with staggered lease terms, see **Item 2.3 – Operations Management and Item 2.13 – Material Agreements – ECLP Management Agreement, BELP Management Agreement and EMLP Management Agreement.**

The business objectives of the Trust, through its investments in the Partnerships, will be as follows:

- (a) strategic acquisition of attractive residential and commercial properties by:
 - (i) locating and acquiring properties that fit in the investment framework of the Trust and the Partnerships; and
 - (ii) the key business performance measures are cap rate, NOI, local market and economic conditions and building condition;
- (b) maintain, evolve, and develop current and new relationships with Lenders to:
 - (i) ensure funding at competitive rates are available in a timely manner to acquire new properties and refinance existing properties when appropriate;

- (ii) ensure, with respect to residential and commercial properties, financing acquisitions with a loan-to-value ratio that supports the investment mandate of the Trust. The details of these relationships can be found in **Item 2.13 – Material Agreements – BELP Commitment Letter, Item 2.13 – Material Agreements – ECLP Commitment Letter, and Item 2.13 – Material Agreements – EMLP Commitment Letters**; and
- (iii) endeavor to minimize the cost of borrowing by attempting to acquire CMHC insured financing (for an example of CMHC insured financing, see **Item 2.13 – Material Agreements – EMLP Commitment Letters**);
- (c) management of properties:
 - (i) the Partnerships, through Braemore, will provide property management services at a consistent and high-level across the portfolio of properties forming a part of the Business of the Partnerships, and thereby maximize the rental rates and the value of the portfolio (details of these relationships can be found in **Item 2.13 – Material Agreements – BELP Management Agreement, ECLP Management Agreement and EMLP Management Agreement**);
- (d) combining residential and commercial real estate into one offering:
 - (i) it creates a strong diversified portfolio for Participating Preferred Trust Unitholders;
 - (ii) it couples the predictable nature of residential and multi-family holdings with the higher return of commercial properties; and
 - (iii) Operations Management believes that combining both types of real estate properties in the Trust, provides a stable return and diversifies risk;
- (e) property refurbishment:
 - (i) the Partnerships monitor the physical conditions of the properties and the local market conditions to determine the appropriate time from an economic perspective, when to refurbish or upgrade the properties (key factors considered, among others, are rental and vacancy rates, operating costs, and building longevity); and
- (f) sale of properties:
 - (i) while the intention of the Trust and the Partnerships is to continue to maintain and operate the real estate properties it holds as described in this Offering Memorandum, the Partnerships reserve the right to:
 - 1) develop any real estate properties as they see fit given the market environment at the time; and
 - 2) sell any real estate properties at any time if they deem that doing so is in the best interest of the Partnership and the Trust.

Residential Business – General Overview

The Partnerships conducting residential business are seeking growth into communities across Western Canada, with recent acquisitions in Cold Lake, Medicine Hat and Estevan. These Partnerships consider these areas to have relatively strong rental markets and robust economies that are driven by larger city centres. The Partnerships

conducting residential business are also of the view that multi-family assets in these markets will help balance portfolio geography in markets that have a larger tenant pool.

The Partnerships conducting residential business also expect to be looking at communities in Western Canada with populations of over 10,000 people and compatible vacancy rates. In the experience of Operations Management, a lack of development of new suites often results in limited rental options in these communities, which presents an opportunity for residential business.

Western Canada is home to many stable industries and a population with a demographic profile that fits investment properties that align with the Business of the Partnerships. The table below obtained from several sources, including CMHC, shows current marketplaces in the area defined by the Partnerships conducting residential business as "Western Canada":

Market	Prov.	Before Tax Median Household Income	Average Rental Rates (2 BDR Apt)	Multi-Res. Cap Rates	Total Rental Universe	Population	Notes ¹
Brooks	AB	\$102,000	\$1,746	5.93%	922	16,062	1, 5, 14, 15, 21
Calgary	AB	\$118,000	\$2,236	5.63%	55,859	1,481,466	1, 5, 8, 15, 22
Camrose	AB	\$99,000	\$1,447	5.80%	1,209	20,261	1, 5, 14, 15, 23
Edmonton	AB	\$112,000	\$1,678	5.00%	91,185	1,128,811	1, 5, 8, 15, 24
Kamloops	BC	\$87,000	\$1,891	4.35%	4,758	108,551	2, 5, 10, 16, 19
Kelowna	BC	\$108,814	\$3,821	4.75%	8,780	148,340	2, 5, 6, 16, 19
Lethbridge	AB	\$102,000	\$1,558	5.34%	4,393	107,225	1, 5, 14, 15, 25
Lloydminster	AB	\$92,800	\$1,143	6.29%	1,495	33,200	1, 5, 14, 15, 26
Medicine Hat	AB	\$99,000	\$1,398	5.00%	3,613	66,381	1, 5, 7, 15, 27
Moose Jaw	SK	\$74,000	\$1,407	5.81%	1,331	34,513	4, 5, 14, 18, 19
Penticton	BC	\$68,000	\$1,956	4.75%	2,686	38,896	2, 5, 6, 16, 19
Prince Albert	SK	\$78,000	\$1,232	5.98%	2,454	37,396	4, 5, 14, 18, 19
Red Deer	AB	\$104,000	\$1,589	5.67%	7,024	109,234	1, 5, 11, 15, 28
Regina	SK	\$90,000	\$1,519	5.75%	15,045	255,544	4, 5, 9, 18, 19
Saskatoon	SK	\$89,000	\$1,400	6.00%	18,067	290,550	4, 5, 8, 18, 19
Sherwood Park	AB	\$127,841	\$1,923	5.28%	808	73,000	1, 5, 13, 15, 19
Swift Current	SK	\$78,000	\$1,182	5.75%	991	18,433	4, 5, 14, 18, 19
Wetaskiwin	AB	\$90,000	\$1,297	6.97%	1,179	13,174	1, 5, 12, 15, 29
Winnipeg	MB	\$80,000	\$1,763	5.50%	72,423	783,100	3, 5, 8, 17, 19
Yorkton	SK	\$77,750	\$1,249	6.07%	985	17,482	4, 5, 14, 18, 19
				Avg 5.58%	295,207		

Note:

⁽¹⁾ Table sources listed in **Item 2.7 – Business of the Partnerships – Residential and Commercial Business Data References**

The Partnerships conducting residential business can enter new markets by utilizing a pre-built, scalable property management infrastructure that supports the specific needs of local assets. This system is built on the automation of routine tasks, such as regular building and property maintenance, which enables the Partnerships conducting the residential businesses to focus on strategic objectives.

The Partnerships conducting residential business focus the same amount of care and attention on maintaining the value of existing assets as they do on creating growth through acquiring new assets and also have experience in stabilizing underperforming assets. Operations Management expects that the application of each Partnership's

respective experience and industry knowledge will facilitate efficient property upgrades while maintaining or improving the financial performance of its properties.

The Partnerships conducting residential business intend to engage financial teams to evaluate their entry into any new markets. These Partnerships also engage a full-time real estate analyst, who works with an acquisition specialist to conduct due diligence on potential property acquisitions, and the economy of the communities of each proposed acquisition. This analysis is on-going, weighing the pros and cons of any new purchase from the holistic view of the entire real estate portfolio to ensure a balanced approach. Additionally, each Partnership conducting residential business in new markets supplements its own research by seeking out relationships with local industry professionals.

Commercial Business – General Overview

While based out of Lethbridge, the Partnerships conducting commercial business recognize the need to expand geographically, and each of these Partnerships believes that they are positioned to do so. These Partnerships expect to be able to enter new markets using their external, scalable property management infrastructure, and maintain control using their internal team and resources. As these Partnerships expand into new markets, they are of the view that they will not lose sight of the effective management of current assets and will ensure that they have adequate resources available for this purpose.

The Partnerships conducting commercial business currently use external brokerages for lead generation and market research into areas of interest for expansion. This network of experienced real estate professionals is paramount to the expansion of the Business of the Partnerships.

While the specific criteria will change from market to market, the Partnerships conducting commercial business currently expect to target communities and towns in districts with populations of at least 65,000 and ideally close to major city centres. These Partnerships also plan to seek communities driven by strong ties to stable industries such as agriculture or government administration. When purchasing assets, these Partnerships will consider the community and the tenants occupying the commercial spaces therein. Some asset classes may be stronger than others in certain communities, making each new market unique.

The following table outlines some relatively recent commercial real estate market information in a number of Western Canada's larger cities.

Market	Asset Class	Median Household Income	Commercial Cap Rate	Population
Victoria, BC		\$67,500		95,717
	Downtown Office		6.25% - 6.75%	
	Industrial		6.25% - 7.00%	
	Retail (Regional)		5.75% - 6.25%	
Vancouver, BC		\$90,000		2,682,509
	Downtown Office		5.25% - 6.50%	
	Industrial		4.50% - 5.00%	
	Retail (Regional)		5.25% - 5.75%	
Calgary, AB		\$118,000		1,481,466
	Downtown Office		9.00% - 13.00%	
	Industrial		5.50% - 7.00%	
	Retail (Regional)		6.00% - 7.00%	
Edmonton, AB		\$112,000		1,128,811
	Downtown Office		7.75% - 12.00%	
	Industrial		5.75% - 7.75%	
	Retail (Regional)		6.00% - 7.00%	
Saskatoon, SK		\$89,000		290,550
	Downtown Office		7.25% - 9.25%	
	Industrial		6.50% - 7.75%	
	Retail (Regional)		6.50% - 6.75%	
Winnipeg, MB		\$80,000		783,100
	Downtown Office		7.00% - 8.50%	
	Industrial		6.50% - 8.00%	
	Retail (Regional)		6.50% - 7.50%	

Source: CBRE – Canadian Cap Rates & Investment Insights Q2 2024 Report, Stats Canada

2 Year Timeline

The Partnerships conducting commercial business have identified several potential markets, all representing opportunities to acquire their desired level of property. Smaller, secondary markets often see fewer competing investors, but also fewer stabilized assets on the market. While the initial purchases into these markets could be office, retail or industrial, the Partnerships conducting commercial business plan to get into a market and then start to take root and implement systems, processes, and supporting companies or internal staff, as needed.

Lethbridge

With its close proximity to both the United States border and Calgary, Lethbridge is the hub of trade for a significant part of Southern Alberta, serving over a quarter million people living within the area. The consistent population growth and large draw for post-secondary education keep Lethbridge a healthy and vibrant community year over year, even through shutdowns due to COVID-19. With its strong agricultural base and connection to the oil and gas industry, the Partnerships conducting commercial business have historically focused on Lethbridge for their core portfolio of commercial real estate. The Partnerships conducting commercial business feel that their position in the

Lethbridge market lays a promising foundation for them to build upon as they continue to add assets to their portfolio and lengthen their proven track record for success.

Southern Alberta and Medicine Hat

The diverse economy of Southern Alberta drives consistency and stability. The Partnerships conducting commercial business have established relationships in many of the smaller Southern Alberta communities, providing insight into how these markets function and how to best grow within these communities. Like many smaller markets, these towns hold many owner-occupied spaces, making investment opportunities more challenging to obtain. Reputation and word of mouth play important roles in filling vacancies, making management of the assets critical. In the near future, the Partnerships conducting commercial business expect to focus on strong, national-level tenants as opposed to smaller community businesses to keep properties well positioned in local markets.

In 2021, the Partnerships conducting commercial business established a presence in Medicine Hat. This market is similar in size to the Lethbridge market. The Partnerships conducting commercial business in Medicine Hat plan to focus on creating a mix of long-term, stable retail holdings and capitalize on higher-returning industrial properties. Historically, Medicine Hat has traded within an acceptable range of cap rates similar to Lethbridge.

Foothills and Rocky View County

Within the next couple of years, the Partnerships conducting commercial business plan to acquire assets in the areas outside of Calgary. Information readily available from the Calgary market indicates cap rates averaging 5.00% to 13.00% across all market classes.¹ While less information is readily available for these bedroom community markets, the draw of living outside of a major centre has resulted in a population of approximately 69,171 living within this area and traveling to and from Calgary for work and play.² The Partnerships believe that an ideal strategy for expansion is establishing support in small, stable assets in smaller markets, before eventually entering the Calgary market.

2-5 Year Timeline

While the Partnerships conducting commercial business currently utilize external brokerages for lead generation, they have also identified the need for an Acquisitions Specialist to generate leads both on and off market. In the view of Operations Management, this addition, alongside the addition of regional asset managers, will provide necessary resources and personnel to grow and maintain their portfolio. In the view of Operations Management, the next logical expansion after building up their Southern Alberta asset base will be in three directions: North into Edmonton's suburban bedroom communities, West into British Columbia, and East into the remaining prairie provinces.

With controlled growth, a focus on risk reduction, and smart strategic acquisitions, the Partnerships conducting commercial business are looking forward to the further expansion of this line of business in the coming years.

¹ See note 8 in Item 2.7 – Business of the Partnerships – Residential and Commercial Business Data References

² See notes 30 and 31 in Item 2.7 – Business of the Partnerships – Residential and Commercial Business Data References

Residential and Commercial Business Data References

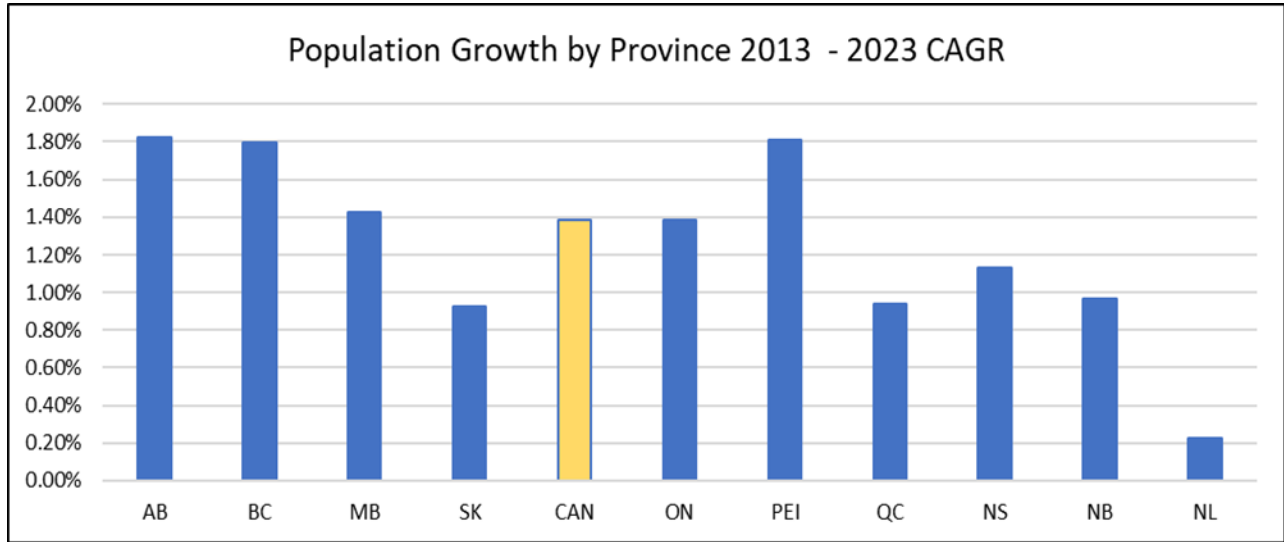
Note	Article	Website
1	Census Profile, 2021 Census of Population - Alberta	https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/search-recherche/lst/results-resultats.cfm?Lang=E&GEOCODE=48
2	Census Profile, 2021 Census of Population - British Columbia	https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/search-recherche/lst/results-resultats.cfm?Lang=E&GEOCODE=59
3	Census Profile, 2021 Census of Population - Manitoba	https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/search-recherche/lst/results-resultats.cfm?Lang=E&GEOCODE=46
4	Census Profile, 2021 Census of Population - Saskatchewan	https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/search-recherche/lst/results-resultats.cfm?Lang=E&GEOCODE=47
5	Rental Rates, Captured August 16, 2024 - rentboard.ca	https://www.rentboard.ca/
6	Okanagan - Multi Res Cap Rate	https://hmcommercial.com/wp-content/uploads/2024/04/HM-Commercial_Annual-Report_2024_Spreads-update.pdf
7	Medicine Hat - Mult Res Cap Rate - Captured Aug 7, 2024	https://www.medicinehat.ca/en/home-property-and-utilities/resources/Documents/MethodMF2024.pdf
8	CBRE Research - Canadian Cap Rates & Investment Insights	https://mktgdocs.cbre.com/2299/3f774578-844c-4f7f-a4c4-e984f8a81abf-551506717/v032024/q22024-canadian-cap-rate-report-en.pdf
9	Regina - Mult Res Cap Rate - Captured Aug 7, 2024	https://blog.remax.ca/regina-commercial-real-estate-sees-strong-start-to-2024/#:~:text=Cap%20rates%20on%20existing%20multi,cent%20and%20six%20per%20cent.
10	Kamloops - Mult Res Cap Rate - Captured Aug 7, 2024	https://www.loopnet.ca/search/apartment-buildings/kamloops-bc--canada/for-sale/#:~:text=What's%20the%20cap%20rate%20for,how%20cap%20rates%20are%20calculated.
11	Red Deer - Mult Res Cap Rate - Captured Aug 7, 2024	https://www.loopnet.ca/search/apartment-buildings/red-deer-ab--canada/for-sale/
12	Wetaskiwin - Mult Res Cap Rate - Captured Aug 7, 2024	https://www.loopnet.ca/search/apartment-buildings/wetaskiwin-ab--canada/for-sale/
13	Sherwood Park - Mult Res Cap Rate - Captured Aug 7, 2024	https://www.loopnet.ca/search/apartment-buildings/sherwood-park-ab--canada/for-sale/
14	Offering Memorandum Avenue Living Real Estate Core Trust	https://www.avenuelivingam.com/wp-content/uploads/2020/06/Avenue-Living-Core-Trust-2021-Offering-Memorandum-Final-Signed-with-Financials.pdf
15	Alberta - Universe by Bedroom Type by Metropolitan Areas, Census Agglomerations and Cities	https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/TableCategory?GeographyType=Province&GeographyId=48&CategoryLevel1=Primary%20Rental%20Market&CategoryLevel2=Rental%20Universe&ColumnField=2&RowField=20#
16	British Columbia - Universe by Bedroom Type by Metropolitan Areas, Census Agglomerations and Cities	https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/TableCategory?geographyType=Province&geographyId=59&categoryLevel1=Primary%20Rental%20Market&categoryLevel2=Rental%20Universe
17	Manitoba - Universe by Bedroom Type by Metropolitan Areas, Census Agglomerations and Cities	https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/TableCategory?geographyType=Province&geographyId=46&categoryLevel1=Primary%20Rental%20Market&categoryLevel2=Rental%20Universe
18	Saskatchewan - Universe by Bedroom Type by Metropolitan Areas, Census Agglomerations and Cities	https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/TableCategory?geographyType=Province&geographyId=47&categoryLevel1=Primary%20Rental%20Market&categoryLevel2=Rental%20Universe
19	World Population Review	https://worldpopulationreview.com/
20	City of Kelowna - Population	https://www.kelowna.ca/our-community/about-kelowna/city-profile
21	Alberta.ca - Brooks	https://regionaldashboard.alberta.ca/region/brooks/population/#/?from=2019&to=2023
22	Alberta.ca - Calgary	https://regionaldashboard.alberta.ca/region/calgary/population/#/?from=2019&to=2023
23	Alberta.ca - Camrose	https://regionaldashboard.alberta.ca/region/camrose/#/
24	Alberta.ca - Edmonton	https://regionaldashboard.alberta.ca/region/edmonton/population/#/?from=2019&to=2023
25	Alberta.ca - Lethbridge	https://regionaldashboard.alberta.ca/region/lethbridge/#/
26	City of Lloydminster	https://www.lloydminster.ca/en/business-and-growth/community-profile.aspx
27	Alberta.ca - Medicine Hat	https://regionaldashboard.alberta.ca/region/medicine-hat/#/
28	Alberta.ca - Red Deer	https://regionaldashboard.alberta.ca/region/red-deer/#/
29	Alberta.ca - Wetaskiwin	https://regionaldashboard.alberta.ca/region/wetaskiwin/#/
30	Foothills No. 31 – Population	https://citypopulation.de/en/canada/alberta/admin/division_no_6/4806001__foothills_county/
31	Rocky View County – Population	https://www.rockyview.ca/rocky-view-demographics

Canadian Market Overview

In the view of the Partnerships, the key influencers for the real estate marketplace in Canada are population and economic growth, and mortgage and inflation rates.

The following chart shows the historical population growth rates across Canada since 2013. Canada has averaged a 1.39% year over year growth rate in the past 10 years. The provinces of Alberta, British Columbia, and Manitoba

have all surpassed the national average, with Saskatchewan lagging slightly behind. The growth rates for the four Western Provinces ranged from 0.93% in Saskatchewan to as high as 1.82% in Alberta.

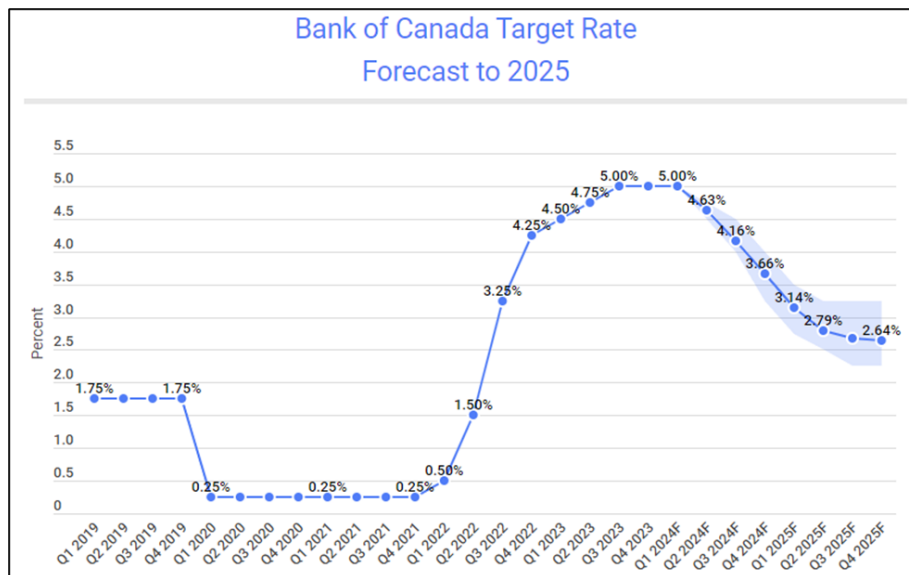


Source: Statistics Canada (March 2024)

It is this level of sustained population growth in our core market that encourages the Trust and the Partnerships to focus their business and efforts in Western Canada.

Bank of Canada Target Rate

The chart below shows the Bank of Canada prime rate (actual) and target rate (projected) from Q1 2019 to Q4 2025. The Bank of Canada's rationale for lowering the prime rate and maintaining its low position was to stimulate economic stability and growth in the country. In recent months, with the re-appearance of inflation, the Bank of Canada has quickly raised the prime rate to combat inflation. The Bank of Canada's position is that as inflation moves down towards their targeted 2% range in a sustainable manner, the prime rate will also move downwards.³

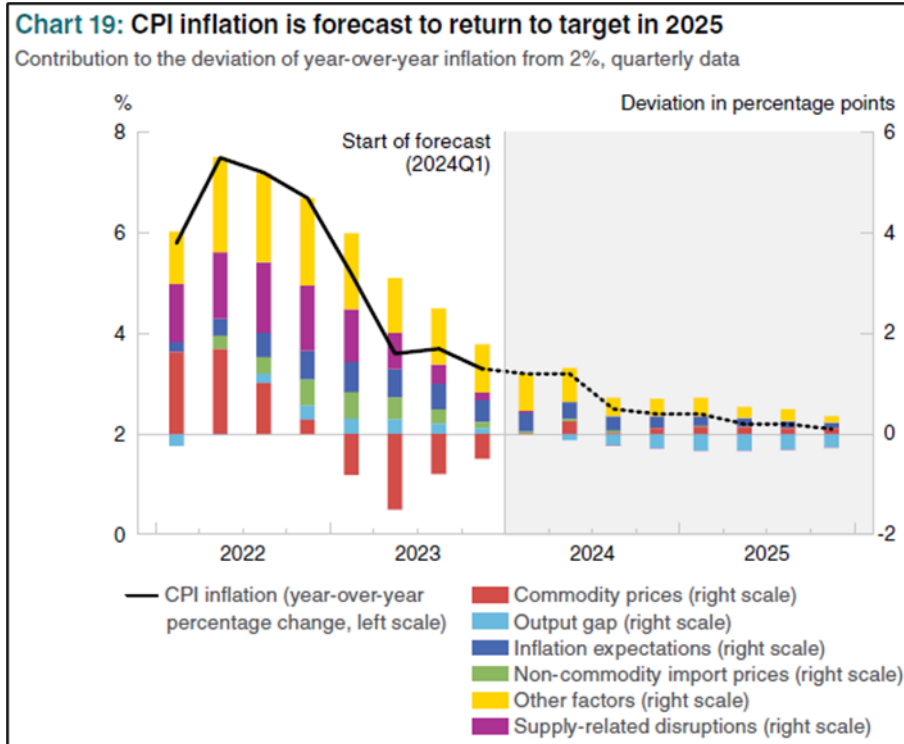


Source: Mortgage Sandbox <https://www.mortgagesandbox.com/mortgage-interest-rate-forecast>

³ Statistics Canada, March 2023

Canadian Inflation Rates

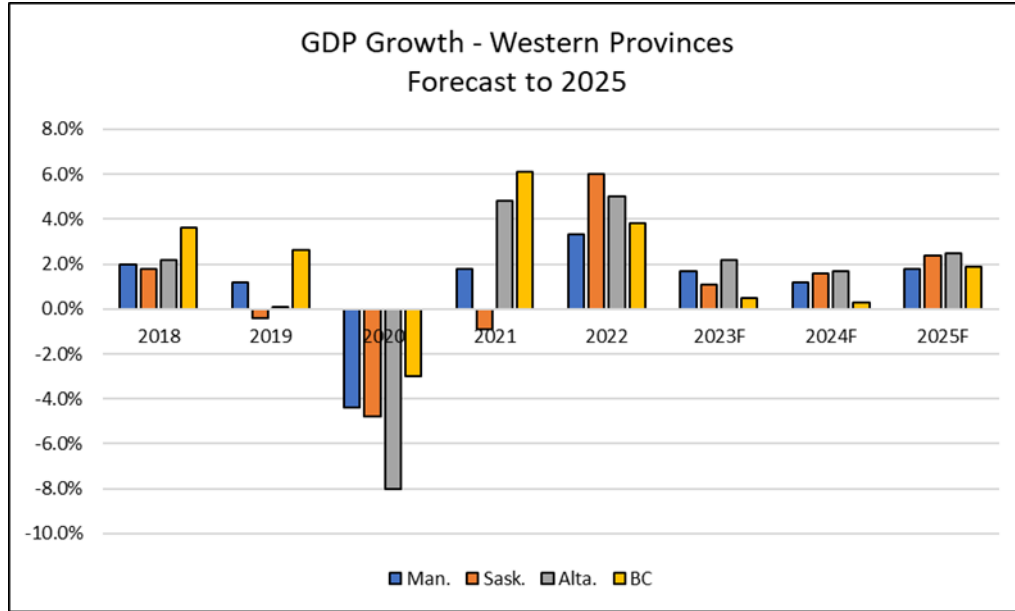
The chart below shows Canada's annual inflation rate (actual) and target rate (projected) from Q1 of 2019 to Q4 2024. Based on this information, the Bank of Canada believes the country's inflation rate will move down towards the target 2% in late 2023 and 2024.



Source: Monetary Report, Canada Economy, Bank of Canada, Page 27, January 2024. <https://www.bankofcanada.ca/wp-content/uploads/2023/01/mpr-2023-01-25.pdf>

Economic Growth in Canada and Western Canada

The economic forecast for Western Canada, as laid out by the Royal Bank of Canada in their Provincial Outlook as of March 2024, shows growth to the end of 2025 and data from the post-pandemic years suggests many signs of consistent growth in the sectors as seen below.



Source: RBC Provincial Outlook, multiple provincial economy reports: <https://thoughtleadership.rbc.com/wp-content/uploads/Provincial-Forecast-Tables-Q1-2024.pdf>

During 2024, economists have reported their expectation that the Western Provinces will continue to experience economic growth. Housing starts are anticipated to remain consistent in Alberta at around 43,000 and be accompanied with a 3.3% growth in employment.⁴

The Western Provinces' GDP growth numbers turned out stronger than anticipated, with real GDP expected to grow in the 0% to 2% range in 2024, and 1.9% to 2.5% in 2025. Based on market projections, Operations Management believes it to be reasonable to conclude that the Western Provinces will experience some economic normalcy post COVID-19 pandemic as well as a consistent down trend in unemployment and growth in employment year-over-year.⁵

Based on the growth in employment results and notable upswing in global energy and agriculture markets benefiting Alberta's economy, the current state and outlook for the upcoming years projects strong economic growth in Alberta. As energy corridors in Alberta experience a drop in vacancy rates, an increase in demand for housing will start because of population migration and financial benefits from the upturn in the economy.

Real GDP	2021	2022	2023F	2024F	2025F
Manitoba	1.8	3.3	1.7	1.2	1.8
Saskatchewan	-0.9	6.0	1.1	1.6	2.4
Alberta	4.6	5.0	2.2	1.7	2.5
BC	7.1	3.8	0.5	0.3	1.9
Employment	2021	2022	2023F	2024F	2025F
Manitoba	3.7	3.2	2.5	2.0	1.7

Real GDP

- GDP growth is forecasted to remain steady in 2024 and increase growth in 2025

⁴ RBC Provincial Outlook, multiple provincial economy reports, <http://www.rbc.com/wp-content/uploads/Provincial-Forecast-Tables-Q1-2024.pdf>

⁵ See note 4 above.

Saskatchewan	2.6	3.5	1.8	2.2	1.3
Alberta	5.4	5.2	3.6	3.3	2.2
BC	6.2	3.2	1.6	1.3	0.8
Unemployment	2021	2022	2023F	2024F	2025F
Manitoba	6.5	4.6	4.8	5.2	5.7
Saskatchewan	6.6	4.7	4.8	5.2	5.3
Alberta	8.6	5.8	5.9	6.2	5.8
BC	6.6	4.6	5.2	5.8	6.0
Retail Sales	2021	2022	2023F	2024F	2025F
Manitoba	13.3	8.6	1.9	1.1	3.9
Saskatchewan	14.7	7.6	0.5	2.1	4.6
Alberta	11.7	6.9	4.3	2.8	5.6
BC	12.6	3.1	1.0	0.6	2.2
Housing Starts (000s)	2021	2022	2023F	2024F	2025F
Manitoba	8.0	8.1	7.1	7.5	8.3
Saskatchewan	4.2	4.2	4.6	4.3	4.8
Alberta	31.9	36.5	36.0	43.7	47.8
BC	47.6	46.7	50.5	46.3	54.5
Consumer Price Index	2021	2022	2023F	2024F	2025F
Manitoba	3.2	7.9	3.6	2.0	2.0
Saskatchewan	2.6	6.6	3.9	2.1	2.3
Alberta	3.2	6.5	3.3	2.2	1.7
BC	2.8	6.9	4.0	2.5	1.9

Employment

- RBC economists are predicting positive growth for employment in the coming years

Unemployment

- Forecasts shows unemployment decreasing from 2021 levels for the coming years

Retail Sales

- RBC Economists project that retail sales will slow down for 2023 but increase for 2024 and 2025

Housing Starts

- Forecasts show that there will be steady growth for new housing starts in the Western Provinces

Consumer Price Index

- Growth rates are forecasted to slow down onwards from 2024, yet remain positive

Sources: Numbers gathered from the RBC Provincial Outlook, multiple provincial economy reports: <https://thoughtleadership.rbc.com/wp-content/uploads/Provincial-Forecast-Tables-Q1-2024.pdf>; Canadian economic slowdown is not over: <https://thoughtleadership.rbc.com/the-canadian-economic-slowdown-is-not-over/>

Real Estate Marketplace Growth

The post pandemic economy in Western Canada appears to be poised to rebound strongly with lower unemployment, expansion of the labour marketplace, new housing starts and strong GDP growth. The Partnerships believe that these factors create a positive basis for growth in the real estate marketplace.

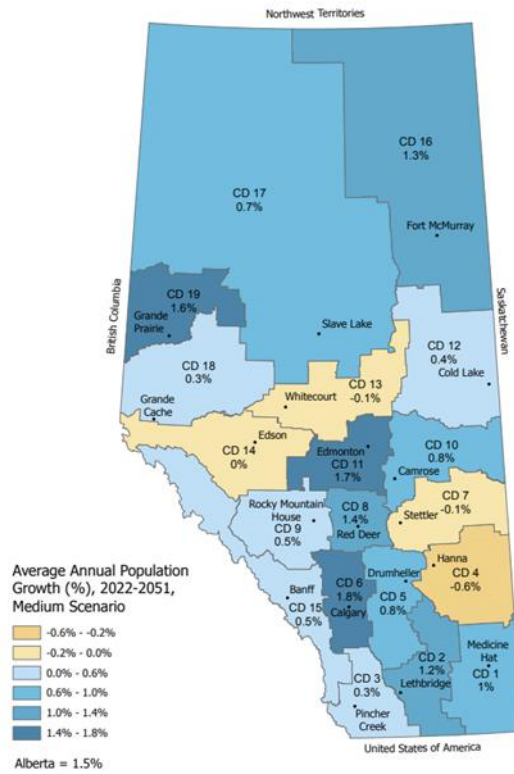
Western Canadian Advantage

There is strong GDP growth in the Western Provinces. From 2022 and 2023, Western Canada's GDP grew at a range of 3.3% to 6%. The Western Provinces are also predicted to have a strong economy in the next two years, with projected GDP expected to outpace the projected GDP of Canada overall. The projected GDP growth for Alberta in 2024 is 1.7%, compared to Canada's projected GDP growth of 0.8%. Likewise, the projected GDP growth for Alberta in 2025 is 2.5%, compared to Canada's projected GDP growth of 2.15%.⁶

The Government of the Province of Alberta also predicts strong population growth in Alberta for the next 28 years, projecting that the province of Alberta's population will hit 7.1 million by 2051 as set out below. This is an increase of 2.6 million (58% increase) from the 2022 population with an average growth trend of 1.5% per year from 2022 – 2051.

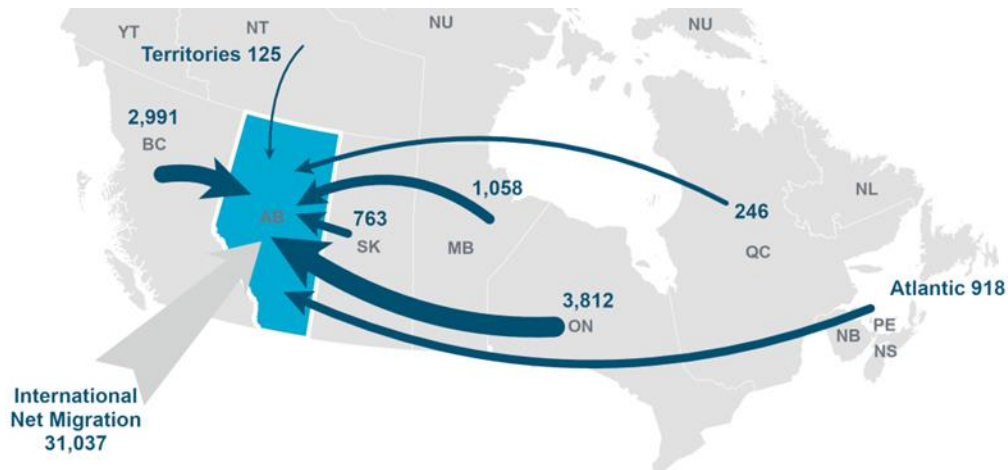
⁶ Source: <https://thoughtleadership.rbc.com/wp-content/uploads/Provincial-Forecast-Tables-Q1-2024.pdf>

MAP 3: AVERAGE ANNUAL POPULATION GROWTH (PERCENT), 2022-2051, MEDIUM SCENARIO



Source: <https://open.alberta.ca/dataset/90a09f08-c52c-43bd-b48a-fda5187273b9/resource/cb65532d-d722-4121-9120-2cf40503ce20/download/tbf-population-projections-2023-2051-alberta-census-divisions.pdf>

Canadians are currently moving out of their provinces and into Alberta. From October 1 to December 31, 2023 there has been a positive inflow of Canadians from all provinces to Alberta. In 2023, the population of Alberta increased by 202,324 people, or 4.4%, to a total population of 4,800,768. The 4.4% is approximately three times the forecasted growth trend, growth could become higher than forecasted. Furthermore, the migration and growth trend of Alberta shows that there is stability and opportunity for the Alberta economy to rise higher than other provinces.



Source: <https://www.alberta.ca/population-statistics>

Current Property Portfolio

The current properties held by the Partnerships as at September 9, 2024 are as follows:

Epiphany Commercial LP Properties				
Address	City	Units	NOI	Cap Rate - FMV
1105 36 th St N	Lethbridge	1	\$103,700	6.56%
3760 18 th Ave N	Lethbridge	1	\$122,900	6.27%
3306 9 th Ave N	Lethbridge	1	\$131,900	6.56%
Unit 15 WT Hill Blvd S	Lethbridge	1	\$20,500	6.71%
405 Stafford Dr N	Lethbridge	1	\$69,300	7.92%
3710 18 th Ave N	Lethbridge	3	\$111,700	6.24%
2930 9 th Ave N	Lethbridge	1	\$525,500	6.53%
550 WT Hill Blvd S	Lethbridge	9	\$601,600	6.47%
3174 34 th St N	Lethbridge	1	\$78,500	6.70%
562 2 St SE	Medicine Hat	1	\$21,800	6.99%

(together, the "ECLP Properties")

Epiphany Multi-Family LP Properties				
Address	City	Units	NOI	Cap Rate - FMV
121, 129, 137 Timber Lane	Hinton	36	\$233,800	7.03%
6602 48 St	Cold Lake	63	\$472,700	7.56%
638 Isabelle St	Estevan	39	\$322,800	4.97%
718 3rd St	Estevan	55	\$452,200	5.58%
5333 5 Ave	Edson	14	\$97,000	6.42%
5415 10 Ave	Edson	14	\$101,600	6.35%
541 Dufferin Ave	Estevan	18	\$125,000	6.98%
1015 57 St & 5606 Westhaven Dr	Edson	70	\$530,000	6.33%
5112 54 Ave	Cold Lake	12	\$91,600	5.65%
604 21 St S	Lethbridge	9	\$62,900	6.42%
542 5 St SE	Medicine Hat	8	\$62,100	5.75%
1201 99 St	North Battleford	31	\$207,400	6.56%
1551 107 St	North Battleford	24	\$205,700	6.09%
1901 Pearson Ave	North Battleford	24	\$192,400	7.07%
10908 Winder Cres	North Battleford	19	\$163,500	6.78%
10910 Winder Cres	North Battleford	27	\$161,500	7.51%
10912 Winder Cres	North Battleford	18	\$102,800	7.61%

(together, the "EMLP Properties")

BELP does not currently hold any BELP Properties.

Including inter-partnership lending, from time to time, the Partnerships may, among other things and based on what management determines to be in the best interests of the Business of the Partnerships, transfer, sell or assign their assets and real property among themselves, to external parties or to additional partnerships or other entities created following the date hereof. They may also redeem all or part of their outstanding Debentures and Class X Units in

accordance with the terms thereof from time to time and at any time should Operations Management determine the same to be in the best interests of the Partnership. Further, in the event that it becomes expedient to do so, Operations Management may determine to transfer substantially all of the assets from, or wind-up, an existing Partnership. At this time, no properties are owned by BELP, as better rates of returns were available in ECLP and EMLP due to pre-existing contractual limitations. Operations Management will continue to assess opportunities for the Business of the Partnerships. The Trust cannot guarantee that the properties, any future properties, or the results of the Trust will match, or be reflective of, the information included in this **Item 2.7 – Business of the Partnerships** and the Trust does not undertake, except as required by applicable laws, any obligation to update or to revise any statements (including any forward-looking statements) in this **Item 2.7 – Business of the Partnerships**, whether as a result of new information, future events or otherwise.

2.8 Offering Structure.

The purpose of this Offering is to allow Subscribers to participate, indirectly through acquiring Participating Preferred Trust Units in the Trust, in the financing of the Business of the Partnerships.

Funds from Deferred Plan Capital may be used to purchase Participating Preferred Trust Units pursuant to this Offering subject to the general comments of Field LLP. See **Item 8 – Income Tax Consequences and Deferred Plan Eligibility**.

No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum. See **Item 10 – Risk Factors**.

No assurance can be given that changes in the Tax Act or future court decisions or the implementation of new taxes will not adversely affect the Trust or fundamentally alter the income tax consequences to holders of the Participating Preferred Trust Units with respect to acquiring, holding or disposing of the Participating Preferred Trust Units of the Trust.

Subscribers are strongly encouraged to consult their tax advisors as to the tax consequences of acquiring, holding and disposing of the Participating Preferred Trust Units purchased pursuant to this Offering.

2.9 Development of the Business.

The major developments in the Business of the Trust since its inception are as follows:

- (a) establishing the Trust pursuant to the Declaration of Trust;
- (b) entering into the Debentures with the Partnerships;
- (c) entering into the Investment Fund Management Agreement;
- (d) raising capital and surpassing the *de minimis* investor threshold for a "mutual fund trust" for purposes of the Tax Act; and
- (e) integrating the business of EMLP into the Business.

2.10 Long-Term Objectives.

The Trust's long-term goals are to raise up to \$50 million in the aggregate under the Offering and utilize the funds from the Offering to acquire the Trust Assets, with the funds to be used by the Partnerships for the purposes set out in **Item 1.2 – Use of Available Funds** herein. Assuming the maximum Offering amount and no other material changes in risks, the Trust anticipates completion of this goal within 24 to 36 months, depending on the amount of

Participating Preferred Trust Units purchased. The Trust may continue to sell Participating Preferred Trust Units as required to replace Participating Preferred Trust Units that have been redeemed.

The anticipated costs to be incurred by the Trust with respect to the completion of its long-term objectives are the same as the maximum Offering amount as set out in **Item 1.2 – Use of Available Funds** herein.

2.11 Short-Term Objectives and How We Intend to Achieve Them.

The following table shows how the Trust intends to achieve its objectives during the next 12 months:

What the Trust must do and how it will do it	Anticipated completion date	The Trust's cost to complete and/or use of available funds
Raise up to \$10 million in capital pursuant to the Offering and utilize the Gross Proceeds to acquire the Trust Assets, with the funds to be used by the Partnerships for the purposes set out in Item 1.2 – Use of Available Funds herein.	12 months from the date of this Offering Memorandum	The Trust anticipates costs to be \$1,500,000 ⁽¹⁾ with remaining proceeds being \$8,500,000.00 for the use by the Trust for its objectives.

Note:

⁽¹⁾ Estimated cost to complete this Offering is \$700,000 and the estimated cost for Agents' Fees associated with the Offering are \$800,000. Expenses of the Offering include, but are not limited to legal, accounting and audit, travel and marketing expenses that are estimated to be \$700,000, as listed above, and the aforementioned Agents' Fees.

2.12 Insufficient Funds.

The available funds raised from the Offering will be committed to the business objectives of the Trust. The Trust does not intend to hold any significant cash reserves, as all administration and operating expenses incurred by the Trust in the conduct of its business will be satisfied through the Trust's receipt of minimum interest under the terms of the Debentures in an amount that is equal to the Total Trust Commitment Fee. In the event that the Trust does not raise the full \$38,164,385.50 under the Offering, then the Trust will just reduce the amount of available funds invested in the Partnerships and as a result, the Partnerships will acquire fewer properties to operate their Business.

BELP and ECLP have entered into the BELP Loan and the ECLP Loan respectively with CWB, while EMLP has entered into the EMLP Loans with Peoples, both financial institutions are arm's length commercial banks, pursuant to the terms and conditions of the BELP Commitment Letter, the ECLP Commitment Letter, and the EMLP Commitment Letters as applicable. See **Item 2.13 – Material Agreements – BELP Commitment Letter with CWB – ECLP Commitment Letter with CWB – EMLP Commitment Letters with Peoples**. The Senior Creditors and Senior Indebtedness, including those referenced above, as well as the terms of the Senior Indebtedness, may change from time to time and one or more Senior Creditors may be added or removed based on the business needs of the Partnerships.

2.13 Material Agreements.

In addition to the Declaration of Trust (described in **Item 4.1 – Securities Except for Debt Securities** below), there are ten agreements that the Trustees consider material to the Trust's business and operations (the "**Material Agreements**") and a description of each of the agreements is set out below.

The following are summaries of the material provisions of the Material Agreements and do not purport to be complete and are subject in their entirety to the full text of the Material Agreements. The Material Agreements may be amended from time to time to accommodate the needs and objectives of the Business. Reference should be made to the full text of the Material Agreements, which will be available for inspection by Participating Preferred Trust Unitholders at the Trust's offices for the complete details of these and other provisions contained therein.

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BELP Commitment Letter with CWB

BELP entered into the BELP Commitment Letter with CWB on October 5, 2023. As of the date hereof, all amounts owing under the BELP Loan have been repaid. From time to time, BELP may consider borrowing additional funds from CWB. The terms upon which those additional borrowings might occur may be on terms that differ from the BELP Loan or may be on terms that are substantially the same or similar to the terms of the BELP Loan. In each case, BELP will seek to obtain loan terms that are commercially standard or more favourable to BELP than the terms of the BELP Loan, which BELP Loan terms are set out below:

Loan Amount: CWB agreed to provide loans to BELP. The loan funds were advanced as follows:

- (i) loan segment (1): demand operating loan/overdraft \$940,000.00;
 - (ii) loan segment (2): business Visa \$5,000.00;
 - (iii) loan segment (3): term mortgage \$765,397.45; and
 - (iv) loan segment (4): term mortgage \$1,510,204.00;
- (collectively, the "**BELP Loan**").

Interest Rate: The interest rates for the BELP Loan were set as follows:

- (i) loan segment (1): a floating rate of 0.75% per annum above CWB Prime;
- (ii) loan segment (2): interest rate as per the appropriate business Visa Cardholder Agreement;
- (iii) loan segment (3): fixed rate of 3.12%; and
- (iv) loan segment (4): interest rate will float at a rate of 0.65% per annum above CWB Prime.

Purpose of the BELP Loan: The terms of the BELP Loan provided that funds were to be used as follows:

- (i) loan segment (1): to finance the day-to-day operations of the BELP Business;
- (ii) loan segment (2): to assist in daily purchases of the BELP Business;
- (iii) loan segment (3): to provide term financing over the BELP Properties; and
- (iv) loan segment (4): to provide term financing over the BELP Properties.

Advances: The BELP Loan was advanced to BELP as follows:

- (i) loan segment (1) and (2): revolving and available to BELP upon the satisfaction of the BELP Loan Conditions; and
- (ii) loan segment (3) and (4): no new advances.

Repayment: Repayment of the BELP Loan was set as follows:

- (i) loan segment (1) & (2): on demand;
- (ii) loan segment (3): to be paid out in full on December 1, 2023; and
- (iii) loan segment (4): an interest adjustment shall be payable for the period from the date of advance to the first day of the following month and shall be deducted from the amount of the advance. Thereafter, BELP shall make monthly blended payments of principal and interest each in an amount sufficient to amortize the loan, at the interest rate, over a 25 year period.

Prepayment: BELP may prepay the whole, but not part, of the sum unpaid principal balance under the BELP Loan at any time by payment of a prepayment charge equal to the greater of the following: 3 months interest calculated on the unpaid balance of the BELP Loan; or the costs CWB incurs when a fixed rate loan is paid out early, as determined by CWB.

Term and Loan Maturity Date: Since the original execution of the BELP Commitment Letter, the term and maturity date for loan segment (4) has been updated to provide that loan segment (4) is repayable in full, together with all interest, costs and charges, on the earlier of December 1, 2024, or the date payment is demanded as a result of an event of default (as discussed below) by BELP.

Security: The debt created by the BELP Loan was secured by various promissory notes, a general security agreement securing all present and after acquired personal property, assignments of rents and leases, various guarantees and security agreements executed by the BELP Guarantors, and mortgages against property owned by the BELP Guarantors and the Epiphany Group. Under the terms of the various guarantees and security agreement, following the sale of an individual BELP Property, certain security is discharged for that specific property upon receipt by CWB of requested funds. The amount of the revolving credit loan under loan segment (1) is then replaced by a lesser amount with each property sale. See **Item 2.13 – Material Agreements – Inter-Partnership Lending Agreement – Security.**

Insurance: BELP must carry insurance containing comprehensive general public liability coverage of not less than \$2,000,000.00.

Event of Default: The BELP Commitment Letter contains commercially standard events of default including without limitation those related to: non-payment when due of any interest, principal, fees, or other amounts payable to CWB; breaches not corrected within 15 days of notice; any bankruptcy/insolvency or analogous proceedings (including the appointment of a receiver); and any adverse change in the financial conditions of BELP or the BELP Guarantors.

BELP Loan Conditions: The BELP Commitment Letter contains conditions requiring satisfaction in order to drawdown on the BELP Loan including without limitation: approval by CWB of the business, assets and financial condition of BELP; and appraisals of certain properties.

Reporting Requirements: BELP is required to provide CWB with: an officers compliance certificate annually within 120 days of year end; audited financial statements of BELP, Epiphany Group and the Trust; quarterly summary for the Trust; rent roll annually; personal net worth statements from certain executives of the Epiphany Group; any further information, data, financial reports and records, accounting or banking statements, certificates, evidence of insurance and other assurances which CWB may from time to time require in its sole discretion, acting reasonably.

Fees: BELP shall pay CWB: an annual review fee of \$3,500.00; a monthly administration fee of \$100.00 per revolving line of credit; applicable service fees; a fee of \$250.00 for each property discharged; and a late reporting fee of \$50 per month, or portion thereof, shall apply for late provision of annual financial statements/reporting after expiry of 90-day period.

Costs: BELP is responsible for the following costs incurred by CWB: appraisals and environmental reports; legal costs; insurance consulting; preparation, execution, delivery and registration of any and all security

and supporting documentation; other reasonable out-of-pocket expenses incurred in the approval and making of the BELP Loan. Until paid, all such costs and expenses shall bear interest.

ECLP Commitment Letter with CWB

ECLP has entered into the ECLP Commitment Letter with CWB on December 2, 2022, the material terms of which are summarized below.

Loan Amount: CWB has agreed to provide loans to ECLP up to approximately \$18,843,739.00. The loans are advanced as follows:

- (i) loan segment (1): variable rate term mortgage \$535,585.00;
- (ii) loan segment (2): line of credit \$6,175,000.00;
- (iii) loan segment (3): term loan \$11,707,853.00; and
- (iv) loan segment (4): business visa \$25,000.00
(collectively, the "**ECLP Loan**").

Interest Rate: The interest rate for the ECLP Loan is as follows:

- (i) loan segment (1): interest rate will float at a rate of 0.60% per annum above CWB's prime lending rate as determined by CWB (the "**CWB Prime**");
- (ii) loan segment (2): interest rate will float at a rate of 0.80% per annum above CWB Prime;
- (iii) loan segment (3): interest rate will float at a rate of 0.75% per annum above CWB Prime; and
- (iv) loan segment (4): interest rate as per the appropriate business Visa agreement.

Unless otherwise specified, interest rate payments shall be payable without demand on the dates specified by CWB and shall be calculated daily, compounded monthly. Overdue interest shall bear interest at the same rate.

Purpose of the ECLP Loans: The ECLP Loan advanced by CWB is to be used by ECLP as follows:

- (i) loan segment (1) & loan segment (3): to provide term and revolving financing over the ECLP Properties;
- (ii) loan segment (2): to finance the day-to-day operations of the ECLP Business; and
- (iii) Loan segment (4): to finance day-to-day operations.

Advances: The ECLP Loan is to be advanced to ECLP as follows:

- (i) loan segment (1): no new advances;
- (ii) loan segment (2): will be revolving and available to ECLP;
- (iii) loan segment (3): advanced as lump sum upon the satisfaction of the ECLP Loan Conditions; and
- (iv) loan segment (4): will be revolving and available to ECLP.

Repayment: Repayment of the ECLP Loan is as follows:

- (i) loan segment (1): an interest adjustment shall be payable for the period from the date of advance to the first day of the following month and shall be deducted from the amount of the advance. Thereafter, ECLP shall make monthly blended payments of principal and interest each in an amount sufficient to amortize the ECLP Loan, at the interest rate, over a 25 year period, payable the first day of each month with a final maturity of February 14, 2045;
- (ii) loan segment (2): on demand;
- (iii) loan segment (3): an interest adjustment shall be payable for the period from the date of advance to the first day of the following month and shall be deducted from the amount of the advance. Thereafter, ECLP shall make monthly blended payments of principal and interest each in an amount sufficient to amortize the ECLP Loan, at the interest rate, over a 25 year period, payable the first day of each month. CWB will attempt to attain a 25 year amortization; and
- (iv) loan segment (4): on demand.

Term and Loan Maturity Date: The term and maturity date for the ECLP Loan is as follows:

- (i) loan segment (1): is repayable in full, together with all interest, costs and charges, the earlier of February 14, 2025, or the date payment is demanded as a result of an event of default (as discussed below) by ECLP; and
- (ii) loan segment (3): since the original execution of the ECLP Commitment Letter, the term and maturity date for loan segment (3) has been updated to provide that loan segment (3) is repayable in full, together with all interest, costs and charges, on the earlier of December 1, 2024, or the date payment is demanded as a result of an event of default (as discussed below) by ECLP.

Security: The ECLP Loan is secured by various promissory notes, a general security agreement securing all present and after acquired personal property, assignments of rents and leases, various guarantees and security agreements executed by the ECLP Guarantors and mortgages against property owned by the ECLP Guarantors and the Epiphany Group.

Insurance: ECLP must carry insurance containing comprehensive general public liability coverage of not less than \$5,000,000.00.

Event of Default: The ECLP Commitment Letter contains commercially standard events of default including without limitation those related to: non-payment when due of any interest, principal, fees, or other amounts payable to CWB; breaches not corrected within 15 days of notice; any bankruptcy/insolvency or analogous proceedings (including the appointment of a receiver); and any adverse change in the financial conditions of ECLP or the ECLP Guarantors.

ECLP Loan Conditions: The ECLP Commitment Letter contains conditions requiring satisfaction in order to drawdown the ECLP Loan including without limitation: approval by CWB of the business assets and financial condition of ECLP; appraisals of certain properties; financial statements of certain ECLP Guarantors; purchase contracts for certain lands; CWB's approval of zoning and other municipal/regulatory permits; and two business day's written notice of disbursement.

Reporting Requirements: ECLP is required to provide CWB with: an officers compliance certificate annually within 120 days of year end; financial statements of ECLP and Epiphany Group; rent roll annually; personal net worth statements from certain executives of the Epiphany Group; any further information, data, financial reports and records, accounting or banking statements, certificates, evidence of insurance and other assurances which CWB may from time to time require in its sole discretion, acting reasonably.

Fees: ECLP shall pay to CWB: an application fee of \$750.00; an annual review fee of \$5,000.00; a monthly administration fee of \$250.00 per revolving line of credit; and a monthly reporting fee of \$50.00.

Costs: ECLP is responsible for the following costs incurred by CWB: appraisals and environmental reports; legal costs; insurance consultant; preparation, execution, delivery and registration of any and all security and supporting document; other reasonable out-of-pocket expenses incurred in the approval and making of the ECLP Loan. Until paid, all such costs and expenses shall bear interest.

EMLP Commitment Letters with Peoples

EMLP has entered into the EMLP Commitment Letters with Peoples on March 31, 2023, April 27, 2023, May 12, 2023, January 2, 2024, March 15, 2024, and April 30, 2024, the material terms of which are summarized below.

Loan Amount: Peoples has agreed to provide loans to EMLP of \$3,125,055.00 (the "**First EMLP Loan**"), \$5,920,005.75 (the "**Second EMLP Loan**"), \$5,094,876.25 (the "**Third EMLP Loan**"), \$6,595,443.25 (the "**Fourth EMLP Loan**"), \$7,307,121.00 (the "**Fifth EMLP Loan**"), \$1,326,150.00 (the "**Sixth EMLP Loan**"), \$1,246,781.35 (the "**Seventh EMLP Loan**"), \$848,358.00 (the "**Eighth EMLP Loan**"), \$821,739.00 (the "**Ninth**

EMLP Loan"), \$2,518,155.00 (the "**Tenth EMLP Loan**"), \$4,751,962.50 (the "**Eleventh EMLP Loan**"), \$2,403,456.00 (the "**Twelfth EMLP Loan**"), and \$2,682,430.50 (the "**Thirteenth EMLP Loan**", collectively with the First EMLP Loan, the Second EMLP Loan, the Third EMLP Loan, the Fourth EMLP Loan, the Fifth EMLP Loan, the Sixth EMLP Loan, the Seventh EMLP Loan, the Eighth EMLP Loan, the Ninth EMLP Loan, the Tenth EMLP Loan, the Eleventh EMLP Loan, and the Twelfth EMLP Loan, the "**EMLP Loans**"). The EMLP Loans are comprised of the following:

- (i) the First EMLP Loan:
 - (a) principal amount: \$3,066,000.00
 - (b) CMHC premium: \$53,655.00
 - (c) CMHC application fee: \$5,400.00
- (ii) the Second EMLP Loan:
 - (a) principal amount: \$5,808,900.00
 - (b) CMHC premium: \$101,655.75
 - (c) CMHC application fee: \$9,450.00
- (iii) the Third EMLP Loan:
 - (a) principal amount: \$5,001,500.00
 - (b) CMHC premium: \$87,526.25
 - (c) CMHC application fee: \$5,850.00
- (iv) the Fourth EMLP Loan:
 - (a) principal amount: \$6,473,900
 - (b) CMHC premium: \$113,293.25
 - (c) CMHC application fee: \$8,250.00
- (v) the Fifth EMLP Loan:
 - (a) principal amount: \$7,029,500.00
 - (b) CMHC premium: \$267,121.00
 - (c) CMHC application fee: \$10,500.00
- (vi) the Sixth EMLP Loan:
 - (a) principal amount: \$1,275,000.00
 - (b) CMHC premium: \$48,450.00
 - (c) CMHC application fee: \$2,700.00
- (vii) the Seventh EMLP Loan:
 - (a) principal amount: \$1,199,404.00
 - (b) CMHC premium: \$45,577.35
 - (c) CMHC application fee: \$1,800.00
- (viii) the Eighth EMLP Loan:
 - (a) principal amount: \$816,000.00
 - (b) CMHC premium: \$31,008.00
 - (c) CMHC application fee: \$1,350.00
- (ix) the Ninth EMLP Loan:
 - (a) principal amount: \$790,500.00
 - (b) CMHC premium: \$30,039.00
 - (c) CMHC application fee: \$1,200.00
- (x) the Tenth EMLP Loan:
 - (a) principal amount: \$2,422,500.00
 - (b) CMHC premium: \$92,055.00
 - (c) CMHC application fee: \$3,600.00
- (xi) the Eleventh EMLP Loan:
 - (a) principal amount: \$4,568,750.00
 - (b) CMHC premium: \$173,612.50
 - (c) CMHC application fee: \$9,600.00

- (xii) the Twelfth EMLP Loan:
 - (a) principal amount: \$2,312,000.00
 - (b) CMHC premium: \$87,856.00
 - (c) CMHC application fee: \$3,600.00
- (xiii) the Thirteenth EMLP Loan:
 - (a) principal amount: \$ 2,579,750.00
 - (b) CMHC premium: \$98,030.50
 - (c) CMHC application fee: \$4,650.00

Interest Rate: The interest rate for the EMLP Loans are as follows:

- (i) First EMLP Loan: interest rate will be charged at 4.44%;
- (ii) Second EMLP Loan: interest rate will be charged at 4.39%;
- (iii) Third EMLP Loan: interest rate will be charged at 3.84%;
- (iv) Fourth EMLP Loan: interest rate will be charged at 3.84%;
- (v) Fifth EMLP Loan: interest rate will be charged at 4.43%;
- (vi) Sixth EMLP Loan: interest rate will be charged at 4.43%;
- (vii) Seventh EMLP Loan: interest rate will be charged at 4.44%;
- (viii) Eighth EMLP Loan: interest rate will be charged at 4.44%;
- (ix) Ninth EMLP Loan: interest rate will be charged at 4.44%;
- (x) Tenth EMLP Loan: interest rate will be charged at 4.43%;
- (xi) Eleventh EMLP Loan: interest rate will be charged at 4.43%;
- (xii) Twelfth EMLP Loan: interest rate will be charged at 4.43%; and
- (xiii) Thirteenth EMLP Loan: interest rate will be charged at 4.43%.

Purpose of the EMLP Loans: The EMLP Loans advanced by Peoples are to be used by EMLP to acquire the EMLP Properties as follows:

- (i) First EMLP Loan: to provide term financing for 121, 129, 137 Timber Lane, Hinton, Alberta;
- (ii) Second EMLP Loan: to provide term financing for 6602 48 Street, Cold Lake, Alberta;
- (iii) Third EMLP Loan: to provide term financing for 638 Isabelle Street, Estevan, Saskatchewan;
- (iv) Fourth EMLP Loan: to provide term financing for 718 3 Street, Estevan, Saskatchewan;
- (v) Fifth EMLP Loan: to provide term financing for 1015 57 Street, Edson, Alberta;
- (vi) Sixth EMLP Loan: to provide term financing for 541 Dufferin Avenue, Estevan, Saskatchewan;
- (vii) Seventh EMLP Loan: to provide term financing for 5112 54 Avenue, Cold Lake, Alberta;
- (viii) Eighth EMLP Loan: to provide term financing for 604 21 Street, Lethbridge, Alberta;
- (ix) Ninth EMLP Loan: to provide term financing for 542 5 Street, Medicine Hat, Alberta;
- (x) Tenth EMLP Loan: to provide term financing for 1551 107 Street North Battleford, Saskatchewan;
- (xi) Eleventh EMLP Loan: to provide term financing for 10908 Windsor Crescent, 10910 Windsor Crescent, and 10912 Windsor Crescent, North Battleford, Saskatchewan;
- (xii) Twelfth EMLP Loan: to provide term financing for 1901 Pearson Avenue, North Battleford, Saskatchewan; and
- (xiii) Thirteenth EMLP Loan: to provide term financing for 1201 99 Street, North Battleford, Saskatchewan.

Advances: The First EMLP Loan was funded on June 2, 2023, and the Second EMLP Loan was funded on June 7, 2023. The Third EMLP Loan and the Fourth EMLP Loan were each funded on June 29, 2023. The Fifth EMLP Loan was funded on February 8, 2024, and the Sixth EMLP Loan was funded on January 31, 2024. The Seventh EMLP Loan, the Eighth EMLP Loan, and the Ninth EMLP Loan were each funded on April 15, 2024. The Tenth EMLP Loan, the Eleventh EMLP Loan, the Twelfth EMLP Loan, and the Thirteenth EMLP Loan were each funded on May 27, 2024. EMLP anticipates that it will enter into to similar loans from time to time, as property acquisitions continue.

Term and Loan Maturity Date: The First EMLP Loan and the Second EMLP Loan each have a term of 65 months and an amortization period of 540 months. The Third EMLP Loan and the Fourth EMLP Loan each

have a term of 119 months and an amortization period of 540 months. The Fifth EMLP Loan and the Sixth EMLP Loan each have a term of 63 months and an amortization period of 480 months. The Seventh EMLP Loan, the Eighth EMLP Loan, and the Ninth EMLP Loan each have a term of 67 months and an amortization period of 480 months. The Tenth EMLP Loan, the Eleventh EMLP Loan, the Twelfth EMLP Loan, and the Thirteenth EMLP Loan each have a term of 60 months and an amortization period of 480 months.

Repayment: With respect to the repayment of the EMLP Loans, an interest adjustment payment shall be made by EMLP for the period from the date of advance to the first day of the following month. Thereafter, EMLP shall make monthly blended payments of principal and interest. The aforementioned interest adjustment payment may be added to EMLP's first monthly blended payment of principal and interest.

Prepayment: EMLP shall have no right to prepay all or any part of the EMLP Loans.

Security: The EMLP Loans are secured by, among other things, a general security agreement securing all present and after acquired personal property, assignments of rents and leases, various guarantees and security agreements executed by the EMLP and the EMLP Guarantor, mortgages against property owned by EMLP, and any other documents set out by CMHC.

Insurance: EMLP must carry insurance containing comprehensive general public liability coverage of not less than \$2,000,000.00. EMLP must also carry rental income insurance with coverage of 100% of the gross rental income generated by the EMLP Properties.

Event of Default: The EMLP Commitment Letter contains commercially standard event of default terms.

EMLP Loans Conditions: The EMLP Commitment Letters contain standard conditions requiring satisfaction in order to drawdown on the EMLP Loans, including without limitation: confirmation of equity provided by EMLP; EMLP must provide an environmental assessment report for the EMLP Properties; EMLP and the EMLP Guarantor must provide credit reports, bank reports, and financial statements for Peoples' review; a CMHC certificate of insurance must be issued; among others.

Fees: EMLP shall pay Peoples: deposit fees of \$31,250.00 for the First EMLP Loan; \$59,200.00 for the Second EMLP Loan; \$50,949.00 for the Third EMLP Loan; \$65,955.00 for the Fourth EMLP Loan; \$73,071.00 for the Fifth EMLP Loan; \$13,261.50 for the Sixth EMLP Loan; \$12,467.82 for the Seventh EMLP Loan; \$8,483.58 for the Eighth EMLP Loan; \$8,217.39 for the Ninth EMLP Loan; \$24,225.00 for the Tenth EMLP Loan; \$45,687.50 for the Eleventh EMLP Loan; \$23,120.00 for the Twelfth EMLP Loan; and \$28,823.00 for the Thirteenth EMLP Loan (each deposit fee is refundable if EMLP complies with all of the conditions contained in the EMLP Commitment Letters, otherwise, are forfeited to Peoples); an annual administration fee of \$250; an annual property insurance administration fee of \$250; and an approval fee for property taxes of \$1,000. There are several other fees applicable for specific tasks as they may arise outlined in the EMLP Commitment Letters.

Costs: EMLP is responsible for costs incurred by Peoples in connection with the EMLP Commitment Letters and the EMLP Loans, including without limitation the legal account of Peoples' solicitor, all registration fees, appraisal fees, consulting fees (if any), inspection fees, costs of enforcement and any other fees and all out-of-pocket expenses incurred by Peoples, which costs shall for clarity be secured by the security interests and any security documents provided by EMLP.

Subordination and Postponement Agreements: In connection with the EMLP Loans, Peoples has obtained subordination and postponement agreements from the Trust for all of the EMLP Properties except for the properties at 638 Isabelle Street, Estevan, Saskatchewan; 718 3 Street, Estevan, Saskatchewan; 541 Dufferin Avenue, Estevan, Saskatchewan; 1551 107 Street North Battleford, Saskatchewan; 10908 Windsor Crescent, North Battleford, Saskatchewan; 10910 Windsor Crescent, North Battleford, Saskatchewan; and 10912 Windsor Crescent, North Battleford, Saskatchewan; 1901 Pearson Avenue, North Battleford, Saskatchewan; and 1201 99 Street, North Battleford, Saskatchewan.

Inter-Partnership Lending Agreement

ECLP, BELP (for the purposes of this summary, "**Partnerships**" will be referring to ECLP and BELP, and "**Partnership**" will be referring to either one of them, as the case may be), CWB and the Trust have entered into the Inter-Partnership Lending Agreement on September 29, 2021, the material terms of which are summarized below.

The Agreement: The Inter-Partnership Lending Agreement outlines terms and conditions in relation to the borrowing or lending of money between ECLP and BELP (the "**Inter-Partnership Debt**"), and the subordination of certain security issued by ECLP and BELP to CWB and the Trust. To the extent there has been inter-partnership lending of a material amount this agreement may have important consequences; however, should there be no or only nominal amounts of debt outstanding as between the Partnerships, this agreement will not have a material impact on the Business of the Partnerships.

Loan, Purpose of the Loan, Security and Supporting Documentation: A Partnership may, but shall not be obligated to, advance Inter-Partnership Debt to the other Partnership. Any such Inter-Partnership Debt shall be recorded by mutual agreement in a ledger or account to be maintained by the Partnerships, which recordation once complete shall be conclusive evidence of such amount having been paid or advanced. Subject to the terms and conditions of the Inter-Partnership Lending Agreement, any Partnership indebted to the other Partnership may pay any or all outstanding Inter-Partnership Debt amount at any time and from time to time.

Interest Rate: The interest rate for the Inter-Partnership Debt shall be agreed to between the Partnerships and shall be paid before and after default/judgment. Any payments made by a Partnership shall be applied first to the current and accrued interest and then to the principal amount of the Inter-Partnership Debt.

Events of Default: The occurrence of any one or more of the following events or conditions shall constitute an "**Event of Default**" in respect of the Inter-Partnership Lending Agreement if a Partnership fails to: pay any Inter-Partnership Debt, debt owing to CWB or debt owing to the Trust, when due; pay any interest, fee or other amount payable to either Partnership, CWB or the Trust, when due; or perform or observe any material covenant, term, condition or agreement contained in the Inter-Partnership Lending Agreement, agreement with CWB, or agreement with the Trust. An Event of Default will also be deemed to occur if any Partnership: becomes insolvent or admits its inability to pay its debts generally as they become due; becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within ten business days or is not dismissed or vacated within forty-five days after filing; is dissolved or liquidated or takes any action for such purpose; makes a general assignment for the benefit of creditors; has a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business; or undergoes a Partnership Change of Control (as defined in the Inter-Partnership Lending Agreement) without prior consent of CWB and the Trust.

Security: Each Partnership has delivered to CWB: (i) a security interest in all of the present and after acquired property of the Partnership delivering the security; and (ii) a full liability guarantee by the respective Partnership's general partner with respect to indebtedness owed by such Partnership to CWB supported by a security interest in all of the present and after acquired property of such general partner, and in the case of ECLP, a demand collateral mortgage in the amount of \$40,000,000.00 (associated with the ECLP Loan) on real property owned by its general partner from time to time, and in the case of BELP, a demand collateral mortgage in the amount of \$5,000,000.00 (which has remained registered at the Personal Property Registry for the purpose of maintaining the priority position of CWB in the event BELP and CWB enter into further borrowing arrangements) on real property owned by its general partner. Each Partnership shall deliver or cause to be delivered to the Trust and the other Partnership a security interest in all of the present and after acquired property of the Partnership delivering the security. Each of the

Partnerships shall guarantee the performance of the Debentures to the Trust. See **Item 2.4 – Investment Flow Chart**.

Rank of Security: Any and all security and guarantees delivered to the Trust by any Partnership shall at all times be postponed and subordinated in all respects to any and all security and guarantees delivered to CWB by any Partnership. Any and all security delivered to a Partnership by the other Partnership shall at all times be postponed and subordinated in all respects to any and all security and guarantees delivered to CWB and the Trust by any Partnership. Security granted by BELP in favour of the ECLP shall rank *pari passu* to the security granted by ECLP to BELP. Payments to be made to a Partnership by the other Partnership shall be postponed or delayed to the extent necessary so that such payments do not occur when there has been and continues to be a default or an Event of Default in respect of any debt owing to CWB or the Trust.

Termination: The Inter-Partnership Lending Agreement shall terminate with written agreement of the parties, on 90 days advance written notice by a party or in the event of an Event of Default. Notwithstanding termination, any payment obligations shall survive any event causing termination.

The foregoing summary relates solely to the existing Inter-Partnership Lending Agreement. The Partnerships and their Lenders may enter into or amend this, or further, inter-partnership lending arrangements in the future. See Item 2.4 – Investment Flow Chart.

The Debentures

As of September 9, 2024, the total amounts invested by the Trust in the Partnerships by way of Debentures is \$9,581,956.81 comprised of an investment of \$100.00 in BELP, an investment of \$1,666,201.47 in ECLP, and an investment of \$7,915,655.34 in EMLP.

The Trust will continue to make investments in the Partnerships from time to time as part of its normal course of operations and will redeem Debentures as it becomes appropriate to do so. The Debentures include provisions that permit the Trust and the Partnership(s) to amend the terms of the Debentures as they see fit. As such, amendments to the Debentures (whether issued or not yet issued) may occur from time to time depending on the interests and needs of the Trust and the Partnership(s). The current terms of the Debentures are set out below.

Payment: The Partnerships will pay to the order of the Trust the principal amount and any other obligations that arise. The Debentures do not have a specified maturity date. The Partnerships will also make distributions to the Trust throughout the term of the Debentures. Prior to the date hereof, the Debentures were amended to contemplate that the manner in which the Partnerships repay the expenses and costs of the Trust (particularly in respect of the proportions that each Partnership is required to pay) will be set by way of mutual agreement by the Partnerships from time to time, in their discretion.

Interest: On or before the last day of each fiscal quarter (each such quarter a "**Calculation Period**"), the Trust will provide to each Partnership, in writing, the amount of each of the following (the "**Quarterly Summary**"): (a) the aggregate target percentage cumulative base annual interest rate for the Calculation Period for all of the securities of the Trust then issued and outstanding as mutually agreed between each Partnership and the Trust (the "**Total Trust Interest Amount**"); (b) the aggregate principal amount of all Partnership debentures issued and outstanding to each such Partnership on the last day of the Calculation Period (the "**Total Debenture Value**") and the pro rata value, calculated as a percentage, of the principal amount of the Debenture as at the last day of the Calculation Period as against the Total Debenture Value (the "**Proportionate Percentage**"); (c) the aggregate principal amount of all debentures of each Partnership then outstanding (such principal amount collectively with the Total Debenture Value, the "**Collective Debenture Value**") and the pro rata principal amount, calculated as a percentage, of the Total Debenture Value as at the last day of the Calculation Period as against the Collective Debenture Value (the "**Collective Percentage**"); (d) the amount that is equal to the total reasonable operating expenses of the Trust (including, without limitation, charges, fees, commissions and costs incurred in connection with any offering

of securities undertaken by the Trust) plus any other costs of the Trust not already paid for by the Partnerships and determined payable for that Calculation Period (collectively, the "**Total Trust Commitment Fee**"); (e) the dollar amount of the Total Trust Commitment Fee that the Partnerships have advised the Trust will be allocated to the Partnership in respect of such Calculation Period (the result, being the "**Commitment Fee**"); (f) the Total Trust Interest Amount multiplied by the Proportionate Percentage (the result, being the "**Interest Distribution Amount**"); and (g) the aggregate of the Commitment Fee and the Interest Distribution Amount (the "**Maximum Interest Amount**"). Each Partnership will provide to the Trust, in writing, the amount of its net income for the fiscal quarter as set out in the financial statements of each Partnership for the Calculation Period to which that Quarterly Summary relates multiplied by the Proportionate Percentage (the "**Quarterly ANI**"). Each Partnership will similarly provide the Trust with the determination that the Partnerships have made as to costs and expense allocations for the Calculation Period which allocations may be amended and determined by the Partnerships in their discretion from time to time. On or prior to the 15th day following the last day of each Calculation Period each Partnership will calculate and pay to the Trust the amount of interest available for distribution to the Trust (the "**Interest**") in respect of that Calculation Period.

Interest Payable: Interest for a Calculation Period will be calculated as of the last day of such Calculation Period and determined as follows: (a) where the Quarterly ANI is greater than or equal to the Interest Distribution Amount plus the Commitment Fee, "Interest" shall be an amount equal to the Maximum Interest Amount, (b) where the Quarterly ANI is less than the Maximum Interest Amount but greater than the Commitment Fee, "Interest" shall be an amount equal to the Quarterly ANI; and (c) where the net income (as determined by the Debenture) of each respective Partnership is not greater than the Commitment Fee, "Interest" shall be an amount equal to the Commitment Fee. Subject to the Debenture each Partnership will be obligated to pay to the Trust the Interest per Calculation Period that is not less than the Commitment Fee. All payments of Interest must be paid to the Trust on or prior to the 15th day following the last day of each Calculation Period.

Total Trust Interest Amount: At no time will the Total Trust Interest Amount exceed 11.0% per annum (calculated daily and based off of a 365/366 day year).

Pre-payment: The Trust and each Partnership may agree for such Partnership to pre-pay all or part of the Commitment Fee.

Tax Withholdings: The Partnerships will deduct or withhold from distributions payable to the Trust all amounts required by law to be withheld by the Partnership from such distributions.

Postponement of Payments: Payments to be made to the Trust shall be postponed or delayed to the extent necessary so that such payments either: (a) do not occur when there has been and continues to be a default or an event of default under or in respect of the Senior Indebtedness or the Senior Security; or (b) does not result in a default or an event of default under or in respect of the Senior Indebtedness or the Senior Security, including, without limitation, any breach of financial covenants made in connection therewith.

Security: The Debentures secure payment and satisfaction of any and all obligations, indebtedness and liability of the Partnerships to the Trust, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and including, without limitation, the obligations of the Partnerships to pay the principal amount and Interest pursuant to the Debenture, and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Partnerships be bound alone or with another or others and whether as principal or surety, and all fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise. Each Partnership hereby grants, assigns, transfers, mortgages and charges to the Trust as and by way of a fixed and specific mortgage and charge, and grants to the Trust a security interest in, all of such Partnership's present and after-acquired personal property including without limitation all goods (including inventory

and equipment), accessions, accounts, chattel paper, documents of title, instruments, intangibles, money, securities and all other investment property now owned or hereafter acquired by or on behalf of each Partnership.

Exceptions to Security Interest: Security interest shall not extend or apply to: (i) the last day of the term of any lease or agreement therefor; or (ii) any agreement, right, franchise, license or permit to which the respective Partnership is a party or of which the respective Partnership has the benefit of, to the extent that the creation of a security interest would constitute a breach of the terms of or permit any person to terminate such contractual rights for failure to obtain the consent or waiver of that person. The Partnerships agrees that it shall, upon the request of the Trust, use its best efforts to obtain any consent or waiver required to permit any contractual rights to be subjected to a security interest. For clarity and avoidance of doubt, the security interest granted by the Debentures shall not extend or apply to, and any collateral shall not include, any right, title or interest in real property.

Use of Proceeds: The Partnerships shall use the net proceeds of the Debentures for the purposes of funding the Business of the Partnerships, capital expenditures, and for general corporate purposes.

Working Capital Reserve: The Partnerships shall maintain an amount of cash and cash equivalents that is at least equal to an amount determined by the Trust, in writing, on an annual basis and tested monthly, which amount shall be at least equal to 10% of the aggregate principal amount of the Debentures issued and outstanding from time to time but shall not be greater than 20% of the aggregate principal amount of the Debentures issued and outstanding from time to time.

Subordinated Debt: The obligations of the Partnerships to the Trust as set out in the Debentures (the "**Subordinated Debt**") will be postponed and subordinated in right of payment to the prior payment in full of all Senior Indebtedness.

Senior Indebtedness: So long as any Senior Indebtedness is outstanding and until the Senior Indebtedness shall have been paid, performed and indefeasibly satisfied in full: the payment and security of all Subordinated Debt is postponed and subordinated to the indefeasible payment and performance in full and final satisfaction of all Senior Indebtedness and the Trust will not thereafter directly or indirectly, accept from the respective Partnership, in any manner, directly or indirectly, payment of, or consideration for the reduction of, the whole or any part of, the Subordinated Debt. The postponement and subordination of the Subordinated Debt to the Senior Indebtedness shall apply in all events and circumstances regardless of: the date of execution, attachment, registration or perfection of any security interest held by the Trust or the Senior Creditor; the date of any advance or advances made to the Partnerships by the Trust or the Senior Creditor; the date of default by the Partnerships under the Debentures or any of the Senior Security or the dates of crystallization of any floating charges held by the Senior Creditor; or any priority granted by any principle of law or any statute, including the *Personal Property Securities Act* (Alberta).

Junior Debt: Pursuant to the Inter-Partnership Lending Agreement, or any subsequent inter-partnership lending arrangement entered into by the Partnerships, each Partnership has provided a general security interest over all of the personal and after-acquired personal property of such Partnership, and each Partnership acknowledges and agrees that any indebtedness, security interest and obligations owing to the other Partnership under the Inter-Partnership Lending Agreement, or any subsequent inter-partnership lending arrangement entered into by the Partnerships, ranks junior and are postponed and subordinate to the obligations and security interest formed under the Debentures.

Events of Default: The Partnerships and the Trust have agreed to standard events of default.

Multiple Debentures: The Partnerships and the Trust acknowledge that the Partnerships will, over time, issue numerous Debentures and that all such Debentures shall rank *pari passu*, regardless of the date on which any action is taken by or on behalf of any of the holders of such Debentures.

Assignment: Neither party shall trade, transfer or assign the Debentures without the prior written consent of the other party, which shall not be unreasonably withheld.

Class X Units: Concurrently with the issuance of the Debentures, Class X Units will be issued to, and registered in the name of, the Trust. The Class X Units are subject to the terms and conditions set out in the Debentures and in the LP Agreements.

Concurrent Redemptions of Class X Units: Concurrently with any redemption of the Debentures, the Partnerships will redeem that number of Class X Units then held by the Trust as is proportionate to the total amount of Debentures then being redeemed as against the total amount of Debentures held by the Trust on the date set for redemption, pursuant to the LP Agreements, provided however that, notwithstanding anything in the LP Agreements, for so long as any amount remains outstanding under the Debentures, the calculation of the Class X Redemption Price will be determined by the mutual consent of each such Partnership and the Trust each acting reasonably and in good faith.

Redemption Rights: Following the one-month anniversary date of the issuance of the Debentures to the Trust, the Partnerships may, at any time and from time to time, redeem the Debentures, in whole or in part, on not less than 30 days' written notice of no-interest and surrender in respect of the Debentures to the Trust. Following the one-month anniversary date of the issuance of the Debentures to the Trust, the Trust will be entitled to require the Partnerships to redeem the Debentures in whole or in part, at any time or from time to time on not less than 30 days' written notice of no-interest and surrender in respect of the Debentures to the Partnerships. Redemptions initiated by either the Partnerships or the Trust are subject to terms and conditions outlined in the Debentures, and the LP Agreements.

Amendments: The Debenture may be amended only by an agreement in writing signed by the respective Partnership and the Trust. See **Item 2.4 – Investment Flow Chart**.

The LP Agreements

The BELP Agreement, the ECLP Agreement and the EMLP Agreement have substantially the same material terms. The material terms of the LP Agreements are summarized below.

Formation: ECLP was formed on November 15, 2019, BELP was formed on October 30, 2019, and EMLP was formed on June 1, 2022, all pursuant to the Partnership Act.

Business of the Partnerships: The business of ECLP consists of acquiring, developing, selling, leasing, maintaining and/or renting commercial real estate, and other related activities. The business of BELP and EMLP consists of purchasing, managing, leasing, development and sale of real property and other related activities, including retaining advisory services and a licensed property management provider as may be necessary or desirable, and other related activities.

Fiscal Year-End: Each fiscal period of the Partnerships shall commence on January 1 and shall end on December 31 of a calendar year, or on the date of dissolution or other termination of such Partnership.

Events of Dissolution: The Partnerships shall only be dissolved upon the passing of a resolution by the partners entitled to vote, with not less than sixty-six and two-thirds (66⅔%) percent of such partners voting to in the affirmative.

Procedure on Dissolution: Upon the occurrence of dissolution of a Partnership, the general partner of such a Partnership shall liquidate such Partnership's assets; pay all of such Partnership's debts, liabilities and obligations to its creditors, including any principal or interest due on loans from any partner, and any advances made by the general partner or any of its directors, officers or employees to the Partnership; pay all the taxes due by the Partnership to the relevant taxing authority; in order of priority: calculate and issue

any Class A limited partnership units in the Partnerships to which the holders of Class B limited partnership units of the Partnerships may then be entitled, and immediately following such issuance, redeem or repurchase each outstanding Class B limited partnership unit of the Partnerships; repurchase or redeem all outstanding Class X limited partnership units in the Partnership; repurchase or redeem the specialized classes of limited partnership units; and thereafter distribute all remaining funds to the partners of the Partnerships holding Class A limited partnership units; and execute and register a notice to cancel the Partnerships' Certificate as well as any and all other documents required to effectuate the dissolution and termination of the Partnerships.

Net Partnership Value: The net partnership value of each of the Partnerships means the fair market value of the total assets of the respective Partnership, as determined and adjusted by the general partner of such Partnership in its sole discretion, less the fair market value of the liabilities of such Partnership, as determined and adjusted by the general partner of such Partnership in its sole discretion.

Units: The Partnerships are authorized to issue the following units:

- (i) unlimited number of Class A limited partnership units;
- (ii) unlimited number of Class B limited partnership units;
- (iii) 100 general partnership units; and
- (iv) unlimited number of Class X Units.

The Partnerships are also authorized to issue an unlimited number of specialized classes of limited partnership units, the rights and privileges of which are determined by the general partner of the issuing Partnerships at the time of issuance.

Class X Units: The Class X Units have the following material terms and rights:

- (i) Class X Units shall not receive any distributions or allocations of profit, income/loss, or any other payments from the Partnership over and above the redemption price of the Class X Units;
- (ii) Class X Redemption Price means a price per Class X Unit as is equal to the portion of the fair market value of the assets of the respective Partnership that may reasonably be attributed to the Class X Units as a result of the increase or decrease in value of the assets acquired or developed through the Partnership's deployment of the subscription proceeds received by such Partnership from the issuance of the Class X Units, the Debentures, or other debt securities, calculated and determined as of the last day of the fiscal quarter (being March 31, June 30, September 30 and December 31 in each fiscal year) immediately preceding the date on which a Class X Unit holder gives notice to the Partnership, in writing, that it requires the Partnership to redeem some or all of its Class X Units, or the Partnership gives notice to the Class X Unit holder, in writing, that it wishes to redeem some or all of the Class X Units held by such Class X Unit holder, divided by the aggregate number of Class X Units issued and outstanding on that same quarter-end date, provided, however that in no circumstance will the redemption price of the Class X Units be less than \$0.10 per Class X Unit; and
- (iii) following the one-year anniversary date of the issuance of the Class X Units, the:
 - 1) Partnerships may, at any time and from time to time, redeem such Class X Units; and
 - 2) Class X Unit holder will be entitled to require the Partnerships to redeem Class X Units; at the redemption price of such Class X Units.

Subscription: A person may subscribe for one or more classes of a limited partnership unit or general partnership unit of the Partnerships by delivering to the general partner of such a Partnership a completed subscription agreement in such form as determined by such general partner along with the requisite capital contribution (as determined by the LP Agreements). The general partner of such Partnership in their sole and unfettered discretion may refuse to accept any subscription for limited partnership units or general partnership units of the Partnerships.

Transfer of Units of the Partnerships: Limited partners shall not be entitled to dispose of their units unless, among other things, the disposition has been approved by the general partner of the respective Partnership.

Capital: The capital of the Partnerships consists of the aggregate of all sums of money or other property contributed by the partners as capital contributions and not withdrawn or returned to them.

Allocation of Net Income and Losses: The net income or net loss of the Partnerships for each fiscal period shall be allocated as set out below:

- (i) first, to the holders of general partnership units in the Partnerships in the amount equal to 0.01% of such holder multiplied by the net income of the Partnership;
- (ii) second, to the holders of Class A limited partnership units of the Partnerships in an amount equal to 99.99% multiplied by the number of such units held by such limited partner divided by the total number of Class A limited partnership units outstanding, multiplied by the sum of:
 - 1) the difference between net income of the respective Partnership and any and all amounts required to be allocated to the specialized classes of limited partnership units and the Class B limited partnership units as described below; and
 - 2) the amount, if any, in respect of an appreciation bonus, which is comprised of that number of Class A limited partnership units of the respective Partnership as is equal to the appreciation amount (as such term is defined in each of the BELP Agreement, the ECLP Agreement, and the EMLP Agreement) divided by the fair market value (as determined by the LP Agreements) of the Class A limited partnership units as at the date of the last fiscal year (the "**Appreciation Bonus**"), not allocated to the Class B limited partnership units of such Partnerships;
- (iii) third, to the holders of specialized classes of limited partnership units, in an amount being a fixed percentage of the respective capital contribution made by each holder of the specialized classes of limited partnership units as shall be determined at the discretion of the general partner of such respective Partnership; and
- (iv) fourth, to the holders of Class B limited partnership units of the Partnerships in respect of any Appreciation Bonus (if any) applicable to a holder of such Class B limited partnership units determined in accordance with the provisions of the LP Agreements.

Distributions: Cash funds provided from the operation of the Partnerships not required to meet obligations of the respective Partnerships in connection with its businesses or to maintain their respective reserves (for the purposes of the LP Agreements, "**Distributable Cash**") and in-kind allocations of net income of the Partnerships shall be distributed to the partners of the Partnerships as follows:

- (i) distributions to holders of Class A limited partnership units of the respective Partnership may be satisfied in accordance with the LP Agreements;
- (ii) holders of Class B limited partnership units shall not be entitled to any Distributable Cash; and
- (iii) distributions to specialized classes of limited partnership units of the respective Partnership may be satisfied in accordance with the LP Agreements.

Reserves: The general partner of each Partnership shall make provision for the adequate reserves for anticipated distributions, redemptions and expenses (as determined by the LP Agreements) of each respective Partnership. The provision for reserves shall be in such amount as the general partner for each respective Partnership, in its discretion, shall determine.

Return of Capital Contribution: Limited partners of the Partnerships shall only be entitled to demand a return of their respective aggregate capital contributions to the Partnerships upon the termination, dissolution, winding-up or liquidation of such Partnerships.

Redemption of Class A Limited Partnership Units: Each partner holding Class A limited partnership units of a Partnership shall be entitled to require such Partnership to redeem all or any part of such units in accordance with the LP Agreements. However, if the total amount payable by the Partnership pursuant

redemption of Class A limited partnership units in any given year exceeds the lesser of 5% of the fair market value of all issued and outstanding Class A limited partnership units and an amount that would result in the failure of the Partnership to maintain a certain financial reserves (for the purposes of this section, the "**Annual Limit**"), the Partnership may elect to instead only redeem that number of Class A limited partnership units as have an aggregate value equal to the Annual Limit on a pro rata basis based on the number of Class A limited partnership units so tendered and any Class A limited partnership units not so redeemed shall be deemed to have been tendered by the limited partner on the next applicable date on which the partners holding Class A limited partnership units are entitled to require redemption, unless that partner opts to withdraw their request for redemption. Notwithstanding the foregoing, the Partnership is entitled to redeem Class A limited partnership units that exceed the Annual Limit in its sole discretion.

In addition to the rights of redemption granted to the holders of Class A limited partnership units in the LP Agreements, each Partnership may, following the six (6) month anniversary date of the issuance of a Class A limited partnership unit of such Partnership, at any time redeem such Class A limited partnership unit in accordance with the LP Agreements. Other than certain requirements relating to the price and timing of redemptions, none of the Partnerships is subject to any material limitations on their rights of redemption in respect of the Class A limited partnership units under the LP Agreements.

Rights and Limitations of Limited Partners: A limited partner of a Partnership may from time to time inquire as to the status of such respective Partnership and the progress of its business and may provide comments as to its management. However, no such limited partner shall:

- (i) take any part in the control, management, administration and operation of the respective Partnership, its business or its affairs;
- (ii) transact any business on behalf of the respective Partnership or execute any document which binds or purports to bind such Partnership, the general partner of such Partnership or any other limited partner of such Partnership;
- (iii) hold themselves out as having the power or authority to bind such Partnership, the general partner of such Partnership or any other limited partner of such Partnership; or
- (iv) have any authority to undertake any obligation or responsibility on behalf of the respective Partnership.

Power of Attorney: Each limited partner of the Partnerships hereby irrevocably nominates, constitutes and appoints the general partner of the respective Partnerships, with full power of substitution, as their true and lawful attorney to act on their behalf with full power and authority in the name, place and stead of such limited partner and for the use and benefit of such limited partner to do, complete, execute, and file such things as contemplated by the LP Agreements, including but not limited to, limited partnership certificates, tax elections, agreements, transfer documents, government instruments.

Limited Liability of the Limited Partners: No limited partner of a Partnership is liable for the obligations of such Partnerships except in respect of the amount of property such limited partner contributes or agrees to contribute to the capital of such respective Partnership.

Drag Along Rights: If at any time, one or more limited partners of a Partnership holding Class A limited partnership units who hold in aggregate not less than sixty-six and two-thirds (66⅔%) percent of the outstanding Class A limited partnership units of such respective Partnership (collectively the "**Selling Partner**"), receive a bona fide offer from any person who is not an affiliate of the Selling Partner (or any one of them), to purchase in one transaction, or a series of related transactions, all of the outstanding Class A limited partnership units or all of the outstanding limited partnership units of such Partnership, the Selling Partner shall have the right to require that each other limited partner of such Partnership participate in such sale in the manner set forth in the LP Agreements.

Mandatory Redemption: Upon any limited partner of the Partnerships defaulting in any obligations under the LP Agreements, the general partner of such Partnership may, after issuing a notice of default in writing

to such limited partner in default, at its option after fifteen Business Days of issuing said notice, and such default remaining uncured, in addition to any other remedies of the general partner of such Partnership or such Partnership, declare that the units of such Partnerships held by such limited partner are redeemed in accordance with the LP Agreements.

Authority and Specific Powers of the General Partners of the Partnerships: Each of the general partners for the respective Partnerships has, subject to those matters requiring resolutions (as contemplated by the LP Agreements) full and exclusive power and authority to administer, manage, control and operate the respective Partnership's business and affairs at all times on behalf of, and without further authority from the limited partners of such Partnership, and to do all things which in its discretion are necessary, proper or desirable to carry on such respective Partnership's business. Further specific powers of the general partner for the Partnerships are contemplated in LP Agreements.

Compensation of the General Partner: The general partners of the Partnerships shall be entitled to reimbursement by the respective Partnerships for all reasonable costs and expenses that are incurred by such general partner on behalf of the respective Partnerships in the ordinary course of business.

Title to Property: Title to the assets of the Partnerships, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnerships as an entirety, and no limited partner of such Partnerships individually shall have any ownership interest in the assets of such Partnerships or any portion thereof. Title to any or all of the Partnerships' assets shall be held in the name of the general partner of such Partnership or in such other names as the general partner of such Partnership may determine from time to time, including nominees.

Liability of General Partners: The general partner of each Partnership has unlimited liability for such Partnerships' debts, liabilities, losses and obligations.

Limitation of Liability of General Partners: The general partners of the Partnerships nor any of its officers, directors or employees, shall be liable, responsible or accountable in damages or otherwise to such Partnership or any limited partner of such Partnership for any mistakes or errors in judgment or action taken or failure to act on behalf of such Partnership within the scope of the authority conferred on such general partner and its officers, directors or employees by the LP Agreement or by law unless such action or omission was performed or omitted fraudulently or in bad faith or constituted wanton and willful misconduct or gross negligence.

Indemnity by General Partners: The general partners of the Partnerships will indemnify and save harmless each limited partner of the respective Partnerships from and against any and all costs, damages, liabilities or expenses incurred by such limited partners as a result of the liability of such limited partners not being limited in the manner herein described, except where caused by the act or omission of such limited partners. The general partners of the Partnerships will indemnify and save harmless the respective Partnership from and against any and all costs, damages, liabilities and expenses incurred by such Partnership as a result of any breach by the respective general partner of its duties under LP Agreement, including reasonable legal expenses incurred by such Partnership in defending an action based in whole or in part upon an allegation that the general partners of such Partnership has been guilty of such breach if such defence is substantially unsuccessful.

Removal of a General Partner: The partners of the Partnerships entitled to vote may remove the general partner of the respective Partnership by a resolution passed by the partners of such Partnership entitled to vote holding, in the aggregate, not less than sixty-six and two-thirds (66⅔%) percent of the aggregate number of partnership units with voting rights held by those partners of such Partnerships entitled to vote, only if such general partner has committed an act of negligence, willful misconduct, bad faith or dishonesty or is in material default of its covenants or obligations under the LP Agreements. The limited partners of such Partnership may then remove such general partner by such a resolution if they appoint a successor

general partner (in accordance with the LP Agreements) and the successor general partner executes and delivers such documents as contemplated by the LP Agreements.

Voluntary Withdrawal of General Partner: Each Partnerships' general partner's interest, powers and authority under the LP Agreements are neither assignable, transferable, delegable, nor conveyable. The general partners of the Partnerships shall have the right on one hundred and twenty days' written notice to the partners holding Class A limited partnership units of such Partnership to resign, retire or withdraw voluntarily as general partner of such Partnership and shall call a meeting of the partners holding Class A limited partnership units of such Partnership for the purpose of appointing a replacement general partner in accordance with the LP Agreements.

Annual and General Meetings of the Partners: Meetings of the partners of the Partnerships entitled to vote may be called at any time by the general partner of the respective Partnership and shall take place at least once annually.

ECLP Management Agreement, BELP Management Agreement & EMLP Management Agreement

ECLP entered into the ECLP Management Agreement, BELP entered into the BELP Management Agreement, and EMLP entered into the EMLP Management Agreement with Braemore. Other than as expressly set forth below, all three agreements are substantially similar, the material terms of which are summarized below.

Appointment: In the event that a Partnership has made an investment (and has retained that investment) in a particular property, Braemore, as manager, will provide certain management services with respect to the ECLP Properties, BELP Properties and the EMLP Properties. Braemore is authorized to act as agent for the Partnerships for the purposes of carrying out its management services.

Management Services: Braemore will perform certain duties and responsibilities with respect to the management of the respective properties of each of the Partnerships including without limitation: management, operation, and maintenance of the respective properties of each of the Partnerships; rent collection and other due amounts from tenants; periodic inspection, supervision of maintenance, maintenance of records and delivery of reports regarding the respective properties of each of the Partnerships to the Partnerships; receipt of, and attendance to, tenant complaints; applying for and keeping in good standing all licenses, permits and approvals required to complete the management services with respect to the respective properties of each of the Partnerships; preparation and submission of a budget to the Partnerships for the routine operation of the respective properties of each of the Partnerships; entering into contracts on behalf of the Partnerships for authorized services and within specified thresholds; payment of contractors and all expenses relating to the respective properties of each of the Partnerships, as well as prevention of liens against the respective properties of each of the Partnerships; performing lease or tenancy covenants on behalf of the Partnerships; and notification of the Partnerships regarding any known lawsuits, order, proceeding or any threat that might adversely affect the respective properties of each of the Partnerships or any interest of the Partnerships therein.

Limitation of Authority: Braemore, unless specifically authorized by a Partnership with respect to its properties, is not authorized to: obtain loans for the Partnerships; cause the Partnerships to extend credit or make loans; release, comprise, assign, or transfer any claim, right, or benefit of the Partnerships; confess a judgement against the Partnerships; carry out legal proceedings; modify, change or amend any drawing, maps plans, or specifications in connection with the respective properties of each of the Partnerships; grant easements or other property rights in the respective properties of each of the Partnerships; and purchase, sell or lease any of the respective properties of each of the Partnerships.

Accounting and Reporting Requirements: Braemore is required to: maintain adequate books and records in connection with the management of the respective properties of each of the Partnerships for a period of seven years.

Compensation: Braemore will be compensated for its services provided to ECLP as follows: monthly management fee of 7% of base rent of the ECLP Properties with the management fee being limited to a maximum of \$1,000 per property; and reimbursement of out-of-pocket costs and expenses incurred in connection with the management of the ECLP Properties. Braemore will be compensated for its services provided to EMLP as follows: management fee equal to 4% of the gross rents received from the properties of EMLP; and an annual caretaker fee of \$400.00 for each door, paid on a monthly basis regardless of whether or not a property is occupied. Braemore is not currently providing services to any BELP Properties and will not be compensated under the BELP Management Agreement.

Term: The term of the ECLP Management Agreement commences on June 14, 2023, and continues indefinitely until terminated. The term of the EMLP Management Agreement and BELP Management Agreement commence on September 1, 2024, and continue indefinitely until terminated.

Termination: The ECLP Management Agreement, the BELP Management Agreement and the EMLP Management Agreement may be terminated by the respective Partnership or Braemore without cause by giving the other party 90 days' prior written notice. The aforementioned agreements may also be terminated for cause as a result of breach of such agreement by a party; if a party files or is adjudicated bankrupt or insolvent; either party admits in writing of its inability to pay its debts as they mature, or gives notice to any governmental body of insolvency or pending insolvency or suspension or pending suspension of operations.

Reporting at Termination: Braemore is required to deliver to the respective Partnership promptly a complete and final accounting of income and expenditure for the respective properties of each of the Partnerships, any balance of monies of the respective Partnership or tenant security deposits held, and all written data and other materials belonging to the respective Partnership upon termination.

Insurance: Braemore will maintain adequate insurance and maintain comprehensive general public liability insurance of no less than \$5,000,000.00 and motor vehicle insurance covering Braemore's licensed vehicles with a liability limit of \$2,000,000.00, and such other insurance as may be advisable for the protection of the Partnerships and Braemore.

Insurance Claims: Where Braemore receives notice of any claim, including injuries occurring in or about the respective properties of each of the Partnerships, claims involving the respective properties of each of the Partnerships or against Braemore or any of the Partnerships, Braemore is required to promptly notify the respective Partnership of such claim in writing, and Braemore must not take any steps that will bar the respective Partnership from protecting itself against such claim, demand or legal proceeding. Also, Braemore is obligated to fully cooperate with the Partnerships in the defence of any claim, demand or legal proceeding.

Non-Solicitation: For a period of one year following the expiry or termination of the ECLP Management Agreement, the BELP Management Agreement or the EMLP Management Agreement, each respective Partnership shall not directly or indirectly solicit or attempt to hire any of Braemore's employees involved with any aspect of the management and operation of the respective properties of each of the Partnerships.

Status Report: Each of the respective Partnerships and Braemore are also required to promptly furnish a written statement on the status of any matter pertaining to the ECLP Management Agreement, the BELP Management Agreement or the EMLP Management Agreement or the respective properties of each of the Partnerships to the best of the knowledge and belief of the party making such statement, upon the written request of the other party.

ECLP Asset Management Agreement, BELP Asset Management Agreement & EMLP Asset Management Agreement

ECLP by its general partner, 222 AB, and its initial limited partner, entered into the ECLP Asset Management Agreement with Epiphany Consulting Services on July 1, 2021, and BELP by its general partner, Black Elm Financial, and its initial limited partners, entered into the BELP Asset Management Agreement with Epiphany Consulting Services on July 1, 2021, and EMLP by its general partner, 243 AB, and its initial limited partner, entered into the EMLP Asset Management Agreement with Epiphany Consulting Services on May 15, 2023, the material terms of all agreements are summarized below.

Engagement: Epiphany Consulting Services, as manager, will provide certain management services with respect to certain properties of interest to ECLP, BELP and EMLP.

Management Services: Epiphany Consulting Services will perform services as manager including without limitation: analysis of the market in Alberta and elsewhere for additional desirable properties; acquisition, disposition and asset management advice; due diligence on any properties being considered for acquisition; property management services; accounting and legal support on a day-to-day basis, including professional fees related thereto at the expense of the manager (excluding any professional fees relating to litigation matters); hire and manage specialists, consultants, managers or other like persons reasonably required from time to time; prepare and distribute annual estimates of the amount to be reserved from revenue for necessary capital repairs; and establish and maintain a commercial bank overdraft line of credit.

Term: The ECLP Asset Management Agreement, the BELP Asset Management Agreement, and the EMLP Asset Management Agreement shall continue until they are terminated by the earlier of: (i) the dissolution of the respective Partnership that is a party to the appropriate agreement; (ii) the material breach by Epiphany Consulting Services or the Partnerships so contemplated in their respective agreement of the ECLP Asset Management Agreement, the BELP Asset Management Agreement, or the EMLP Asset Management Agreement, as applicable, where such breach has not been cured within 30 days; (iii) at any time, upon 180 days prior written notice by Epiphany Consulting Services to ECLP, BELP, or EMLP; (iv) upon admission of a substitute general partner that is not an affiliate of 222 AB with respect to ECLP, Black Elm Financial with respect to BELP, or 243 AB with respect to EMLP; and (v) if any party to each agreement becomes bankrupt or insolvent or makes a general assignment for the benefit of its creditors or a receiver is appointed for such party.

Fee: ECLP, BELP, and EMLP are to pay Epiphany Consulting Services an annual fee, calculated and payable by ECLP on a quarterly basis, by BELP on a monthly basis, and by EMLP on a monthly basis, in arrears the amount of 1.5% of the net asset value of the respective Partnership plus any applicable taxes.

Liability: Epiphany Consulting Services shall not be liable to ECLP, BELP or EMLP, any person holding interest in either Partnership, or any other third party for any loss, damage or potential loss or damage, any loss of use, revenue, or profit regardless of whether such loss or damage was foreseeable (or Epiphany Consulting Services had been advised of the possibility of such losses or damages).

The Administrator Agreement

The Trust entered into the Administrator Agreement with the Administrator (a Related Party to the Trust by virtue of it being controlled in part by Art Smith) on September 2, 2021, the material terms of which are summarized below.

Duties and Services to be Provided by the Administrator: The Administrator will have, but not be limited to, the following roles and responsibilities: managing the day-to-day operations and affairs of the Trust; negotiating all agreements for the Trust and obtaining approval by the Trustees; receiving payments from the operating company and processing cash flow distributions to the Participating Preferred Trust

Unitholders; establishing the appropriate legal framework for the Trust; collecting and mailing financial and other reports and all other notices to Participating Preferred Trust Unitholders; attending to all arrangements necessary for meetings of the Participating Preferred Trust Unitholders; responding to all inquiries by Participating Preferred Trust Unitholders; administering the DRIP on behalf of the Trust; providing Participating Preferred Trust Unitholders with detailed statements for income tax purposes; ensuring that any regulatory or legislative matters affecting the Trust are dealt with in a timely manner; preparing annual financial reports and arranging for an audit of such annual financial reports for the Trust; establishing and maintaining the back-office procedures for onboarding investors, managing closings, distributions, redemptions, SEDAR+ and security commissions filings; establishing and maintaining bank accounts on behalf of the Trust; establishing appropriate accounting systems for the proper control of the Trust; issuance or cancellation of securities, including issuing certificates; examining transfer documentation, including endorsement of items presented for transfer and authenticating signatures; liaising with lawyers, regulators, financial intermediaries, depositories, auditors and printers; unclaimed property administration; updating the Participating Preferred Trust Unitholder changes of address and other contact information; receiving, applying and administering Participating Preferred Trust Unitholder options and information in respect of their investment; to approve the class net asset value per unit of the Trust; and other tasks mutually agreed to with the Trust.

Term: The term of the Administrator Agreement shall commence on September 2, 2021 and terminate on September 2, 2026 or upon termination as a result of a material breach or at written notice by either the Trust or the Administrator as contemplated in Article 7 of the Administrator Agreement.

Nature of Relationship: The Administrator shall at all times be an independent contractor of the Trust and is not an agent or employee of the Trust.

Remuneration: The Trust will pay the Administrator a consulting fee comprising of a monthly service fee of \$3,000.00, and a monthly management fee. The monthly management fee is calculated by taking the assets under management at the end of each month, multiplying that number by 75 basis points and dividing it by 12 months, provided that over the term of the Administrator Agreement, the monthly fees paid are aggregated and the aggregate total cannot exceed a cap, as provided for in the Administrator Agreement.

Confidential Information: The Administrator agrees to accept and retain all confidential information in confidence at all times, and to not disclose such information to third parties.

The Investment Fund Management Agreement

The Trust entered into the Investment Fund Management Agreement with the Investment Fund Manager effective April 20, 2022, which was subsequently amended on April 20, 2024, the material terms of which are summarized below.

Duties and Services to be Provided by the Investment Fund Manager: The Investment Fund Manager will provide the Trust with certain investment fund management services and advisory services, the former comprising of strategic and capital markets advice pertaining to being a mutual fund trust which may include advice related to acquisitions, divestitures, and other corporate finance matters. The investment fund management services shall include the following: reviewing the operations of the Trust on a quarterly basis; advising on the Trust's compliance with its investment objectives and performance as authorized in accordance with the Declaration of Trust; providing on a quarterly and an annual basis, as applicable, certain review services including but not limited to, reviewing due diligence and financial analysis in relation to the Trust Assets or investments of the Trust, reviewing all income and expenses of the Trust, BELP, ECLP and EMLP; reviewing audited financial statements and provide comments for the Trust, BELP, ECLP and EMLP; the calculation of the Net Asset Value (including Net Asset Value per Participating Preferred Trust Unit) in accordance with the Declaration of Trust for the Trust, BELP, ECLP and EMLP; reporting investor updates of current quarter results for material holdings and comparatives versus comparable indices and prior periods,

to be provided by the Trust; key performance indicators of the Trust, BELP, ECLP and EMLP; quarterly reconciliation of total number of Trust Units outstanding between fund accounting records and transfer agent records; reviewing security position reconciliations between fund accounting records and the Trust's custodian records, if applicable; reviewing the subscription, redemption, and unitholder statement process to ensure they are executed properly etc.; reviewing and commenting on all offering documents (including marketing materials) prepared on behalf of the Trust for the issuance of Trust Units; assisting the Trust to identify, address and disclose conflicts of interest; facilitating the processing of subscriptions through the Fundserv clearing system and ensuring proper unitholder recordkeeping is completed for orders processed through Fundserv; advising and supporting the Trust in relation to compliance with relevant securities laws; in conjunction with the Trustees and the Administrator, executing any and all other deeds, documents and instruments and doing all acts as may be necessary or desirable to carry out the intent and purpose of the Investment Fund Management Agreement upon the reasonable request of the Trustees or the Administrator.

Remuneration: The Trust will pay the Investment Fund Manager a quarterly base management fee which is the greater of \$7,500 per quarter or \$200 per hour for each hour spent on the provision of services in the applicable quarter, and a quarterly investment fee of twenty (20) basis points (0.2%) per annum of the portion of the appraised value of the assets under administration by the Trust greater than \$50,000,000.00, divided by four.

Termination: The term of the Investment Fund Management Agreement shall commence on April 20, 2022 and shall terminate concurrently with the termination of the Trust or after April 20, 2024 by either party with notice to the other party or as a result of a breach by either the Trust or the Investment Fund Manager as contemplated in the Investment Fund Management Agreement.

2.14 Related Party Transactions.

The Trust has not engaged in any purchase and sale transactions with a Related Party concerning property that is not real property.

Item 3. TRUSTEES, DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held.

The following table provides relevant information about each Trustee, each director and officer of the Administrator, each promoter of the Trust, and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of the Trust:

Name and municipality of principal residence, or jurisdiction of organization	Positions held and the date of obtaining that position	Compensation paid by Trust in the most recently completed financial year and the compensation anticipated to be paid in the current financial year⁽¹⁾	Number, type and percentage of securities of the Trust held after completion of min. Offering	Number, type and percentage of securities of the Trust held after completion of max. Offering
Darryl Kenna Waterton, Alberta	Trustee (Non-Independent) September 2, 2021	2023 - Nil ⁽¹⁾ 2024 - Nil ⁽¹⁾	1,336 ⁽⁴⁾ (0.0478%) ⁽⁴⁾	1,336 ^{(4),(9)} (0.0120%) ^{(4),(9)}
Peter Jarman Calgary, Alberta	Trustee (Non-Independent) September 2, 2021	2023 - Nil ⁽²⁾ 2024 - Nil ⁽²⁾	224 ⁽⁵⁾ (0.0080%) ⁽⁵⁾	224 ^{(5),(9)} (0.0020%) ^{(5),(9)}
Roy Fowler Kelowna, British Columbia	Trustee (Non-Independent) April, 2024	2024 - \$4,500	112 ⁽⁶⁾ (0.0040%) ⁽⁶⁾	112 ^{(6),(9)} (0.0010%) ^{(6),(9)}
Roger Simpson Kelowna, British Columbia	Trustee (Non-Independent) September 26, 2022	2023 - Nil ⁽¹⁾ 2024 - Nil ⁽¹⁾	7,556 ⁽⁷⁾ (0.2702%) ⁽⁷⁾	7,556 ^{(7),(9)} (0.0680%) ^{(7),(9)}
James Bolen Calgary, Alberta	Trustee (Independent) September 26, 2022	2023 - \$1,500 2024 - \$6,000	Nil	Nil
Art Smith Calgary, Alberta	Vice President of Corporate Development and Director of the Administrator September 2, 2021	2023 - \$48,000 ⁽³⁾ 2024 - \$100,000 ⁽³⁾	5,779 ⁽⁸⁾ (0.2066%) ⁽⁸⁾	5,779 ^{(8),(9)} (0.0520%) ^{(8),(9)}
Black Elm Financial ⁽¹⁰⁾ Alberta	Promoter	2023 - Nil 2024 - Nil	Nil	Nil
222 AB ⁽¹¹⁾ Alberta	Promoter	2023 - Nil 2024 - Nil	Nil	Nil

Notes:

- (1) The Trust provides no ("Nil") compensation for Darryl Kenna and Roger Simpson. These individuals are each compensated through the management fees associated with, and in their capacity and roles with, Epiphany Consulting Services as outlined in **Item 2.13 – Material Agreements**.
- (2) The compensation provided by the Trust for Peter Jarman is Nil. Peter indirectly receives compensation from Axxess Capital Advisors Inc. in accordance with the fees outlined in **Item 9 – Compensation Paid to Sellers and Finders** and **Item 2.13 – Material Agreements – The Investment Fund Management Agreement**.
- (3) The Trust provides compensation to Art Smith in his role as the Vice President of Corporate Development, as a consultant to the Trust through his consulting company, Long Island Management Company Inc. (a Related Party of the Trust) and the figure above represents his estimated compensation anticipated to be paid in the current financial year. Art Smith is also a director of the Administrator and indirectly receives compensation pursuant to the Administrator Agreement, as outlined in **Item 2.13 – Material Agreements – The Administrator Agreement**.
- (4) 112 Participating Preferred Trust Units are held by Mr. Kenna directly and 1,224 Participating Preferred Trust Units are held by companies that are wholly owned by Mr. Kenna.

- (5) 112 Participating Preferred Trust Units are held by Mr. Jarman directly and 112 Participating Preferred Trust Units are held by a company that is partially owned by Mr. Jarman.
- (6) 112 Participating Preferred Trust Units are held by Mr. Fowler directly.
- (7) 7556 Participating Preferred Trust Units are held by Mr. Simpson directly.
- (8) 112 Participating Preferred Trust Units are held by Mr. Smith directly and 5,667 Participating Preferred Trust Units are held by companies that are partially owned by Mr. Smith.
- (9) Assuming such holder acquires no additional Participating Preferred Trust Units, the completion of the maximum Offering, and that no Participating Preferred Trust Units are issued pursuant to the Over-Subscription Option.
- (10) Epiphany Group is the sole shareholder of Black Elm Financial.
- (11) Epiphany Group is the sole shareholder of 222 AB.

3.2 Management Experience.

The name, municipality of residence, office or position held with the Trust and principal occupation of each of the Trustees and the directors and senior officers of the Trust are set out below:

Name and Municipality of Residence	Position with the Trust	Principal Occupation
Darryl Kenna Waterton, Alberta	Trustee	<p>Darryl Kenna, Chief Executive Officer – Epiphany Group</p> <p>Darryl Kenna is the CEO and a Director of Epiphany Group. He formulates and drives the vision and mission of the organization, while overseeing the executive team.</p> <p>Darryl has served in the financial world for over 25 years. He was a founding partner in Laurie, Kenna, and Associates – an award-winning financial planning firm where he received designations as a Certified Financial Planner (CFP), a Chartered Life Underwriter (CLU), and an Elderly Planning Counsellor (EPC). In 2015 Darryl branched out to a new venture and became a founding shareholder in The Epiphany Group, and Trophy Fish Ltd. – two companies which would eventually merge with a few other successful businesses to create today's Epiphany Group.</p>
Peter Jarman Calgary, Alberta	Trustee	<p>Peter Jarman, B.Sc., Axxess Capital Advisors Inc. – Chief Operating Officer</p> <p>Peter Jarman is a Partner and Chief Operating Officer at Axxess Capital Advisors Inc. He oversees business development, investment selection, advisor services, and sits on the Investment Review Committee at Axxess Capital Advisors Inc.</p> <p>Peter has worked in the exempt market for over 23 years, with experience as an investment issuer, managing partner and team leader, both in sales and operations. Prior to working with the Axxess Capital Advisors Inc., Peter provided consulting services to product issuers, assisting them in building new distribution channels for exempt market investment offerings with exempt market dealers and Investment Industry Regulatory Organization of Canada (IIROC) firms.</p>
Roger Simpson Lethbridge, Alberta	Trustee	<p>Roger Simpson, Chief of Stakeholder Engagement – Epiphany Group</p> <p>Roger began working in the family business, Simpson Plumbing Ltd., as a mechanical contractor. After graduating from Medicine Hat College in 1993, Roger set out to purchase the family business from his father. Under Roger's leadership, the business grew from being a two-man operation to include 20 staff.</p> <p>During his years as a mechanical contractor, Roger developed a passion for real estate and development. He spent 15 years balancing running the operations of a successful business and building a real estate portfolio focusing on the acquisition of both commercial and industrial properties.</p> <p>Along with Darryl Kenna, Roger was one of the founding members of Trophy Fish Ltd., a venture that combined business systems and processes with real estate assets. When Trophy Fish Ltd. merged with Orange Peel Group Inc. and the Epiphany Group, Roger became the Chief Real Estate Officer for the newly created Epiphany Group. In his new role as the Chief of Stakeholder Engagement, Roger oversees relationship management with stakeholders across the business.</p>

Name and Municipality of Residence	Position with the Trust	Principal Occupation
James Bolen Calgary, Alberta	Trustee	<p>James D. Bolen, P.Eng., B.Sc.C.S., MBA</p> <p>With 35 years of engagement in several industries, James is a senior executive, a former long-term Chief Executive Officer in various public and private structures. He is an Electrical Engineer with many years in technology-focused companies, including Nortel, Amoco-BP, TransAlta Energy Corp, Global Thermoelectric/Global Power Technologies, in technical and management roles, such as Sr. Financial Analyst, Director of Product Development, Director of B.D., V.P. of Engineering, V.P. of Manufacturing, V.P. of B.D., Sales & Marketing, and CEO/Owner. James currently advises boards and Chief Executive Officers on technology development, business development, partnerships, M&A and governance.</p>
Roy Fowler Kelowna, British Columbia	Trustee	<p>Roy completed his electrical journeyman qualifications at the British Columbia Institute of Technology in 1994.</p> <p>Shortly after, seeking further business challenges, Roy embarked in a successful venture by establishing a drilling company in 2000. This company specialized in providing drilling services for Canada's Arctic diamond mines.</p> <p>Transitioning into the financial sector, Roy founded FCM Financial Services and Pacific Employee Benefits, where his leadership consistently positioned both entities at the forefront of the industry.</p> <p>Throughout his career, Mr. Fowler has demonstrated a keen acumen for real estate investment, successfully negotiating leases with multinational companies, federal government branches, and independent agencies.</p>
Art Smith Calgary, Alberta	Vice President of Corporate Development	<p>Art Smith, B. Sc. Electrical Engineering, Long Island Management Company Inc. – CEO and President</p> <p>Mr. Smith has over 20 years of executive leadership experience in Canadian corporations. He has extensive industry experience in utilities, manufacturing, oil and gas, financial services and technology working for corporations like TC Energy, Northern Telecom, Cortex Business Solution and others.</p> <p>In his last two executive roles, he raised over 70 million dollars in capital to fund the growth of technology start-ups and financial services organizations.</p> <p>Throughout his career, Mr. Smith has been recognized for delivering business results by leading people, sales, delivery, technology, capital market, and operations.</p>

There are no committees of the board of Trustees of the Trust.

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

There have been no penalties or sanctions imposed by a court or a regulatory body relating to a contravention of securities legislation in effect during the last 10 years, or orders restricting trading in securities that have been in effect for a period of more than 30 consecutive days during the past 10 years, against any Trustee, director, executive officer or control person of the Trust or the Administrator, or any issuer of which any Trustee, director, executive officer or control person of the Trust or the Administrator was a director, executive officer or control person at that time.

There have been no declarations of bankruptcy, voluntary assignments in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, that have been in effect in the last 10 years with regard to any director, executive officer or control person of the Trust or the Administrator, or any issuer of which any director, executive officer or control person of the Trust or the Administrator was a director, executive officer or control person at that time.

No director, executive officer or control person of the Trust or the Administrator, or any issuer of which any director, executive officer or control person of the Trust or the Administrator was a director, executive officer or control

person 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 misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory of the United States of America; and (iv) an offence under the criminal legislation of any other foreign jurisdiction.

3.4 Certain Loans.

The Trust has loaned proceeds from this Offering to the Partnerships by way of the Debentures, the material terms of which (including, but not limited to, the principal amount, repayment terms, security, due date, and interest rate) are contained in **Item 2.13 – Material Agreements**.

Item 4. CAPITAL STRUCTURE

4.1 Securities Except for Debt Securities.

Subscribers of Participating Preferred Trust Units of the Trust in this Offering will be governed by the terms of the Declaration of Trust. The following table provides relevant information about the outstanding securities of the Trust:

Description of Security	Number Authorized to be Issued	Price Per Security ⁽¹⁾	Number Outstanding at September 9, 2024	Number Outstanding after Min. Offering	Number Outstanding after Max Offering
Participating Preferred Class A&F Trust Units	Unlimited	\$4.75 to \$5.00	2,796,776.3516 ⁽²⁾	2,796,776.3516 ⁽³⁾	7,811,361.16 ⁽⁴⁾

Notes:

- (1) Price per Participating Preferred Trust Units will depend on the tranche of the Offering being issued.
- (2) Total Participating Preferred Trust Units with distributions less redemptions.
- (3) Prior to the exercise of the Over-Subscription Option (if applicable). If the Over-Subscription Option is exercised in full, the aggregate number of Participating Preferred Trust Units outstanding after the maximum Offering would be 10,648,203.26.
- (4) Specific material terms of the Participating Preferred Trust Units are contained below in this **Item 4.1 – Securities Except for Debt Securities** and in **Item 5.1 – Terms of Securities**.

Summary of the Declaration of Trust

The rights and obligations of the Participating Preferred Trust Unitholders are governed by the Declaration of Trust and applicable legislation in each jurisdiction in which the Trust carries on business. The statements in this Offering Memorandum concerning the Declaration of Trust summarize the material provisions of the Declaration of Trust, do not purport to be complete, and are subject in their entirety to the full text of the Declaration of Trust. Reference should be made to the full text of the Declaration of Trust which will be available for inspection by Participating Preferred Trust Unitholders at the Trust's offices for the complete details of these and other provisions therein.

Participating Preferred Trust Units

The Trust currently has two classes of Participating Preferred Trust Units – the Participating Preferred Class A Trust Units and the Participating Preferred Class F Trust Units. The Trust is authorized to issue an unlimited number of each class of Participating Preferred Trust Units. The Participating Preferred Class A Trust Units and Participating Preferred Class F Trust Units are identical to each other, except the Redemption Fees and selling expenses applicable to each Class. See **Item 9 – Compensation Paid to Sellers and Finders**.

Business of the Trust

The Declaration of Trust provides that the activities of the Trust are restricted to the following: (a) acquiring, holding, transferring, disposing of, investing in, lending to, and otherwise dealing with, assets, securities (whether debt or equity) and other interests or properties of whatever nature or kind of or issued by, any person (including the Partnerships) and making such other investments as the Trustees in their sole discretion determine; (b) holding cash and other investments in connection with and for the purposes of the Trust's activities, including paying liabilities of the Trust (including administration expenses), paying any amounts required in connection with the redemption of Participating Preferred Trust Units, and making distributions to Participating Preferred Trust Unitholders; (c) disposing of all or any part of the Trust Assets; (d) issuing Participating Preferred Trust Units, instalment receipts, and other Trust securities (including without limitation debt instruments, securities convertible into or exchangeable for Participating Preferred Trust Units or other securities of the Trust, or warrants, options or other rights to acquire Participating Preferred Trust Units or other securities of the Trust), for the purposes of, without limitation: (i) conducting, or facilitating the conduct of the activities and undertaking of the Trust (including for the purpose of raising funds for acquisitions); (ii) repayment of any indebtedness or borrowings of the Trust or any affiliate thereof; (iii) establishing and implementing Participating Preferred Trust Unitholder rights plans, distribution reinvestment plans, Participating Preferred Trust Unit purchase plans, and incentive option and other compensation plans of the Trust, if any; (iv) satisfying obligations to deliver securities of the Trust, including Participating Preferred Trust Units, pursuant to the terms of securities convertible into or exchangeable for such securities of the Trust, whether or not such convertible or exchangeable securities have been issued by the Trust; (v) carrying out any of the transactions contemplated by any offering documents of the Trust and satisfying all obligations in connection with such transactions; (vi) making non-cash distributions to Participating Preferred Trust Unitholders, including in specie distributions; (vii) repurchasing or redeeming Participating Preferred Trust Units or other Trust securities, subject to the provisions of the Declaration of Trust and applicable law; (viii) issuing debt securities or otherwise borrowing funds, as well as mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of the Trust Assets, whether as security for obligations of the Trust or otherwise; (ix) guaranteeing (whether as guarantor, surety or co-principal obligor, or otherwise) any obligations, indebtedness or liabilities, present or future, direct or indirect, absolute or contingent, matured or not of any person for, or in pursuit of pursuing or facilitating the business and purposes of the Trust, and mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of the Trust Assets as security for such guarantee; (x) carrying out any of the transactions, and exercising, performing and satisfying any of the rights, liabilities and obligations of the Trust under any agreements or arrangements, entered into in connection with pursuing the business and purposes of the Trust; and (xi) engaging in all activities, and taking all such actions, ancillary or incidental to any of those activities set forth in (i) through (xi) above, provided that the Trust is prohibited from engaging in any activity or undertaking that could reasonably be expected to cause it not to be a "mutual fund trust" for the purposes of the Tax Act.

Trustees

The Trustees will consist of not less than one and no more than nine Trustees. The number of Trustees from time to time within such range being fixed by the Trustees by way of a resolution of the Trustees; provided that until otherwise so determined, the number of Trustees will be five.

The initial Trustees of the Trust will remain in office until the earlier of the date of their death, disqualification, resignation or removal in accordance with the Declaration of Trust. Trustees may be elected to the Trust by the Trustees calling a meeting of Participating Preferred Trust Unitholders to elect the additional Trustee(s) of the Trust, or a majority vote of the Trustees, electing such additional Trustee(s) of the Trust as the Trustees deem to be in the best interests of the Trust. The Participating Preferred Trust Unitholders may remove any Trustee or Trustees from office by Ordinary Resolution passed in favour of the removal of such Trustee or by a resolution passed by not less than two-thirds of the remaining Trustees, provided that if the Trustee being removed is the only Independent Trustee, an additional Independent Trustee is immediately elected in accordance with the Declaration of Trust. Such removal shall take effect immediately following the aforesaid vote or resolution, and any Trustee so removed shall be so notified by the board of Trustees or another officer of the Trust forthwith following such removal. If a Trustee dies, suffers an incapacity (within the meaning of the Declaration of Trust), is removed or becomes disqualified from

being a Trustee of the Trust, or otherwise becomes unable to act as a Trustee, the remaining Trustees shall forthwith remove such Trustee and may appoint a new Trustee of the Trust to replace such deceased, removed, disqualified or incapacitated Trustee, provided that the Trustees shall not be required to appoint another Trustee.

The Declaration of Trust provides that, subject only to any limitations and restrictions contained in the Declaration of Trust, the Trustees have full, absolute and exclusive power, control and authority over the Trust Assets and over the affairs of the Trust to the same extent as if the Trustees were the sole owners of such property in their own right and may do all such acts and things as they, in their sole judgment and discretion, deem necessary or incidental to, or desirable for, the carrying out the purposes of the trust created by the Declaration of Trust.

All determinations of the Trustees and any agent to whom the Trustees have delegated duties, where such determinations are made in good faith with respect to any matters relating to the Trust, shall be final and conclusive and shall be binding upon the Trust and all Participating Preferred Trust Unitholders. The Declaration of Trust provides that the Trustees must act honestly and in good faith with a view to the best interests of the Trust and, in connection therewith, exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (herein the "**Standard of Care**"). In general, each Trustee shall be indemnified against all liabilities or claims against them or the Trust, and they shall have no liability to any holders of Participating Preferred Trust Units, where such liabilities or claims arise out of being or having been a Trustee of the Trust, unless such liabilities or claims arise as a result of the Trustee failing to satisfy the Standard of Care or, in the case of a criminal or administrative action or proceeding that is enforced by monetary penalty, where such Trustee did not have reasonable grounds for believing that their conduct was lawful.

Delegation

Pursuant to the Administrator Agreement the Trustees have delegated to the Administrator the obligation to provide and perform for and on behalf of the Trust most services that are or may be required or advisable, from time to time, in order to manage, administer and govern the operations of the Trust. See **Item 2.13 – Material Agreements – Administrator Agreement**.

Restrictions of Trustees

The Trustees shall not:

- (a) without the approval of the Participating Preferred Trust Unitholders by Extraordinary Resolution, amend the Declaration of Trust except in certain circumstances, see **Item 4.1 – Securities Except for Debt Securities – Summary of the Declaration of Trust – Amendments to the Declaration of Trust**; and
- (b) without the approval of the Participating Preferred Trust Unitholders by Extraordinary Resolution, authorize any sale, lease, exchange, transfer or other disposition of all or substantially all of the property of the Trust, other than: (i) as otherwise permitted under the Declaration of Trust, including pursuant to the wind-up and termination of the Trust and pursuant to in specie redemptions or distributions; (ii) in order to acquire securities of the Partnerships, another affiliate of the Trust or any other Legacy Entities, or to consolidate the assets held by the Partnerships with other similar issuers established by the Administrator, the Legacy Entities or their affiliates; or (iii) in conjunction with an internal reorganization of the Trust.

Distributions

The Trust expects to generate Distributable Cash through interest paid on the Debentures held by the Trust. See **Item 2.7 – Business of the Partnerships**. The Trustees, in respect of each Distribution Period, declare and make payable to the Participating Preferred Trust Unitholders of record at the close of business on each Distribution Record Date, all or any part of the Distributable Cash of the Trust for the Distribution Period. The amount of the

Distributions to be distributed by the Trust in respect of a Distribution Period will be determined by the Trustees on or before the applicable Distribution Payment Date. For greater certainty, the Trustees may hold any portion of Trust Income and not declare a Distribution on such amounts as the Trustees in their sole and unfettered discretion determine may be necessary or advisable to satisfy taxes or other expenses of the Trust. Distributions that have been declared to be payable to Participating Preferred Trust Unitholders in respect of a Distribution Period will be payable to each Participating Preferred Trust Unitholder of record on such Distribution Record Date in accordance with the terms and conditions of the Subscription Agreement entered into by the Trust with each Participating Preferred Trust Unitholder. Distributions that have been declared to be payable to Participating Preferred Trust Unitholders in respect of a Distribution Period will be paid pursuant to the Payment Mechanism on the Distribution Payment Date in respect of such Distribution Period.

In addition to the foregoing the Trust may make such other distributions as the Trustees may determine from time to time. The Trustees intend to make additional distributions, payable in cash or by the issuance of additional Participating Preferred Trust Units, in respect of its taxable income (including its Net Realized Capital Gains), if any, of the Trust in a fiscal year to the extent necessary to ensure that the Trust will not be liable for tax under Part I of the Tax Act in such year.

Distributions paid or payable to Participating Preferred Trust Unitholders pursuant to the Declaration of Trust will be deemed to be Distributions of Trust Income, Net Realized Capital Gains, Trust capital or other items in such amounts as the Trustees may, in their sole and absolute discretion, determine.

These are targets only. There is no guarantee that the Trust will meet its target distribution or return rates. The Trust may not make any distributions at all. Investors could lose their entire investment in the Trust.

Reinvestment Plan

The Declaration of Trust permits the establishment of a DRIP by which, in lieu of receiving its Distributions in cash or other Trust Assets, a Participating Preferred Trust Unitholder may elect to reinvest such amounts payable in additional Participating Preferred Trust Units and thereby receive such Participating Preferred Trust Unitholder's Distributions in additional Participating Preferred Trust Units, pursuant to the terms and conditions outlined in the Declaration of Trust and the DRIP policy of the Trust.

Redemptions

Each Participating Preferred Trust Unitholder shall be entitled to require the Trust to redeem at any time or from time to time at the demand of the Participating Preferred Trust Unitholder all or any part of the Participating Preferred Trust Units registered in the name of the Participating Preferred Trust Unitholder; provided however that for the first 12 months following the date on which the Participating Preferred Trust Units were acquired, the Trustees shall have the discretion to suspend redemptions of such Participating Preferred Trust Units as long as such suspension lasts for a period of less than 12 months and (i) is prudent, in the opinion of the Trustees, for preservation of the value of the Trust Assets, and (ii) complies with applicable securities laws.

Redemption Notices received after an initial Redemption Notice Receipt Date will be received during the period leading up to the next Redemption Notice Receipt Date, processed on the subsequent Redemption Processing Date and paid on the subsequent Redemption Payment Date. There are certain procedural requirements, set forth in the Declaration of Trust, which must be adhered to in connection with any redemption of Participating Preferred Trust Units. Unless Participating Preferred Trust Units were to become listed, the price per Participating Preferred Trust Unit to be received upon redemption will be equal to the Net Asset Value per Participating Preferred Trust Unit less the applicable Redemption Fee contemplated in the Declaration of Trust; provided however that, notwithstanding anything in the Declaration of Trust, until the sixth anniversary date of the Declaration of Trust, the Redemption Price for any Participating Preferred Trust Unit acquired by a Participating Preferred Trust Unitholder prior to the date on which the aggregate Gross Proceeds received by the Trust from subscriptions for Participating Preferred Trust Units was equal to or greater than \$20 million, will not be less than \$5.00 per Participating Preferred Trust Unit.

The aggregate redemption amount payable in respect of any Participating Preferred Trust Units tendered will be conclusively deemed to have been made when made in accordance with the Payment Mechanism, provided that if the Participating Preferred Trust Units tendered for redemption in the same quarter exceeds an amount equal to 2.5% of the Net Asset Value (the "**Redemption Limit**"), then the Trustees shall only be obligated to make an aggregate cash payment for that total number of Participating Preferred Trust Units tendered for redemption in that quarter having an aggregate redemption payment amount as is equal in value to such Redemption Limit and the balance, subject to receipt of any applicable regulatory approvals, may be paid by the Trust, in the sole discretion of the Administrator, or in the absence of an Administrator the sole discretion of the Trustees, through the conversion of the remaining Participating Preferred Trust Units not redeemed into Redemption Notes, which would not be eligible to be held in Exempt Plans under the Tax Act. In addition, the Trustees will have the right to pay redemption proceeds in Redemption Notes through the conversion of the remaining Participating Preferred Trust Units not redeemed pursuant to a Redemption Notice into Redemption Notes in circumstances where redeeming Preferred Trust Units for cash would be unduly detrimental to the business of the Trust (for example, where paying out redemption proceeds in cash would render the Trust insolvent or otherwise unable to pay its debts when they become due). There may be significant adverse tax consequences to a Participating Preferred Trust Unitholder that receives Redemption Notes or other non-cash property of the Trust on the redemption of Participating Preferred Trust Units. See **Item 8 – Income Tax Consequences and Deferred Plan Eligibility**.

In the event that the Trust issues Redemption Notes to redeeming Participating Preferred Trust Unitholders, the Trust and the Administrator shall comply with the following:

- (a) the Administrator, on behalf of the Trust, shall only issue Redemptions Notes in compliance with the terms and conditions of the Declaration of Trust;
- (b) subject to such other standard terms and conditions as would be included in a note indenture or other document for promissory notes of this kind, as may be approved by the Administrator; and
- (c) in the event that Redemption Notes are issued to a Redeeming Unitholder pursuant to the Declaration of Trust, the Redeeming Unitholder will be notified in advance and be given an opportunity to withdraw their Redemption Notice and resubmit a subsequent Redemption Notice at a later date.

Meetings of Participating Preferred Trust Unitholders

There is no requirement to hold annual meetings of the Participating Preferred Trust Unitholders. A meeting of Participating Preferred Trust Unitholders may be convened at any time and for any purpose by the Trustees and shall be convened, except in certain circumstances, if requisitioned in writing by the Participating Preferred Trust Unitholders representing not less than 25% of the Participating Preferred Trust Units of each class entitled to be voted at the meeting. Any such meeting requisition must comply with the requirements set forth in the Declaration of Trust, including that the request specify in reasonable detail the business proposed to be transacted at the meeting. Participating Preferred Trust Unitholders of record may attend and vote at all meetings of the Participating Preferred Trust Unitholders either in person or by proxy and a proxyholder need not be a Participating Preferred Trust Unitholder. One or more persons present in person and being Participating Preferred Trust Unitholders or representing by proxy Participating Preferred Trust Unitholders, and who hold in total not less than 5% of the votes attached to the then outstanding Participating Preferred Trust Units, will constitute a quorum for the transaction of business at all meetings. Each Participating Preferred Trust Unit entitles the holder to one vote at all meetings. The Declaration of Trust contains various other provisions pertaining to the procedural requirements with respect to the calling and holding of meetings of Participating Preferred Trust Unitholders.

Term of the Trust and Distribution on Wind-Up

Subject to the other provisions of the Declaration of Trust, the Trust continues for a term ending September 2, 2121 or such prior date that is the earliest of: (a) the date the Trustees have determined by resolution for the termination and dissolution of the Trust, and specified in written notice given to each Participating Preferred Trust Unitholder at least 90 days before the date on which the Trust is to be terminated, which notice (to be valid for the purpose hereof) is to indicate the Trustees' intention to terminate and dissolve the Trust and designate the time or times the Participating

Preferred Trust Unitholders may surrender their Participating Preferred Trust Units for cancellation and the date on which the Register closes; (b) the date Participating Preferred Trust Unitholders approve for the termination and dissolution of the Trust by Extraordinary Resolution at any meeting of Participating Preferred Trust Unitholders duly called for such purpose, which Extraordinary Resolution may contain such directions to the Trustees as the Participating Preferred Trust Unitholders approve; and (c) the date which is one day prior to the date, if any, the Trust would otherwise be void by virtue of any applicable rule against perpetuities then in force in Alberta. For the purpose of terminating the Trust by such date, the Trustees shall commence the dissolution of the Trust on such date as may the Trustees determine, being not more than two years prior to the end of the term of the Trust. The Trustees may call a meeting of Participating Preferred Trust Unitholders to approve, by Ordinary Resolution, extending the term of the Trust and continue operations on terms recommended by the Trustees.

After the date on which the Trustees are required to terminate the Trust, the Trustees shall undertake no activities except for the purpose of the distribution of the Trust Assets and satisfaction of Trust Liabilities, for this purpose, the Trustees shall continue to be vested with and may exercise the powers conferred upon the Trustees under the Declaration of Trust. For greater certainty, should the Trustees continue to hold any Trust Assets after the Termination Date of the Trust, such Trust Assets shall be held by the Trustees as bare trustees on behalf of all of the Participating Preferred Trust Unitholders, subject only to the payment or satisfaction of all known debts, liabilities, and obligations of the Trust, and provided that the Trustees shall retain the absolute discretion to undertake transactions before or after the date of termination of the Trust that may be prudent or necessary to mitigate adverse tax consequences that may otherwise arise for the Trust or the Participating Preferred Trust Unitholders.

Forthwith upon the Termination Date of the Trust having been determined, the Trustees shall proceed with the winding-up of the affairs of the Trust as soon as may be reasonably practicable in the following manner: (i) give notice thereof to the Participating Preferred Trust Unitholders; (ii) sell and convert into money the Trust Assets; (iii) pay, retire or discharge or provide for the payment, retirement or discharge of all known debts, liabilities and obligations of the Trust, including Trust Liabilities; (iv) if, after: (a) paying, retiring or discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Trust, including Trust Liabilities; (b) providing for indemnity against any other outstanding liabilities and obligations; (c) paying in full of the Redemption Price applicable to outstanding Participating Preferred Trust Units, any Trust Assets remain or if the Trustees are unable to sell all of the Trust Assets by the date set for termination, then the Trustees shall, subject to obtaining all necessary regulatory approvals, distribute the remaining part of the proceeds of the sale of the Trust Assets together with any cash forming part of the Trust Assets to the remaining Participating Preferred Trust Unitholders indicated on the applicable Register(s), in accordance with their respective interests; (d) file any elections, determinations or designations under the Tax Act or under any similar legislation which may be necessary or desirable; and (e) may, at the absolute discretion of the Trustees, apply to the CRA for a clearance certificate under the Tax Act and shall be entitled to retain any and all remaining Trust Assets until such clearance certificate is obtained.

The Trustees are under no obligation to invest the proceeds of any sale of investments or other assets or cash forming part of the Trust Assets after the date for termination of the Trust has been determined and, after such sale, the sole obligation of the Trustees under the Declaration of Trust is to hold such proceeds or assets in bare trust for distribution.

Transfer of Participating Preferred Trust Units

There is no market through which the Participating Preferred Trust Units may be sold and none is expected to develop. The Participating Preferred Trust Units will not be listed on any stock exchange. Subscribers are likely to find it difficult or impossible to sell their Participating Preferred Trust Units. Under the Declaration of Trust, Participating Preferred Trust Units may be transferred by a Participating Preferred Trust Unitholder, subject to the approval of the Administrator, or if no Administrator is appointed or acting, the Trustees. Transfers will be recorded on the Register and will only become effective when so recorded. No transfer of a Participating Preferred Trust Unit will be recognized unless such transfer is of a whole Participating Preferred Trust Unit, unless otherwise determined by the Trustees. Participating Preferred Trust Units will be transferable on the Register only by the Participating Preferred Trust Unitholders of record thereof or their executors, administrators or other legal representatives or by their agents or attorneys duly authorized in writing, upon delivery to the Trust at its principal office or to the transfer

agent (if any) or the Recordkeeper of the Participating Preferred Trust Unit Certificate therefor, properly endorsed with a duly executed instrument of transfer or power of attorney form substantially in the form attached to the Declaration of Trust and accompanied by all necessary transfer or other taxes imposed by law, together with such evidence of the genuineness of such endorsement, execution and authorization and other matters that may reasonably be required by the Trustees. Upon such deliveries, the transfer is to be recorded on the Register and (i) the Trustees, upon request by the transferee of one or more Participating Preferred Trust Units or otherwise in their discretion, will issue or cause to be issued a new Participating Preferred Trust Unit Certificate for the Participating Preferred Trust Units transferred, or (ii) in the case of a transfer of less than all of the Participating Preferred Trust Units represented by a Participating Preferred Trust Unit Certificate, the Trustees, upon request by the transferor or otherwise in their discretion, will issue or cause to be issued a new Participating Preferred Trust Unit Certificate for the balance of the Participating Preferred Trust Units retained by the transferor.

Any person becoming entitled to any Participating Preferred Trust Units as a consequence of the death, bankruptcy or incompetence of any Participating Preferred Trust Unitholder, or otherwise by operation of law, will be recorded as the holder of such Participating Preferred Trust Units only upon production of evidence satisfactory to the Trustees and will be entitled to receive a new Participating Preferred Trust Unit Certificate therefore only upon submission of the existing Participating Preferred Trust Unit Certificate for cancellation, but until such record is made the Participating Preferred Trust Unitholder of record will continue to be and be deemed to be the holder of such Participating Preferred Trust Units for all purposes whether or not the Trust or the Trustees have actual or other notice of such death or other event.

A transferee of Participating Preferred Trust Units transferred (whether by sale, assignment or otherwise) in accordance with the Declaration of Trust is automatically bound as a Participating Preferred Trust Unitholder by the Declaration of Trust without execution of further instruments, except as required by law or as set forth in the Declaration of Trust. Participating Preferred Trust Unitholders are not entitled to transfer (whether by sale, assignment or transfer) a fraction of a Participating Preferred Trust Unit, and none will be recognized or entered in the Register. The form of transfer includes representations, warranties and covenants on the part of the transferee that the transferee is not a Non-resident and is not a "non-Canadian" for purposes of the *Investment Canada Act*, that no interest in the transferee is a "tax shelter investment", as defined in the Tax Act, that the transferee is not a partnership (other than a "Canadian partnership", as defined in the Tax Act), that the transferee is not a Financial Institution unless such transferee has provided written notice to the contrary prior to the date of acceptance of the transferee's subscription, and that the transferee will continue to comply with these representations, warranties and covenants during the time that the transferee holds one or more Participating Preferred Trust Units. The Administrator has the right to reject the transfer of Participating Preferred Trust Units, in whole or in part, to a transferee who it believes to be a Non-resident (or a partnership that is not a "Canadian partnership"), or a "non-Canadian" for the purposes of the *Investment Canada Act*. The Administrator has the right to reject the transfer of Participating Preferred Trust Units, in whole or in part, to a transferee an interest in which is a "tax shelter investment" for purposes of the Tax Act or a Financial Institution. In addition, the Administrator may reject any transfer if: (a) in the opinion of counsel to the Trust such transfer would result in the violation of any applicable securities laws; or (b) the Administrator believes that the representations and warranties provided by the transferee in the required form of transfer are untrue. A transferor of Participating Preferred Trust Units will remain liable to reimburse the Trust for any amounts distributed to such transferor by the Trust which may be necessary to restore the capital of the Trust to the amount existing immediately prior to such distribution, if the distribution resulted in a reduction of the capital of the Trust and the incapacity of the Trust to pay its debts as they became due.

Under certain circumstances, the Administrator may require any Participating Preferred Trust Unitholder that is a Non-resident of Canada (or a partnership that is not a "Canadian partnership") for the purposes of the Tax Act ("**Non-resident Participating Preferred Trust Unitholder**") to transfer the Non-resident Participating Preferred Trust Unitholder's Participating Preferred Trust Units to one or more persons who are not Non-residents of Canada. The Administrator has the right pursuant to the Declaration of Trust either to purchase from a Non-resident Participating Preferred Trust Unitholder whose Participating Preferred Trust Units are not sold as required, their Participating Preferred Trust Units for cancellation, or sell those Participating Preferred Trust Units to a person who is qualified to

hold Participating Preferred Trust Units, in either case at their net asset value as determined by the Administrator with reference to the then current Net Asset Value.

The Declaration of Trust provides that if the Administrator becomes aware that the beneficial owners of 45% or more of the Participating Preferred Trust Units of a Class then outstanding are, or may be, Financial Institutions or that such a situation is imminent, among other rights set forth in the Declaration of Trust, the Administrator has the right to refuse to issue Participating Preferred Trust Units of that Class or register a transfer of Participating Preferred Trust Units of that Class to any person unless that person provides a declaration that it is not a Financial Institution.

Repurchase

The Trust has the right and entitlement to require any one or more Participating Preferred Trust Unitholders, as the Trustees determine in their sole discretion, to sell their Participating Preferred Trust Units to the Trust for cancellation, at any time, the whole or from time to time any part of the outstanding Participating Preferred Trust Units held by any Participating Preferred Trust Unitholders, at a price per Participating Preferred Trust Unit (the "**Repurchase Price**") equal to: (a) the listed price per Participating Preferred Trust Unit if the Participating Preferred Trust Units are listed; or (b) if the Participating Preferred Trust Units are not listed, a repurchase price equal to the Net Asset Value per Participating Preferred Trust Unit, provided however that, notwithstanding anything else herein, until the sixth anniversary date of the Declaration of Trust, the Repurchase Price for any Participating Preferred Trust Unit acquired by a Participating Preferred Trust Unitholder prior to the date on which the aggregate Gross Proceeds received by the Trust from subscriptions for Participating Preferred Trust Units is equal to or greater than \$20 million, will not be less than \$5.00 per Participating Preferred Trust Unit.

Conflicts of Interest

The Trustees, Administrator and their affiliates and respective directors and officers (collectively, the "**Epiphany Parties**") may be and are permitted to be engaged in and continue in other businesses ventures, investments and activities in which the Trust will not have an interest and which may be competitive with the activities of the Trust. The Epiphany Parties may be and are permitted to act as a principal, investor, partner, shareholder, director, officer, joint venturer, advisor or in any other capacity or role whatsoever of, with or to other entities, including other issuers, which may be engaged in all or some of the aspects of the business or investments of the Trust and may be in competition with the Trust. The Epiphany Parties are not required to offer or make available to the Trust any property or other business or investment opportunity which an Epiphany Party may determine to acquire or engage in for its accounts. The pursuit of such other businesses, ventures, investments and activities, even if competitive with the Trust's activities, shall not be wrongful. The activities and facts shall not constitute a conflict of interest or breach of any fiduciary duty owed to the Trust or the Participating Preferred Trust Unitholders and the Participating Preferred Trust Unitholders shall consent to such activities and waive, relinquish and renounce any right to participate in, and any other claim whatsoever with respect to, any such activities. Neither a Participating Preferred Trust Unitholder nor any Epiphany Party will be required to account to the Trust or any Participating Preferred Trust Unitholder for any benefit or profit derived from any such activities or from such similar or competing activity or any transactions relating thereto by reason of any conflict of interest or any fiduciary relationship unless such activity is contrary to the express terms of the Declaration of Trust. In the event of a potential conflict of interest between the Epiphany Parties, on the one hand, and the Trust, or any Participating Preferred Trust Unitholder on the other hand, any resolution or course of action in respect of such conflict of interest is permitted and deemed approved by all Participating Preferred Trust Unitholders, and does not constitute a breach of the Declaration of Trust, or of any Standard of Care or duty stated or implied by law, if the resolution or course of action is reasonable to the Trust. The Trustees are authorized in connection with its resolution of any conflict of interest to consider: (i) the relative interests of any party to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests; (ii) any customary or accepted industry practices; (iii) any applicable generally accepted accounting practices or principles; and (iv) such additional factors as the Trustees determine in their sole discretion to be relevant, reasonable or appropriate under the circumstances.

Nothing contained in the Declaration of Trust shall be construed, directly or indirectly, to require that a Trustee consider the interests of any person other than the Participating Preferred Trust Unitholders. In the absence of bad faith by a Trustee, the resolution, action or terms so made, taken or provided by the Trustees with respect to such matters are deemed to be fair and reasonable, are deemed to be in, or not opposed to, the best interests of the Trust, and do not constitute a breach of the Declaration of Trust or a breach of any Standard of Care or duty imposed in the Declaration of Trust or stated or implied under any law, rule or regulation.

A Trustee or officer of the Trust who is a party to, or is a director or officer of or has a material interest in: (i) any person who is a party to, a contract or transaction or proposed contract or transaction with the Trust; or (ii) any person who is a party to, a financial instrument that is a debt obligation owing to the Trust, other than any of the Legacy Entities, shall disclose in writing to the Trustees the nature and extent of such interest and shall not vote on any resolution to approve the contract, advance any funds, or enforce or forbear from enforcing on an obligation, or agree to postpone a debt obligation, except to the extent that it involves a contract relating primarily to remuneration as a Trustee or officer, one for indemnity or insurance or one with an affiliate and, for greater certainty, shall not be subject to any liability to the Trust or the Participating Preferred Trust Unitholders with respect to such contract or proposed contract as aforesaid. Provided that a Trustee or officer of the Trust has complied with the Declaration of Trust, such person, in their personal capacity or any other capacity, may buy, sell, lend upon and deal in securities of the Trust and generally may contract and enter into any transactions with the Trust without being liable to account for any profit made thereby and such contract or transaction shall be neither void nor voidable.

Governance of the Trust and the Administrator

In order to provide for better governance and to address certain Conflict of Interests, the Declaration of Trust requires at least one member of the board of Trustees of the Trust must be Independent. Each Trustee is required to bring all Conflict of Interests to the attention of all of the Trustees and any Conflict of Interest in any authorizing resolution requires the unanimous agreement of all Independent Trustees then sitting as Trustees, in addition to the requisite majority of non-Independent Trustees voting in favour of such a resolution. If the Trust has no Independent Trustee, then no Conflict of Interest can be approved by the Trustees.

For these purposes, "**Conflict of Interests**" means any matter in respect of which a reasonable person would consider the Trustees, or an entity related to the Trust, to have an interest that may conflict with the Trustee's ability to act in good faith and in the best interests of the Participating Preferred Trust Unitholders, and "**Independent**" and "**Independence**" will be determined in accordance with the test set out in National Instrument 52-110 – *Audit Committees*. As of the date of this Offering Memorandum, one Trustee, would be considered Independent.

As of the date of this Offering Memorandum, the Trustees of the Trust are Darryl Kenna, Peter Jarman, Roger Simpson, James Bolen and Roy Fowler. James Bolen is the only Independent Trustee of the Trust, in accordance with the Declaration of Trust.

In addition, the Trust is a connected issuer of, or otherwise has a connection to, Access Capital Advisors Inc., a registered dealer involved in the Offering. See **Item 9 – Compensation Paid to Sellers and Finders**. If these conflicts are not identified and addressed, the Trust and/or the Partnerships may be materially impacted, including through loss of potential investment opportunities. Conflicts, if any, will be subject to the provisions of the Declaration of Trust.

Power of Attorney

The Declaration of Trust includes a power of attorney coupled with an interest, the effect of which is to constitute it an irrevocable power of attorney (the "**Power of Attorney**"). This Power of Attorney authorizes the Trustees, with full power of substitution, on behalf of the Participating Preferred Trust Unitholders, among other things, to execute the Declaration of Trust, any amendments to the Declaration of Trust, all instruments, documents and agreements in connection with the business and affairs of the Trust, and all instruments necessary to reflect the dissolution of

the Trust and distribution and partition of assets distributed to Participating Preferred Trust Unitholders on dissolution, as well as any elections, determinations or designations under the Tax Act or taxation legislation of any province or territory with respect to the affairs of the Trust or a Participating Preferred Trust Unitholder's interest in the Trust, including in respect of the dissolution of the Trust. **By subscribing for Participating Preferred Trust Units, each Subscriber acknowledges and agrees that they have given the Power of Attorney and will ratify any and all actions taken by the Trustees pursuant to Power of Attorney.**

Amendments to the Declaration of Trust

Except where otherwise specifically provided in the Declaration of Trust, the Declaration of Trust may only be amended or altered from time to time by Extraordinary Resolution. The Declaration of Trust specifically provides that the Trustees will be entitled, at their discretion and without the approval of the Participating Preferred Trust Unitholders, to make amendments to the Declaration of Trust for any purpose on or prior to the initial Closing and at any time for any of the following purposes: (i) ensuring continuing compliance, by the Trust, with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or the Trust; (ii) providing, in the opinion of the Trustees, additional protection or benefit for the Participating Preferred Trust Unitholders or to obtain, preserve or clarify the provision of desirable tax treatment to Participating Preferred Trust Unitholders; (iii) making amendments to the Declaration of Trust which, in the opinion of the Trustees, are necessary or desirable in the interests of the Participating Preferred Trust Unitholders as a result of changes in taxation laws or in their interpretation or administration (including changes in the administrative practices and assessing policies of the CRA); (iv) making corrections, or removing or curing any conflicts or inconsistencies between the provisions of the Declaration of Trust or any supplemental agreement and any other agreement of the Trust or any offering document with respect to the Trust, or any applicable law or regulation of any jurisdiction, provided that in the opinion of the Trustees the rights of the Participating Preferred Trust Unitholders are not materially prejudiced thereby; (v) making amendments to the Declaration of Trust as are required to undertake an internal reorganization of the Trust or its affiliates; (vi) changing the situs of, or the laws governing, the Trust which, in the opinion of the Trustees, is desirable in order to provide Participating Preferred Trust Unitholders (if any) with the benefit of any legislation limiting their liability provided that such change does not introduce a material disadvantage to the Participating Preferred Trust Unitholders (if any) that did not exist prior to such change; (vii) making amendments to the Declaration of Trust as are necessary or desirable for correcting typographical mistakes or for curing, correcting or rectifying any ambiguities, defective provisions, unclear or inconsistent provisions, errors, mistakes or omissions; (viii) making amendments to the Declaration of Trust for any purpose in addition to those stated above, provided that, in the opinion of the Trustees, the rights of the Participating Preferred Trust Unitholders are not materially prejudiced thereby; or (ix) ensuring that the Trust qualifies or continues to qualify as a "mutual fund trust" under the Tax Act.

4.2 Long Term Debt.

The Trust has no debt obligations other than trade payables incurred in the ordinary course of business of the Trust that are due, or outstanding, within twelve months from September 9, 2024, or will become due, or outstanding, in more than twelve months from September 9, 2024.

4.3 Prior Sales.

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
September 30, 2023	Participating Preferred Class A & F Trust Units	25,491.1164	\$4.50	\$114,710.02 ⁽¹⁾
October 31, 2023	Participating Preferred Class A & F Trust Units	152,413	\$4.50	\$685,858.50
November 24, 2023	Participating Preferred Class A & F Trust Units	45,458	\$4.50	\$204,561.00
December 29, 2023	Participating Preferred Class A & F Trust Units	97,761	\$4.50	\$439,924.50
December 31, 2023	Participating Preferred Class A & F Trust Units	28,946.4911	\$4.50	\$130,259.21 ⁽²⁾
January 31, 2024	Participating Preferred Class A & F Trust Units	85,726	\$4.50	\$385,767.00
March 22, 2024	Participating Preferred Class A & F Trust Units	292,489	\$4.50	\$1,316,200.50
March 31, 2024	Participating Preferred Class A & F Trust Units	45,334.0533	\$4.50	\$147,863.34 ⁽³⁾
June 21, 2024	Participating Preferred Class A & F Trust Units	114,061	\$4.75	\$541,789.75
June 30, 2024	Participating Preferred Class A & F Trust Units	35,118.6548	\$4.75	\$166,813.61 ⁽⁴⁾
July 26, 2024	Participating Preferred Class A & F Trust Units	129,104	\$4.75	\$613,244.00
August 23, 2024	Participating Preferred Class A & F Trust Units	50,737	\$4.75	\$241,000.75

Notes:

- (1) Distributions to DRIP Participating Preferred Trust Unitholders of record as of September 30, 2023.
(2) Distributions to DRIP Participating Preferred Trust Unitholders of record as of December 31, 2023.
(3) Distributions to DRIP Participating Preferred Trust Unitholders of record as of March 31, 2024.
(4) Distributions to DRIP Participating Preferred Trust Unitholders of record as of June 30, 2024.

Item 5. SECURITIES OFFERED

5.1 Terms of Securities.

General

The Trust is authorized to issue an unlimited number of Participating Preferred Class A Trust Units and Participating Preferred Class F Trust Units. As of September 9, 2024, 2,796,776.3516 Participating Preferred Trust Units are currently outstanding, and an unlimited number of Participating Preferred Trust Units may be issued pursuant to the

Declaration of Trust. Each issued and outstanding Participating Preferred Trust Unit shall be equal to each other Participating Preferred Trust Unit with respect to all rights, benefits, obligations and limitations provided for in the Declaration of Trust and all other matters, including the right to distributions from the Trust based the terms of each Subscriber's Subscription Agreement and no Participating Preferred Trust Unit shall have any preference, priority or right in any circumstances over any other Participating Preferred Trust Unit. The Trust shall not create any class of Participating Preferred Trust Units that will have a preference to the existing Participating Preferred Trust Units over the distribution of Distributable Cash or entitlement to assets on disposition or dissolution.

At all meetings of the Participating Preferred Trust Unitholders, each Participating Preferred Trust Unitholder will be entitled to one vote for each Participating Preferred Trust Unit held in respect of all matters upon which holders of Participating Preferred Trust Units are entitled to vote. Each Participating Preferred Trust Unitholder will contribute to the capital of the Trust the applicable purchase price for each Participating Preferred Trust Unit purchased. There are no restrictions as to the maximum number of Participating Preferred Trust Units that a Participating Preferred Trust Unitholder may hold in the Trust, subject to limitations on the number of Participating Preferred Trust Units that may be held by Non-residents or Financial Institutions. The minimum purchase for each Participating Preferred Trust Unitholder is \$2,508 of Participating Preferred Class A Trust Units and \$50,008 of Participating Preferred Class F Units. The Administrator may accept lesser subscription amounts in its sole discretion. The Administrator will not accept subscriptions for the issue and sale of a fraction of a Participating Preferred Trust Unit.

Under certain circumstances, the Administrator, or if no Administrator is appointed or acting, the Trustees may require Non-resident Participating Preferred Trust Unitholders to transfer their Participating Preferred Trust Units to persons who are not Non-residents of Canada.

In addition, the Declaration of Trust provides that if the Administrator, or if no Administrator is appointed or acting, the Trustees, become aware that the beneficial owners of 40% of the Participating Preferred Trust Units then outstanding are, or may be, either Non-residents or Financial Institutions, or that such a situation is imminent, the Trust will make a public announcement thereof and will not accept a subscription for Participating Preferred Trust Units from or issue or register a transfer of Participating Preferred Trust Units to a person unless that person provides a declaration in form and content satisfactory to the Trustees that the person is not a Non-resident or a Financial Institution.

On the dissolution of the Trust, the Trustees shall undertake no activities except for the purpose of the distribution of the Trust Assets and satisfaction of Trust Liabilities as provided in the Declaration of Trust, and the Trustees shall continue to be vested with and may exercise the powers conferred upon the Trustees under the Declaration of Trust. Trust Assets shall be held by the Trustees as bare trustees on behalf of all of the Participating Preferred Trust Unitholders, subject only to the payment or satisfaction of all known debts, liabilities, and obligations of the Trust, and provided that the Trustees shall retain the absolute discretion to undertake transactions before or after the date of termination of the Trust that may be prudent or necessary to mitigate adverse tax consequences that may otherwise arise for the Trust or the Participating Preferred Trust Unitholders. If, after paying, retiring or discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Trust, including Trust Liabilities, providing for indemnity against any other outstanding liabilities and obligations, and paying in full of the Redemption Price applicable to outstanding Participating Preferred Trust Units, any Trust Assets remain or if the Trustees are unable to sell all of the Trust Assets by the date set for termination, then the Trustees shall, subject to obtaining all necessary regulatory approvals, distribute the remaining part of the proceeds of the sale of the Trust Assets together with any cash forming part of the Trust Assets to the remaining Participating Preferred Trust Unitholders indicated on the applicable Register(s), in accordance with their respective interests.

Pursuant to the Subscription Agreement, each Subscriber, among other things:

- (a) consents to the disclosure of certain information to, and its collection and use by, the Administrator and its service providers, including such Subscriber's full name, residential address or address for service, social insurance number or the corporation account number, as the case

may be, for the purpose of administering such Subscriber's subscription for Participating Preferred Trust Units and pursuant to applicable securities laws;

- (b) acknowledges that the Subscriber is bound by the terms of the Declaration of Trust and is liable for all obligations of a Participating Preferred Trust Unitholder;
- (c) makes the representations and warranties and covenants set out in the Subscription Agreement;
- (d) irrevocably nominates, constitutes and appoints the Trustees as its true and lawful attorney with full power and authority as set out in the Declaration of Trust;
- (e) irrevocably authorizes the Trustees to transfer the assets of the Trust and implement the dissolution of the Trust;
- (f) irrevocably authorizes the Trustees to file on behalf of the Subscriber all elections under applicable income tax legislation in respect of any dissolution of the Trust; and
- (g) covenants and agrees that all documents executed and other actions taken on their behalf as a Participating Preferred Trust Unitholder pursuant to the power of attorney as set out in the Declaration of Trust will be binding on them and agrees to ratify any such documents or actions on request of the Administrator or if no Administrator is appointed or acting, the Trustees.

After completion of the Offering the Trustees, in their sole discretion, may issue Participating Preferred Trust Units, from time to time, to any person where it is necessary or desirable in connection with the conduct of the business of the Trust, including in connection with the acquisition of additional Trust Assets, and in each case such securities may be issued at such prices and upon such terms and at such time or times as the Trustees may determine.

Please also refer to **Item 4.1 – Securities Except for Debt Securities** for a description of the Declaration of Trust, which governs the terms of the Participating Preferred Trust Units.

Liquidity

There is no market for the Participating Preferred Trust Units and it is not anticipated that any market will develop. It is expected that the primary mechanism for Participating Preferred Trust Unitholders to achieve liquidity for their investments will be pursuant to the redemption rights attached to the Participating Preferred Trust Units. The tax implications of any liquidity event will vary depending on the nature of the transaction but will generally be a taxable transaction. See **Item 8 – Income Tax Consequences and Deferred Plan Eligibility** for a discussion of the tax implications of any such liquidity event. In all cases, the amount distributed to Participating Preferred Trust Unitholders will be net of all liabilities payable and amounts owing to the Administrator.

Timing

The decision to implement any liquidity event will be dependent on the market conditions and transaction opportunities available at the time. Therefore, there can be no assurance that any type of liquidity event will be implemented.

Sample Repurchase Calculation

Below is a sample calculation in respect of any right of the purchaser to require the Trust to repurchase the securities:

Number of units redeemed	100
Redemption Price	\$5.00
Redemption Fee	7% ⁽¹⁾
Redemption Fee Amount	(units redeemed x redemption price) x 7%

Redemption Amount = (units redeemed x redemption price) – Redemption Fee amount

Redemption Amount = (100 x \$5.00) – [(100 x \$5.00) x 7%]

Redemption Amount = \$500 - \$35

Redemption Amount = \$465⁽²⁾

Notes:

⁽¹⁾ Redemption Fee will vary. See **Glossary – "Redemption Fee"**.

⁽²⁾ Units acquired through the DRIP are not subject to a Redemption Fee.

5.2 Subscription Procedure.

Subject to the Over-Subscription Option as described below, Participating Preferred Trust Units will be sold as follows pursuant to the Offering: \$4.75 per Participating Preferred Trust Unit for the first 1,811,361 Participating Preferred Trust Units issued; and \$5.00 per Participating Preferred Trust Unit for the next 6,000,000 Participating Preferred Trust Units issued.

Pursuant to the Over-Subscription Option, the Administrator will have the discretion to accept subscriptions at each issue price even though the pricing tranches set out above are exceeded, in circumstances where subscriptions have previously been completed by subscribers or submitted but were not processed prior to the tranche being exceeded. The number of additional Participating Preferred Trust Units that may be issued at each price will not exceed 35% of the aggregate number of Participating Preferred Trust Units intended to be issued at the relevant price (i.e., up to 2,548,203.26 and/or 8,100,000 additional Participating Preferred Trust Units may be issued at \$4.75 and \$5.00, respectively).

In addition to the Over-Subscription Option, the Administrator will also have the discretion to accept orders for Participating Preferred Trust Units at any of the applicable prices beyond the 35% tranches described above if in the opinion of the Administrator it is advantageous to the Trust to do so.

The purchase price of the Participating Preferred Trust Units is payable on execution of the Subscription Agreement and there is a minimum subscription of \$2,508 in Participating Preferred Class A Trust Units per Subscriber or \$50,008 in Participating Preferred Class F Trust Units per Subscriber. The Offering is being made to all residents of Canada other than Quebec. The Administrator may accept lesser subscription amounts in its sole discretion.

Subscription Documents

Subscribers will be required to enter into a Subscription Agreement with the Trust that will contain, among other things, representations, warranties and covenants by the Subscriber that it is duly authorized to purchase the Participating Preferred Trust Units, that it is purchasing the Participating Preferred Trust Units as principal and for investment and not with a view to resale and as to its corporate or other status to purchase the Participating Preferred Trust Units and that the Trust is relying on an exemption from the requirements to provide the Subscriber with a prospectus and if applicable, an exemption to sell securities through a person or company registered to sell

securities under applicable securities laws and as a consequence of acquiring the securities pursuant to this exemption, certain protections, rights and remedies, provided by applicable securities laws, including statutory rights of rescission or damages, may not be available to the Subscriber.

In order to subscribe for Participating Preferred Trust Units, Subscribers must complete, execute and deliver the following documentation to the Trust at Attn: Epiphany Legacy Investment Mutual Fund Trust, 50 - 550 WT Hill Blvd South Lethbridge, AB T1J 4Z8 or by e-mail at info@legacyinvestment.ca or through such other electronic platform that may be recognized by the Trust from time to time:

- (a) one (1) completed and signed copy of the Subscription Agreement (including any required schedules attached thereto);
- (b) if subscribing for Participating Preferred Trust Units through:
 - (i) FundSERV, instruct your broker to purchase:
 - 1) for Participating Preferred Class A Trust Units the FundSERV Code is: AXC 701; or
 - 2) for Participating Preferred Class F Trust Units the FundSERV Code is: AXC 703; or
 - (ii) an Agent, send a cheque, certified cheque, bank draft, wire transfer or other form of payment acceptable the Trust, in its sole discretion, in an amount equal to the Aggregate Subscription Amount (as set forth in the Subscription Agreement), payable to "Epiphany Legacy Investment Mutual Fund Trust";
- (c) completed and executed copies of the appropriate investor qualification form(s). The appropriate form(s) to be completed depend on your specific circumstances and the amount of your investment:
 - (i) **If the Subscriber is resident in British Columbia or Newfoundland and Labrador and subscribing pursuant to the Offering Memorandum Exemption that is applicable in that Province in which the Subscriber is resident:**
 - 1) you must execute and deliver to the Trust one (1) completed and signed copy of the Risk Acknowledgment Form attached to the Subscription Agreement as Schedule A (one copy must be submitted to the Trust and one copy shall be retained for your records, or if utilizing an electronic platform recognized by the Trust, an electronic copy will be available to both parties);
 - (ii) **If the Subscriber is resident in Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon and subscribing pursuant to the Offering Memorandum Exemption that is applicable in that Province or Territory in which the Subscriber is resident:**
 - 1) you must execute and deliver to the Trust one (1) completed and signed copy of the Risk Acknowledgment Form attached to the Subscription Agreement as Schedule A (one copy must be submitted to the Trust and one copy shall be retained for your records, or if utilizing an electronic platform recognized by the Trust, an electronic copy will be available to both parties);
 - 2) **AND, IF APPLICABLE, if the Subscriber is subscribing for more than \$10,000 in Participating Preferred Trust Units**, one (1) copy of the Eligible Investor Certificate in the form attached to the Subscription Agreement as Schedule B;

(iii) If the Subscriber is resident in Alberta, New Brunswick, Nova Scotia, Ontario or Saskatchewan and subscribing pursuant to the Offering Memorandum Exemption that is applicable in that Province in which the Subscriber is resident:

- 1) you must execute and deliver to the Trust one (1) completed and signed copy of the Risk Acknowledgment Form attached to the Subscription Agreement as Schedule A, including Exhibit 1 and Exhibit 2, if applicable and attached thereto (one copy must be submitted to the Trust and one copy shall be retained for your records, or if utilizing an electronic platform recognized by the Trust, an electronic copy will be available to both parties);
- 2) **AND, IF APPLICABLE, if the Subscriber is subscribing for more than \$10,000 in Participating Preferred Trust Units but no more than \$30,000 in Participating Preferred Trust Units, and including this purchase, has not purchased more than \$30,000 in securities utilizing the Offering Memorandum Exemption in the last 12 months,** one (1) copy of the Eligible Investor Certificate in the form attached to the Subscription Agreement as Schedule B;
- 3) **AND, IF APPLICABLE, if the Subscriber is subscribing for more than \$30,000 in Participating Preferred Trust Units but no more than \$100,000 in Participating Preferred Trust Units, and including this purchase, has not purchased more than \$100,000 in securities utilizing the Offering Memorandum Exemption in the last 12 months:**
 - A. one (1) copy of the Eligible Investor Certificate in the form attached to the Subscription Agreement as Schedule B; and
 - B. one (1) copy of the Portfolio Manager, Investment Dealer or Exempt Market Dealer Advice Certificate in the form attached to the Subscription Agreement as Schedule C;

(iv) If the Subscriber is an Individual Accredited Investor and resident in a Province or Territory of Canada other than Quebec:

- 1) you must execute and deliver to the Trust one (1) completed and signed copy of the Risk Acknowledgment Form attached to the Subscription Agreement as Schedule A, including Exhibit 1 and Exhibit 2, if applicable and attached thereto (one copy must be submitted to the Trust and one copy shall be retained for your records, or if utilizing an electronic platform recognized by the Trust, an electronic copy will be available to both parties);
- 2) one (1) copy of the Accredited Investor Risk Acknowledgement attached to the Subscription Agreement as Schedule D (please initial as indicated, provide a copy to the Trust and retain the original); and
- 3) the Representation Letter in the form attached to the Subscription Agreement as Schedule D-1 (please initial Appendix A as indicated); or

(v) If the Subscriber is a Non-Individual Accredited Investor and resident in a Province or Territory of Canada other than Quebec:

- 1) you must execute and deliver to the Trust one (1) completed and signed copy of the Risk Acknowledgment Form attached to the Subscription Agreement as

Schedule A, including Exhibit 1 and Exhibit 2, if applicable and attached thereto (one copy must be submitted to the Trust and one copy shall be retained for your records, or if utilizing an electronic platform recognized by the Trust, an electronic copy will be available to both parties); and

- 2) the Representation Letter in the form attached to the Subscription Agreement as Schedule D-1 (please initial Appendix A as indicated).

Subject to applicable securities laws and the purchaser's two-day cancellation right, a subscription for Participating Preferred Trust Units, evidenced by a duly completed Subscription Agreement delivered to the Trust shall be irrevocable by the Subscriber. See **Item 13 – Purchasers' Rights**.

Proceeds of Crime (Money Laundering) Legislation

In order to comply with Canadian legislation aimed at the prevention of money laundering and terrorism, the dealers involved in the Offering may require additional information concerning Canadian investors and by signing the Subscription Agreement, the Subscriber agrees to provide such information.

If as a result of any information or other matter which comes to the attention of any dealer involved in the Offering, any director, officer or employee of such dealer, or its professional advisers, if such person knows or suspects that a Canadian investor is engaged in money laundering or terrorism, such person is required to report such information or other matter to applicable law enforcement and securities regulatory authorities, including the Financial Transactions and Reports Analysis Centre of Canada and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by Canadian law or otherwise.

The Trust will hold your subscription funds in trust until midnight on the second business day after the day on which the Trust received your signed Subscription Agreement. Subscription proceeds will be held by the Administrator pending Closing. If a subscription for Participating Preferred Trust Units is not accepted, all subscription proceeds will be promptly returned to the Subscriber without interest.

Exemptions from Prospectus Requirements

The Offering is being made in reliance upon exemptions from the prospectus requirements provided in NI 45-106. Accordingly, no prospectus has been or will be filed with any securities commission in Canada in connection with the Offering.

Item 6. REPURCHASE REQUESTS

For each of the two most recently completed financial years of the Trust, the following redemptions have been completed:

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	Source of funds used to complete the repurchases	Number of securities with outstanding repurchase requests on the last day of the year
Class A	December 31, 2022	0	0	0	0	N/A	366.3905
Class A	December 31, 2023	366.3905	8,864.3908	7,671.1908	\$5.00	Cash Flow	1,193.2000

For the period commencing after the Trust's most recent financial year (January 1, 2024) and up to July 31, 2024, the following redemptions have been completed:

Description of security	Beginning and end dates of the period	Number of securities with outstanding repurchase requests on the first day of the period	Number of securities for which investors made repurchase requests during the period	Number of securities repurchased during the period	Average price paid for the repurchased securities	Source of funds used to complete the repurchases	Number of securities with outstanding repurchase requests on the last day of the period
Class A	January 1, 2024 - July 31, 2024	1,193.2048	47,175.1184	32,960.6335	\$5.00	Cash Flow	14,214.4849 ⁽¹⁾

Notes:

⁽¹⁾ Scheduled to be paid out at the end of October 2024.

Item 7. CERTAIN DIVIDENDS AND DISTRIBUTIONS

Since its inception, the Trust has not paid any distributions that exceeded its cash flow from operations.

Item 8. INCOME TAX CONSEQUENCES AND DEFERRED PLAN ELIGIBILITY**8.1 Certain Canadian Federal Income Tax Consequences.**

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

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to the acquisition, holding and disposition of Participating Preferred Trust Units by a person who acquires Participating Preferred Trust Units pursuant to this Offering Memorandum. This summary is applicable only to a holder of Participating Preferred Trust Units who, for the purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada, deals at arm's length with and is not affiliated with the Trust and its Affiliates, acquires and holds Participating Preferred Trust Units as capital property, is not

exempt from tax under Part I of the Tax Act, and does not have a "significant interest" in the Trust as defined in subsection 207.01(4) of the Tax Act (for the purposes of this Item 8.1, a "**Holder**"). Generally, Participating Preferred Trust Units will be considered to be capital property to a Holder provided that the Holder does not hold such Participating Preferred Trust Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold their Participating Preferred Trust Units as capital property may, in certain circumstances, be entitled to make an irrevocable election under subsection 39(4) of the Tax Act to have such Participating Preferred Trust Units, and every other "Canadian security" (as defined in the Tax Act) owned in the taxation year in which the election is made and subsequent taxation years, deemed to be capital property. Such Holders should consult their own tax advisors regarding whether such election is available and advisable in their particular circumstances.

This summary is not applicable to a Holder:

- (a) that is a "financial institution" for the purposes of the "mark-to-market rules" in the Tax Act;
- (b) that is a "specified financial institution";
- (c) that is an interest that is a "tax shelter investment";
- (d) that has elected to report its "Canadian tax results" in a currency other than Canadian currency; or
- (e) that has entered into or will enter into a "derivative forward agreement" with respect to the Participating Preferred Trust Units (as each of those terms is defined in the Tax Act). Any such Holders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and/or disposition of Participating Preferred Trust Units. Further, this summary does not address the tax consequences to Holders who borrow funds in connection with the acquisition of Participating Preferred Trust Units.

This summary is based upon the facts set out in this Offering Memorandum and certain representations as to factual matters made in a certificate signed by a Trustee of the Trust (the "**Trustee's Certificate**") and provided to Field LLP. This summary assumes that the representations made in the Trustee's Certificate are true and correct, including the representations that that the Trust has and will, at all times, comply with the Declaration of Trust.

This summary is also based upon the provisions of the Tax Act and the regulations thereunder (the "**Regulations**") in force at the date hereof, and Field LLP's understanding, based on publicly available published materials, of the administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**"), all in effect as of the date of this Offering Memorandum. This summary takes into account all specific proposals to amend the Tax Act and the Regulations that have been publicly announced prior to the date of this Offering Memorandum (the "**Tax Proposals**"). Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes in law, whether by legislative, government or judicial decision or action, or changes in CRA's administrative policies and assessing practices, nor does it take into account any provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given that this will be the case. There can be no assurances that the CRA will not change its administrative policies and assessing practices.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Participating Preferred Trust Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Participating Preferred Trust Units will vary depending on the Holder's particular circumstances, including the province(s) in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be nor should it be construed to be legal or tax advice to any prospective purchaser of Participating Preferred Trust Units. Prospective purchasers should consult their

own tax advisors for advice with respect to the tax consequences of an investment in Participating Preferred Trust Units in their particular circumstances.

Status of the Trust

Qualification as a Mutual Fund Trust

Based upon representations as to certain factual matters made in the Trustee's Certificate, it is assumed that the Trust has qualified as a "mutual fund trust" as defined in the Tax Act and is expected to continue to qualify at all times as a "mutual fund trust" under the provisions of the Tax Act. This summary assumes this to be the case.

To qualify as a mutual fund trust, the Trust, among other things, must be a "unit trust" as defined by the Tax Act, must be resident in Canada, must not be established or maintained primarily for the benefit of Non-residents, and must restrict its undertaking to:

- (a) the investing in property (other than real property or an interest in real property or an immovable or real right in an immovable);
- (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Trust; or
- (c) any combination of the activities described in (a) and (b).

The Trust must also comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of Participating Preferred Trust Units. One of the minimum requirements for qualification as a mutual fund trust requires there must be at least 150 unitholders each of whom holds:

- (a) not less than one "block of units" of a class of Participating Preferred Trust Units; and
- (b) units of that class of Participating Preferred Trust Units having an aggregate fair market value of not less than \$500.

A "block of units" in respect of the Participating Preferred Trust Units means: 100 Participating Preferred Trust Units if the fair market value of one Participating Preferred Trust Unit is less than \$25; 25 Participating Preferred Trust Units if the fair market value of one Participating Preferred Trust Unit is greater than \$25 and less than \$100; and 10 Participating Preferred Trust Units if the fair market value of one Participating Preferred Trust Unit is \$100 or more. In the event that the Trust fails to meet these requirements, then the Trust will not be an eligible investment for the purposes of Exempt Plans and Holder's could be subject to significant adverse tax consequences.

If at any time the Trust ceases to be a mutual fund trust, Holders that hold Participating Preferred Trust Units in an Exempt Plan may be liable for penalties and other adverse tax consequences and should seek advice from their own tax advisors.

SIFT Rules

The rules applicable to specified investment flow-through trusts or partnerships ("**SIFT Rules**") 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. These rules apply only to "SIFT trusts", "SIFT partnerships" (each as defined in the Tax Act) and their investors.

A trust resident in Canada will generally be a SIFT trust for a particular taxation year for purposes of the Tax Act if:

- (a) at any time during the taxation year, investments in the trust are listed or traded on a stock exchange or other public market; and
- (b) the trust holds one or more "non-portfolio properties" (as defined in the Tax Act).

"Non-portfolio properties" generally include:

- (a) certain investments in real properties situated in Canada;
- (b) certain property used in carrying on a business in Canada;
- (c) certain investments in corporations and trusts resident in Canada that own "non-portfolio properties"; and
- (d) certain investments in partnerships with specified connections to Canada that own "non-portfolio properties".

Provided no third party creates a trading system or other organized facility on which investments in the Trust that are qualified for public distribution are listed or traded, and based upon representations as to certain factual matters made in the Trustee's Certificate, investments in the Trust (including the Participating Preferred Trust Units) are, and are expected to continue to be, neither listed nor traded on a stock exchange or other public market. Accordingly, the Trust is expected to not be a "SIFT trust" as defined in the Tax Act, the Trust is expected at all times to continue not to be a "SIFT trust" under the provisions of the Tax Act, and the SIFT Rules are expected not to apply to the Trust at all times. This summary assumes this to be the case.

Where the SIFT Rules apply, distributions of a SIFT trust's "non-portfolio earnings" are not deductible in computing the SIFT trust's net income. Non-portfolio earnings are generally defined as income attributable to a business carried on by the SIFT trust in Canada or to income (other than certain dividends) from, and taxable capital gains from the disposition of, "non-portfolio properties". The SIFT trust is itself liable to pay income tax on an amount equal to the amount of such non-deductible distributions at a rate that is substantially equivalent to the combined federal and provincial general tax rate applicable to taxable Canadian corporations. Such non-deductible distributions paid to a holder of units of the SIFT trust are generally deemed to be taxable dividends received by such holder from a taxable Canadian corporation. Such deemed dividends will qualify as "eligible dividends" for purposes of the enhanced gross-up and dividend tax credit available under the Tax Act to individuals resident in Canada. Distributions that are paid as returns of capital will generally not attract tax under the SIFT Rules.

Taxation of the Trust

The Trust's taxation year is the calendar year. A mutual fund trust may file an election to have a taxation year end of December 15. This summary assumes that the Trust will not elect a taxation year end of December 15. In each taxation year, the Trust will generally be subject to tax under Part I of the Tax Act on its income for the year. The Trust's Income will include interest paid to the Trust on the Debentures and redemption of the Class X Units. Any income received by the Trust is taxable at the highest marginal tax rate applicable to an individual. The Trust may deduct from its income the amount of any distributions paid or made payable to Holders of Participating Preferred Trust Units. An amount of income will generally be considered to be payable to a Holder in a taxation year if it is paid to the Holder in the year by the Trust or if the Holder is entitled in that year to enforce payment of the amount. It is intended that the Trust will distribute substantially all of its income, after providing for necessary expenses, to Holders of Participating Preferred Trust Units. In computing its income for purposes of the Tax Act, the Trust may deduct reasonable administrative costs and other reasonable expenses incurred by it for the purpose of earning income.

The Trust may have taxable income in a year that it disposes of capital property (including Debentures or Class X Units of a Partnership) if the proceeds of disposition exceed the adjusted cost base of such capital property. The taxable portion of a capital gain (50%) is included in income of the Trust (after taking into account any losses or capital losses that may be carried forward from prior years), subject to a deduction for the amounts paid or made payable to Holders of Participating Preferred Trust Units.

As described in **Item 2 – Business of Epiphany Legacy Investment Mutual Fund Trust**, the Trust will invest in the Partnerships through the Debentures and the Class X Units. In general, a partner's adjusted cost base in a Partnership at a particular time is equal to its initial cost of the partnership interest, plus income allocated to it for fiscal periods ending before that time, minus deductible losses allocated to it for fiscal periods ending before that time and minus amounts received by it as distributions of partnership income or capital. To the extent that the adjusted cost base to the Trust in the Partnerships is less than zero at the end of a fiscal period of the Partnerships, the negative amount will be deemed to be a capital gain of the Trust. If such deemed capital gain is not allocated to the Holders before the end of the taxation year of the Trust, the Trust may be taxable on an amount up to the taxable portion of such capital gain.

The Trust may hold, and receive income from, an interest in the Partnerships. The Partnerships are not subject to tax under the Tax Act. Each partner (including the Trust) is required to include in computing the partner's income the partner's share of the income or loss of the Partnerships for their fiscal year ending in, or coincidentally with the partner's taxation year, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income or loss of the Partnerships will be computed for each fiscal year as if it were a separate person resident in Canada. In computing such income or loss, deductions may be claimed for reasonable amounts in respect of administrative and other expenses incurred for the purpose of earning income from business or property of the Partnerships.

The income or loss of the Partnerships for a fiscal year will be allocated to each partner (including the Trust) on the basis of such partner's share of such income or loss subject to the BERP Agreement, the ECLP Agreement and the EMLP Agreement, and the detailed rules in the Tax Act in that regard, including, in the case of allocation of losses to limited partners, the at-risk rules. If the loss that would otherwise be allocated to the Trust (as a limited partner) exceeds the Trust's at-risk amount, the Trust may not be entitled to such loss allocation. The income or loss allocated to a limited partner (i.e. the Trust) may exceed or be less than the amount of cash (if any) distributed to such limited partner.

On June 20, 2024, the Tax Act was amended to limit the deductibility of interest and financing expenses in certain circumstances, including the computation of income or loss for the purposes of the Tax Act (the "EIFEL Rules"). The EIFEL Rules are effective for taxation years beginning on or after October 1, 2023, and if they apply, the amount of interest and financing expenses otherwise deductible by the Partnerships may be reduced and the taxable component of Distributions by the Trust to holders of Participating Preferred Units may be increased accordingly. The EIFEL Rules and their application are highly complex, and there can be no assurances that the EIFEL Rules will not have adverse tax consequences to the Trust or the Participating Preferred Trust Unitholders. If the EIFEL Rules apply, the Trust may be required to include an amount in computing its income in respect of its allocated share of interest and financing expenses incurred by the Partnerships, and the taxable component of Distributions by the Trust to Participating Preferred Trust Unitholders may be increased accordingly, irrespective of the actual amount of Distributions received.

Any interest on the Debentures or gain from the Class X Units that becomes receivable in a year, or that accrues before the end of the year, will generally be included in the income of the Trust to the extent the interest was not included in the income of the Trust for a preceding year. If the interest or gain amount is not paid, the Trust may not have sufficient cash to fully allocate and distribute an accrued amount of income. Such amounts may result in taxation to the Trust. Alternatively, the Trustees may allocate such accrued income to Holders, and such amounts will be taxable to Holders. If such allocations are satisfied by an issuance of promissory notes or other non-cash distributions by the Trust to the Holders, such promissory notes or other non-cash distributions may not be eligible for Exempt Plans.

Losses incurred by the Trust cannot be allocated to Holders, but can be deducted by the Trust in future years in computing its taxable income, in accordance with the Tax Act.

Where a mutual fund trust allocates a capital gain to a Redeeming Unitholder, a deduction in respect of the portion of an allocation made to a unitholder on a redemption of a unit may be denied if the capital gain is greater than the capital gain that would otherwise have been realized by the unitholder on the redemption, if the following conditions are met:

- (a) the allocated amount is a capital gain; and
- (b) the unitholder's redemption proceeds are reduced by the allocation.

The new rule also denies a mutual fund trust a deduction in respect of an allocation made to a unitholder on a redemption, if:

- (a) the allocated amount is ordinary income; and
- (b) the unitholder's redemption proceeds are reduced by the allocation.

As a result of these rules, the Trust will limit its allocation to redeeming Holders, if any, accordingly.

Taxation of Non-Exempt Holders

Distributions

A Holder is generally required to include in computing its income for a particular taxation year the portion of the income of the Trust for the taxation year of the Trust ending on or before the particular taxation year end of the Holder, that is paid or payable, or deemed to be paid or payable, to the Holder in the particular taxation year, whether or not those amounts are received in cash, additional Participating Preferred Trust Units, Trust Assets, the issuance of a promissory note or otherwise. Any deduction or loss of the Trust for purposes of the Tax Act cannot be allocated to, or treated as a deduction or loss of a Holder.

The non-taxable portion of any net capital gains (generally being one-third thereof after June 24, 2024) of the Trust that is paid or payable, or deemed to be paid or payable, to a Holder in a taxation year will not be included in computing the Holder's income for the year. Any other amount in excess of the income and taxable capital gains of the Trust that is paid or payable, or deemed to be paid or payable, by the Trust to a Holder in a taxation year, will not generally be included in the Holder's income for the year. Such amounts in respect of taxable capital gains may include deemed capital gains resulting from, among other things, a negative adjusted cost base of an interest in a Partnership held by the Trust. A Holder will be required to reduce the adjusted cost base of its Participating Preferred Trust Units by the portion of any amount (other than the non-taxable portion of capital gains) paid or payable to such Holder that was not included in computing the Holder's income and will realize a capital gain to the extent that the adjusted cost base of the Holder's Participating Preferred Trust Units would otherwise be a negative amount.

Provided that appropriate designations are made by the Trust, such portion of its net taxable capital gains that are paid or payable, or deemed paid or payable, by the Trust to a Holder will effectively retain their character and be treated and taxed as such to that Holder for purposes of the Tax Act. To the extent that amounts are designated as having been paid to Holders out of the net taxable capital gains of the Trust, such designated amounts will be deemed for tax purposes to be received by Holders in the year as a taxable capital gain and will be subject to the general rules relating to the taxation of capital gains described below. A Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) throughout its taxation year may also be liable to pay an additional refundable tax on certain investment income, including taxable capital gains. Holders should consult their own tax advisors for advice with respect to the potential application of these provisions.

The adjusted cost base of Participating Preferred Trust Units, Trust Assets, promissory notes, or combination thereof that is acquired by a Holder in satisfaction of a distribution by the Trust will generally equal the amount of income that has been included in the Holder's income in respect of such distribution. Where a Holder receives a return of capital in respect of Participating Preferred Trust Unit, the adjusted cost base of the Participating Preferred Trust Units held by that Holder is reduced by the same amount. Where the adjusted cost base of the Participating Preferred Trust Units of a Holder becomes negative, a Holder realizes a capital gain and the adjusted cost base of such Participating Preferred Trust Units is reset to zero.

Disposition of Participating Preferred Trust Units

Upon the disposition or deemed disposition of a Participating Preferred Trust Unit by a Holder, whether on redemption by the Holder, by the Trust or otherwise, the Holder will generally realize a capital gain (or a capital loss) equal to the amount by which the Holder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Participating Preferred Trust Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by the Trust that is otherwise required to be included in the Holder's income.

For the purpose of determining the adjusted cost base to a Holder, when a Participating Preferred Trust Unit is acquired, the cost of the newly-acquired Participating Preferred Trust Unit will be averaged with the adjusted cost base of all of the Participating Preferred Trust Units of that particular class owned by the Holder as capital property immediately before that acquisition. The adjusted cost base of a Participating Preferred Trust Unit to a Holder will include all amounts paid by the Holder to acquire the Participating Preferred Trust Unit, including any reasonable costs incurred in connection therein, with certain adjustments.

Amendments proposed by Canada's 2024 Federal Budget (the "**Tax Amendments**") came into effect on June 25, 2024. These Tax Amendments increased the capital gains inclusion rate from one-half to two-thirds in respect of dispositions realized by a Holder. A Holder that is an individual (and not a corporation or a trust) is subject to an inclusion rate of one-half on capital gains for the year (or portion of the year after June 24, 2024) of amounts of capital gains up to \$250,000 (net of capital losses applied to reduce capital gains). A Holder is also subject to an inclusion rate of two-thirds for the year (or portion of the year after June 24, 2024) of amounts of capital gains greater than \$250,000 (net of capital losses applied to reduce capital gains). A Holder that is a corporation or a trust is subject to the two-thirds inclusion rate on capital gains, without the \$250,000 allowance for the lower inclusion rate. Allowable capital losses of prior years will continue to be deductible against taxable capital gains in the current year by adjusting their value to reflect the inclusion rate of the capital gains being offset. For tax years that begin before and end on or after June 25, 2024, two different inclusion rates will apply. As a result, transitional rules implemented as part of the Tax Amendments separately identify capital gains and losses realized before June 25, 2024 ("**Period 1 Capital Gains**") and those realized on or after June 25, 2024 ("**Period 2 Capital Gains**"). Holders should consult their own tax advisors with respect to the application of the Tax Amendments with respect to capital gains and losses specific to their circumstances.

Generally, one-half of Period 1 Capital Gains realized by a Holder on a disposition or deemed disposition of Participating Preferred Trust Units and the taxable portion of the amount of any Net Realized Capital Gains designated by the Trust in respect of a Holder will be included in the Holder's income as a taxable capital gain. Pursuant to the Tax Amendments, one-half of any Period 1 Capital Gains realized by a Holder on a disposition (or deemed disposition) of Participating Preferred Trust Units will be included in the Holders income. However, two-thirds of the portion of any Period 2 Capital Gains, (exceeding \$250,000 for an individual), realized by a Holder on a disposition or deemed disposition of Participating Preferred Trust Units, will be included in the Holder's income as a taxable capital gain.

Any capital loss realized by a Holder on a disposition or deemed disposition of Participating Preferred Trust Units must generally be deducted from taxable capital gains of the Holder in the year of disposition as an allowable capital loss. Allowable capital losses realized in excess of taxable capital gains in a particular taxation year may generally be deducted against taxable capital gains realized in the three preceding taxation years or in any subsequent taxation

year, subject to and in accordance with the provisions of the Tax Act. As a result of the Tax Amendments, any allowable capital losses incurred before June 25, 2024 may be adjusted to reflect the higher inclusion rate for capital gains realized on or after June 25, 2024.

A redemption or repurchase equal to 2% of the net value of any equity redemptions completed by a Canadian-resident corporation or mutual fund trust that is a "real estate investment trust" (as defined in the Tax Act) or a SIFT trust, that have their equity listed on a designated stock exchange. This redemption or repurchase tax should not apply to the Trust as long as its Participating Preferred Trust Units are not listed on a designated stock exchange.

Refundable Tax on Certain Corporations

A Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay an additional refundable tax on certain investment income, for the year, including interest and taxable capital gains. Holders to whom these rules may be relevant should consult their own tax advisors.

Alternative Minimum Tax

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

Exempt Plans

Not all securities are eligible for investment in an Exempt Plan. You should consult your own professional advisers to obtain advice on the Exempt Plan eligibility of these securities.

This summary assumes that the advantage rules in subsection 207.01(1) do not apply to a Holder, and that a Holder will not be receiving an "advantage", as defined in subsection 207.01(1) of the Tax Act, in relation to an Exempt Plan (other than a DPSP). An advantage may include:

- (a) certain benefits or loans that are conditional on the existence of an Exempt Plan, subject to listed exceptions;
- (b) an increase in the fair market value of the property held in connection with an Exempt Plan, which increase is reasonably attributable to certain transactions, payments, events, or services provided;
- (c) income or a capital gain that is reasonably attributable to certain property or transactions in respect of an Exempt Plan; and
- (d) a "registered plan strip", as defined for purposes of Part XI.01 of the Tax Act.

If an Exempt Plan is subject to the advantage rules, a penalty tax is payable in respect of the advantage or benefit. Holders who own Participating Preferred Trust Units through Exempt Plans (other than a DPSP) should consult their own tax advisors regarding the application of such rules in their particular circumstances.

Based upon representations as to certain factual matters made in the Trustee's Certificate:

- (a) the Retroactive Tax Election was validly filed within the time prescribed under the Tax Act; and
- (b) the prescribed conditions to qualify as a mutual fund trust were satisfied on or before March 31, 2022, the Participating Preferred Trust Units issuable pursuant to this Offering Memorandum will

be "qualified investments" for a trust governed by an Exempt Plan, provided the Trust remains qualified as a "mutual fund trust" for the purposes of the Tax Act.

Redemption Notes or Trust Assets received as a result of a redemption of Participating Preferred Trust Units or as a payment of a Trust distribution may not be qualified investments for Exempt Plans, and this may give rise to adverse consequences to an Exempt Plan or the holder of or the annuitant or beneficiary under that Exempt Plan. Holders who own Participating Preferred Trust Units through Exempt Plans should consult their own tax advisors before receiving such property.

Based upon the present intentions of the Trustees, as expressed in the Trustee Certificate, the Trust is expected to continue to qualify as a mutual fund trust as defined in the Tax Act. If the Trust ceases to qualify as a mutual fund trust, the Participating Preferred Trust Units will cease to be a qualified investment for trusts governed by Exempt Plans. This may give rise to adverse consequences to an Exempt Plan or the holder of or the annuitant or beneficiary under that Exempt Plan. In addition, if the Trust ceases to qualify as a mutual fund trust, it may be required to pay a tax under Part XII.2 of the Tax Act if the Trust receives certain income that is "designated income" as defined for purposes of Part XII.2. The payment of Part XII.2 tax by the Trust may have adverse income tax consequences for certain Holders of the Trust, including Non-residents, and Exempt Plans that acquire an interest in the Participating Preferred Trust Units directly or indirectly from another unitholder of the Trust.

Exempt Plans will generally not be liable for tax in respect of any distributions received from the Trust or on any capital gains realized on the disposition of any Participating Preferred Trust Units.

Notwithstanding that the Participating Preferred Trust Units may be qualified investments for a TFSA, a RRSP, a RRIF, a RESP or a RDSP, a holder of a FHSA, TFSA, or a RDSP, a subscriber of a RESP, or an annuitant under a RRSP or RRIF, as the case may be, will be subject to a penalty tax if the Participating Preferred Trust Units held in the FHSA, TFSA, RRSP, RRIF, RESP or RDSP are a "prohibited investment" as defined in the Tax Act for the FHSA, TFSA, RRSP, RRIF, RESP or RDSP. The Participating Preferred Trust Units will generally not be a "prohibited investment" for trusts governed by a FHSA, a TFSA, a RRSP, a RRIF, a RESP or a RDSP if the holder of the FHSA, TFSA, or RDSP, the subscriber of a RESP, or the annuitant under the RRSP or RRIF, as applicable:

- (a) deals at arm's length with the Trust for the purposes of the Tax Act;
- (b) does not have a "significant interest", or a right to acquire a "significant interest", in the Trust. "Significant interest" generally means a threshold of 10% in shares, fair market value or interest as the case may be, combined with various non-arm's length parties.

In addition, the Participating Preferred Trust Units will generally not be a "prohibited investment" if the Participating Preferred Trust Units are "excluded property", as defined in the Tax Act, for trusts governed by a FHSA, TFSA, a RRSP, a RRIF, a RESP or a RDSP.

Item 9. COMPENSATION PAID TO SELLERS AND FINDERS

9.1 Participating Preferred Class A Trust Units.

Where allowed by applicable securities legislation, the Trust intends to offer compensation of up to 8% of the subscription proceeds referred by Agents (the "**Agents' Fees**") from subscribers for Participating Preferred Class A Participating Preferred Trust Units introduced to the Trust by such persons (the "**Raised Proceeds**") and a trailing commission of up to 1% of the Raised Proceeds annually until the Participating Preferred Trust Units are redeemed.

9.2 Participating Preferred Class F Trust Units.

No Agents' Fees or other consideration will be paid in connection with sales of Participating Preferred Class F Trust Units.

9.3 Further Compensation of Agents.

In certain circumstances the Trust may reimburse Agents for their due diligence costs, marketing, syndication and provide other forms of consideration in respect of sales of Participating Preferred Trust Units, such amounts not to exceed 3.0% of the Raised Proceeds. As further compensation to Agents and subject to applicable securities laws, the Trust may in its sole discretion, from time to time, compensate Agents through the issuance of either options or warrants.

9.4 Related or Connected Issuer.

The Trust is considered to be a "connected issuer" to Access Capital Advisors Inc. ("**Access**"), one of the Agents retained by the Trust to assist in the marketing and distribution of the Participating Preferred Trust Units pursuant to the Agency Agreement, under applicable law. Peter Jarman, a dealing representative, director and shareholder of Access, who is acting on behalf of Access in connection with the Offering, is also a Trustee of the Trust. Mr. Jarman only offers Participating Preferred Trust Units in his role as a dealing representative for Access. The information and analyses contained in this Offering Memorandum, and the terms and conditions contained in the Declaration of Trust and the Subscription Agreement, have been prepared by the Trust. The information and analyses in this Offering Memorandum, the terms of the offering and the structure and background of the Trust, the Partnerships, Black Elm Financial, 222 AB and 243 AB, all as general partners of the Partnerships, as applicable, have not been determined or developed by Access and have been reviewed by Access only as necessary for Access to comply with its "know-your-product" (KYP) obligations under NI 31-103 and cannot be, and are not, otherwise assured by Access. Access has not negotiated or set the price or terms of the Participating Preferred Trust Units or participated in or reviewed the decision to offer the Participating Preferred Trust Units hereunder. Pursuant to the Agency Agreement entered into between the Trust and Access, Access will receive the Agents' Fees in their capacity as acting as an Agent in respect of the Offering. See **Item 9.1 – Participating Preferred Class A Trust Units**. The proceeds of the Offering will not be applied for the benefit of Access, other than any Agents' Fees received pursuant to their applicable Agency Agreement.

Securities laws require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities in certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationship and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser.

The Trust is a connected issuer of Access, which acts as the Investment Fund Manager; and is an Agent under the Offering. The Investment Fund Manager is registered to carry on business as an investment fund manager and an exempt market dealer. Access may sell Participating Preferred Trust Units from time to time and will be paid commissions for such sales. See **Item 9.1 – Participating Preferred Class A Trust Units**. The Investment Fund Manager is registered as an investment fund manager in Alberta, and as an Exempt Market Dealer in Alberta, British Columbia, Manitoba, Ontario and Saskatchewan. As a result, potential conflicts of interest could arise in connection with the Investment Fund Manager acting in any or all of these capacities or through its relationship with the Trust as an Agent.

The Investment Fund Manager may from time to time be deemed to be a related or connected to one or more issuers for purposes of the disclosure and other rules of the securities laws referred to above, including the one to which this Offering Memorandum relates. The Investment Fund Manager is prepared to act as an adviser and as a dealer in the ordinary course of its business to and in respect of securities of any such related or connected issuer. In any such case, these services shall be carried out by the Investment Fund Manager in the ordinary course of its business as an adviser and a dealer in accordance with its usual practices and procedures and in accordance with all applicable disclosure and other regulatory requirements.

Item 10. RISK FACTORS

It is strongly recommended that each Subscriber, in order to assess tax, legal and other aspects of an investment in the Participating Preferred Trust Units, obtain independent legal advice with respect to the Offering and this Offering Memorandum. An investment in the Participating Preferred Trust Units is subject to significant risk from, among other things, rapidly changing economic and market conditions.

This is a speculative offering. There is no established market for the Participating Preferred Trust Units or the Participating Preferred Trust Units of the Trust and none is expected to develop. As a result, Subscribers may not be able to resell Participating Preferred Trust Units purchased under this Offering Memorandum. The subscription price per Participating Preferred Trust Units was determined arbitrarily by the Trust. This Offering should be considered highly speculative due to the proposed nature of the Trust's business and the Partnerships Business. An investment in the Participating Preferred Trust Units is appropriate only for Subscribers who have the capacity to absorb a loss of some or all of their investment. There is no assurance of a positive return on a Participating Preferred Trust Unitholder's original investment.

The Trust's primary assets are the investments in the Partnerships by way of the Debentures and the Class X Units, and the Partnerships' primary assets will be portfolios of residential and commercial properties in Alberta and potentially the rest of Canada. There can be no assurance that sufficient funds will be raised pursuant to the Offering to accomplish these purposes, or that the Offering will proceed or proceed successfully.

In addition, the purchase of the Participating Preferred Trust Units involves significant risks, including, but not limited to, the following:

Investment Risk

Return on Investment. There is no assurance that sufficient net profits or cash flow will be generated from which investors will earn any specified rate of return on, or repayment of, their investment in the Participating Preferred Trust Units or receive any distributions at any time. Nor can there be any assurance that the value of the Class X Units held by the Trust will increase over time. As a result of the investment structure of the Trust, whereby the Trust will invest funds in the Partnerships, which will in turn invest in their respective real estate Business, a return on investment in Participating Preferred Trust Units is dependent upon the success of the Partnerships in generating income and acquiring (or being in a position to acquire) real estate assets and interests. The Trust's ability to make distributions to Participating Preferred Trust Unitholders will depend on several factors, including the Trust receiving payments from the Partnerships. There is a risk that the Trust could realize losses rather than gains. **As a result, there is no guarantee that the Trust and, correspondingly, the Subscribers will earn a return on their investment. An investment in the Participating Preferred Trust Units is appropriate only for Subscribers who have the capacity to absorb a loss of some or all of their investment.**

Nature of Participating Preferred Trust Units and Participating Preferred Trust Units are Not Direct Investments in Real Estate. The Participating Preferred Trust Units do not represent a direct investment in properties and should not be viewed by Participating Preferred Trust Unitholders as a direct interest in properties, but instead as an investment in equity securities, namely the Participating Preferred Trust Units. The Trust will not be investing in properties or other real estate, but will be investing in the Partnerships by way of the Debentures and Class X Units. The Trust will not have a direct interest in any properties. As holders of Participating Preferred Trust Units, Participating Preferred Trust Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

The Trust, and the Trustees, are not a trust company and, accordingly, are not registered under any trust and loan company legislation as they do not carry on, or intend to carry on, the business of a trust company. The Trust is also not a legally recognized entity within the relevant definitions of the *Bankruptcy and Insolvency Act* (Canada) or, the *Companies' Creditors Arrangement Act* (Canada). As a result, if a restructuring of the Trust were necessary, the Trust would not be able to access the remedies available under these statutes.

Reliance on operations of the Partnerships. The Trust will invest the capital raised in this Offering in the Class X Units and the Debentures, which are fluctuating rate subordinated secured debentures. Class X Units will be issued to the Trust concurrently with the Debentures and these Class X Units and the Debentures will be the predominant assets of the Trust. As a result, any return generated by the Trust will be dependent on the success of the Partnerships. Distributions to Participating Preferred Trust Unitholders, both during the term of the Trust and on wind-up and termination, are dependent on the ability of the Partnerships to generate income and the value of the Trust realized on the Class X Units will be dependent on the estimated value of real estate assets and interests held or that may be acquired by the Partnerships. The success of the Trust will rely, to a substantial degree, on the ability of Operations Management and the general partners of the Partnerships to manage the affairs of the Partnerships. Participating Preferred Trust Unitholders must rely entirely on the discretion of Operations Management and the general partners of the Partnerships, with respect to the selection of the composition of the Partnerships' investments, as well as their development and operation. Such decisions will be based on a series of assumptions, many of which will be subject to change and will be beyond the control of Operations Management and the general partners of the Partnerships. No assurance can be given that the investments of the Partnerships will, when acquired or entered into, produce positive returns.

Disclosure Obligations. The Trust is not a reporting issuer and does not have any continuous disclosure obligations of a reporting issuer. As an issuer that uses the Offering Memorandum Exemption, the Trust will make reasonably available to Participating Preferred Trust Unitholders such information as required by applicable securities laws for a non-reporting issuer that distributes securities using the Offering Memorandum Exemption (including audited annual financial statements, annual notices of use of available funds or proceeds, and notices of certain key events, if any, and when applicable). **See Item 11 – Reporting Obligations.**

Diversification. The concentration of the Trust's investment in the Debentures will increase the Partnerships' (and therefore the Trust's) exposure to the market and operational risks associated with a smaller number of projects, and an adverse development in respect of the Business will have a proportionately larger effect on the Partnerships' financial position, and therefore on the return on investment in the Trust and to the Participating Preferred Trust Unitholders.

Limited Ability of Participating Preferred Trust Unitholders to Remove the Administrator. It would be very difficult for the Participating Preferred Trust Unitholders to remove the Administrator in the event that the Participating Preferred Trust Unitholders were not satisfied with the level of service provided by the Administrator. In such an event, the recourse of the Trust would be limited to the mechanisms provided in the Administrator Agreement, under which the Trustees would need to enforce.

Illiquidity of Participating Preferred Trust Units. There is no market through which the Participating Preferred Trust Units may be sold and Subscribers may not be able to resell Participating Preferred Trust Units purchased under this Offering Memorandum and the only mechanism for the return of their investment may be the redemption provisions of the Participating Preferred Trust Units or any applicable return of capital received by Participating Preferred Trust Unitholders, if applicable or available subject to the discretion of the Trustees. There is no guarantee that the Participating Preferred Trust Unitholders will receive a return of capital despite indicating as such for their distribution preference on their respective Subscription Agreements. **See Item 4.1 – Securities Except for Debt Securities – Summary of the Declaration of Trust – Distributions.**

Forward Looking Information. Market conditions are continually changing and there can be no assurance the assumptions underlying forward looking statements in this Offering Memorandum, including the statements regarding the potential for operations of the Business of the Partnerships, will prove accurate or ultimately be achieved. Past results are not necessarily indicative of future performance.

Term of the Trust. Unless terminated earlier in accordance with the terms and conditions of the Declaration of Trust, the Trust continues for a term ending September 2, 2121. The Trustees may call a meeting of Participating Preferred Trust Unitholders to approve, by Ordinary Resolution, extending the term of the Trust and continue operations on terms recommended by the Trustees. Given that the Trust may be terminated earlier in accordance with the terms

and conditions of the Declaration of Trust, an investor in the Trust should not expect the Trust to continue in operation or make distributions indefinitely.

No Review by Regulator. Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any securities regulatory authority or regulator.

No Deposit Insurance. The Participating Preferred Trust Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Corporation or any other insurance company or program.

No Management Rights. Except as disclosed herein, Operations Management and the general partners of the Partnerships, and not the Participating Preferred Trust Unitholders, will make decisions regarding the management of the Partnerships' affairs and their respective Business of the Partnerships. Subject to the Declaration of Trust, Participating Preferred Trust Unitholders will have no rights to attend meetings of unitholders of the Partnerships or vote in any manner. Only unitholders of the Partnerships will be entitled to attend meetings of the Partnerships and vote according to the constating documents of the Partnerships. Subscribers must carefully evaluate the personal experience and business performance of Operations Management and the general partners of the Partnerships and the Trustees of the Trust. In very limited circumstances, such as an insolvency proceeding, Participating Preferred Trust Unitholders may have a right to vote on such proceeding if a meeting for such purposes is called, but such vote would be limited in scope and at that time, a return on the Participating Preferred Trust Units would likely be compromised. Participating Preferred Trust Unitholders do not have all the statutory rights normally associated with ownership of shares of a company including, for example, the right to bring "oppression" or "derivative" actions against the Trust or the Partnerships.

Dilution/Concentration. The Trust is authorized to issue an unlimited number of Participating Preferred Trust Units. Any issuance of additional Participating Preferred Trust Units may have a dilutive effect on the value of the Participating Preferred Trust Units. The Trustees may by way of a unanimous written instrument, create and issue additional Participating Preferred Trust Units, rights, warrants (including so-called "special warrants" which may be exercisable for no additional consideration), convertible securities (including Participating Preferred Trust Units issuable upon the exchange of securities of other issuers) or options (including all types of incentive programs) to subscribe for Participating Preferred Trust Units, which rights, warrants, convertible securities or options may be exercisable at such subscription price or prices and at such time or times and on such terms or conditions as the Trustees may determine, including without limitation the redemption provisions associated with such securities. The additional classes of Participating Preferred Trust Units, rights, warrants, convertible securities or options so created may be issued for such consideration, or for no consideration, all as the Trustees may determine. The Trust shall not create any class of Participating Preferred Trust Units that will have a preference to the existing Participating Preferred Trust Units over the distribution of Distributable Cash or entitlement to assets on disposition or dissolution. Participating Preferred Trust Unitholders who invest after a particular property is acquired will be entitled to receive the same distributions as a Participating Preferred Trust Unitholder who invested before such property was acquired and will therefore be entitled to the equivalent benefits or disadvantages as each other Participating Preferred Trust Unitholder.

Use of Unsecured Funds. Proceeds from the Offering may be used (through the Partnerships) as deposits on the purchase price of one or more properties. If the Partnerships use proceeds of the Offering as a deposit on the purchase price of a property, such funds will be at risk, whether such deposit is refundable or nonrefundable as those deposit funds will be held by a third party who, generally, will not have granted any security interest or charge over any collateral in favour of the Trust or the Partnerships.

Third-party Credit Risk. The businesses in which the Partnerships invests may be exposed to third-party credit risk through their dealings and contractual arrangements with their clients, suppliers and other parties. If such third parties fail to meet their contractual obligations to the operating businesses in which the Partnerships have invested, it could result in a decline in profitability in, or other adverse effects to, the Partnerships, and a consequential decline in the value of the Partnerships' investments resulting in a lower return to the Partnership, and thus impact the value of the Class X Units held by the Trust.

Securities Regulatory Risks. In the ordinary course of business, the Trust may be subject to ongoing reviews by the securities regulators, who have broad powers to pass, interpret, amend and change the interpretation of securities laws from time to time and broad powers to protect the public interest and to impose terms, conditions, restrictions or requirements regarding registration under securities laws. Further, the securities regulators have the authority to retroactively deny the benefit of an exemption from prospectus or registration requirements otherwise provided for in the securities laws where the regulator considers it necessary to do so to protect investors or the public interest.

While the Trust believes that its position regarding compliance with securities laws is appropriate and supportable, it is possible that securities matters may be reviewed and challenged by the securities authorities. If such challenge were to succeed, it could have a material adverse effect on the Trust. There can be no assurance that applicable securities laws or the securities regulators interpretation thereof or the practices of the securities regulators will not be changed or re-interpreted in a manner that adversely affects the Trust.

Lenders Debts. The Partnerships' reliance on Lenders Debts exposes potential Participating Preferred Trust Unitholders to certain risks:

- (a) The Partnerships have granted current Lenders a first priority security interest in the Collateral, as security for the Lenders Debts. It is possible that, in the future, additional Lenders will similarly require a first priority security interest in the Collateral. Where such first priority security interest exists, in the event the Partnerships default in their obligations under the Lenders Debts, the Lenders could declare all amounts owing under the Lenders Debts due and payable and, without prejudicing their other rights and remedies at law, enforce against their interests in the Collateral. In such an event, the Business and financial positions of the Partnerships could be substantially impaired.
- (b) The Partnerships are (and will be) required to make payments of principal and interest to Lenders and comply with certain financial covenants. The Partnerships' ability to comply with these financial covenants will depend on future performance, which is subject to economic, financial, competitive and other factors beyond their control. If, in the future, the Partnerships are unable to generate cash flow from operations which are sufficient to service this debt, they may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous.
- (c) Where variable interest rates have been used in respect of particular Lenders Debts, such variable rates of interest will expose the Partnerships to interest rate risk. Increases in the interest rate could materially adversely impact interest expenses. If interest rates were to increase, the debt service obligations would increase (even though the amount available under Lenders Debts would remain the same) and net income and cash flows, including cash available for servicing indebtedness, would correspondingly decrease.
- (d) In the event of a bankruptcy, insolvency, liquidation, dissolution or reorganization, the Lenders will be, and in the future will likely be, entitled to exercise the remedies available to a secured lender under applicable law (in addition to any remedies that may be available under the Lenders Debts documents). The effect of which is that the proceeds from the sale of assets securing the indebtedness would be available to repay Participating Preferred Trust Unitholders only after all obligations under Lenders Debts have been paid in full.

- (e) The Partnerships may not be able to renew, refinance, or acquire further, Lenders Debts on acceptable terms or at all.
- (f) There can be no assurance that the borrowing strategy employed by the Partnerships in respect of Lenders Debts will enhance returns.

See **Item 2.4 – Investment Flow Chart, Item 2.13 – Material Agreements – BELP Commitment Letters, Item 2.13 – Material Agreements – ECLP Commitment Letters, and Item 2.13 – Material Agreements – EMLP Commitment Letters.**

Related Party Conflicts of Interest. The Administrator, the Trust, certain of its Affiliates, certain limited partnerships whose general partner is or may be controlled by the Trust or its Affiliates, and the Trustees or their Affiliates are and/or may in the future be actively engaged in a wide range of investment and management activities, some of which are or will be similar to and in competition with the Business, including acting in the future as directors and officers of the general partners of other issuers engaged in the same Business. Accordingly, conflicts of interest may arise among Epiphany Group, the Partnerships, general partners of the Partnerships, limited partners of the Partnerships and the Trust and the Trustees.

Although the Administrator, the Trust and the Partnerships have adopted certain procedures to help minimize conflicts of interest, see **Item 4.1 – Securities Except for Debt Securities – Summary of the Declaration of Trust – Conflicts of Interest**, there are no assurances that conflicts of interest will not arise which cannot be resolved in a manner most favourable to the Participating Preferred Trust Unitholders. Persons considering a purchase of Participating Preferred Trust Units pursuant to this Offering must rely on the judgment and good faith of the Administrator, the Trustees, partners, Operations Management and others in resolving such conflicts of interest as may arise.

There is no obligation on the Administrator or the Trustees to account for any profits made from other businesses whether or not they are competitive with the Business.

Risks with the Debentures

Prior Ranking Indebtedness of the Debentures. Pursuant to the existing terms of the Debentures, the debts owing by and among the Debentures are subordinate to all existing and potentially future Senior Indebtedness of the Partnerships and therefore, if the Partnerships become bankrupt, liquidate their assets, reorganize or enter into certain other transactions, the Partnerships' assets will be available to pay its obligations with respect to the Debentures only after it has paid all of its Senior Indebtedness in full.

While the Debentures have been granted security interests in priority to the Partnerships security as among themselves and, with respect to BELP and ECLP, pursuant to the existing Inter-Partnership Lending Agreement, or such other inter-partnership lending agreements that may be entered in from time to time, the Debentures are not guaranteed by the Partnerships' Affiliates existing from time to time and are therefore structurally subordinated to all of the existing and future debt and obligations, including indebtedness and trade payables, of these Affiliates, unsecured debt of the Partnerships that is guaranteed by the Partnerships' Affiliates (other than any amounts guaranteed among themselves pursuant to, with respect to BELP and ECLP, the Inter-Partnership Lending Agreement, or such other inter-partnership lending agreements that may be entered in from time to time), and claims of creditors of such Affiliates (except to the extent that a Partnership is the creditor under the terms of, with respect to BELP and ECLP, the Inter-Partnership Lending Agreement, or such other inter-partnership lending agreements that may be entered in from time to time). Accordingly, in the event of insolvency, liquidation, reorganization, dissolution or other winding-up of any such Affiliates, all of that Affiliate's creditors (including trade creditors but other than in circumstances where a Partnership is a creditor under the terms of the Inter-Partnership Lending Agreement, or such other inter-partnership lending agreements that may be entered in from time to time) would be entitled to payment in full out of that Affiliate's assets before the Partnerships would be entitled to any

payment. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures then outstanding.

Absence of Covenant Protection. The Declaration of Trust and the Debentures do not currently limit the ability of the Partnerships to incur additional indebtedness for borrowed money or other obligations, including Senior Indebtedness and other senior secured or other secured indebtedness over specific assets (which could rank senior to the Debentures to the extent of the collateral securing such indebtedness), secured and subordinated indebtedness (which would rank junior to the Debentures to the extent of the collateral securing such indebtedness), unsecured and unsubordinated indebtedness or liabilities or obligations that do not constitute indebtedness. Further, the Declaration of Trust does not currently limit the ability of the Partnerships from mortgaging, pledging or charging their properties to secure any indebtedness or liabilities. The Debentures do not currently contain any provision specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving the Partnerships. If new debt is added to the Partnerships' current debt levels, the related risks that the Partnerships (and by extension the Trust) now face could intensify.

If the Partnerships incur additional indebtedness for borrowed money or other obligations or liabilities, it may have the effect of reducing the amount of proceeds distributed to the Trust in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up or such proceedings involving the Partnerships. If the Partnerships incur any additional obligations that rank equally with the Debentures, subject to collateral arrangements, the holders of such obligations will be entitled to share ratably with the Trust in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of the Partnerships.

The Trust does not have the right to control or direct the Business of the Partnerships. The Trust, as the holder of the Debentures, will have no right, control, or direction of the Business of the Partnerships and is only entitled to the returns, if any, paid by the Partnerships to the Trust in relation to the Debentures.

Risks Associated with Redemptions

Use of Available Cash. The payment of the Trust of the redemption payment amount (as determined by the Declaration of Trust) of Participating Preferred Trust Units (as opposed to payment of the redemption payment amount through the issuance of Redemption Notes) will reduce the amount of cash available to the Trust for the payment of distributions to Participating Preferred Trust Unitholders, as cash payments of the amount due in respect of redemptions will take priority over the payment of cash distributions.

Redemption Fee. If a redemption in respect of Participating Preferred Trust Units held by either a Commission Subscriber or a Trailer Subscriber occurs, then any redemptions may be subject to payment of the Redemption Fee, which will reduce the amount that a Subscriber is paid in respect of the Participating Preferred Trust Units held by them in the event of a redemption.

Limitation on Payment of Redemption Price in Cash. There are certain limits on the Trust's obligations to pay for redemption requests in cash. As disclosed in **Item 4.1 – Securities Except for Debt Securities – Summary of the Declaration of Trust – Redemptions**, if the Participating Preferred Trust Units tendered for redemption in the same quarter exceeds the amount equal to 2.5% of the Net Asset Value, then the Trustees shall only be obligated to make cash payment to a maximum of such amount and the balance, subject to receipt of any applicable regulatory approvals, may be paid by the Trust, in the discretion of the Trustees, through the issuance of Redemption Notes in respect of each of which there will not be a public market and/or through a distribution, in specie, of property of the Trust. In addition, the Trustees will have the right to pay redemption proceeds in Redemption Notes through the conversion of the remaining Participating Preferred Trust Units not redeemed pursuant to a Redemption Notice into Redemption Notes in circumstances where redeeming Preferred Trust Units for cash would be unduly detrimental to the business of the Trust.

Redemption Notes will not be liquid and will not be a qualified investment for Exempt Plans and may be a prohibited investment for Exempt Plans. Adverse tax consequences generally may apply to a Participating Preferred Trust

Unitholder, or Exempt Plan and/or its annuitant, beneficiary thereunder or holder thereof, as a result of the redemption of Participating Preferred Trust Units. Accordingly, investors that propose to invest in Participating Preferred Trust Units through Exempt Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Participating Preferred Trust Units.

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

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

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

Redemption Risk. There can be no assurance that if additional funding is required by the Trust to redeem any or all of the Participating Preferred Trust Units, that such financing will be available on terms satisfactory to the Trust, or at all. If the Trust does not have sufficient funds on hand to redeem any or all of the Participating Preferred Trust Units and cannot secure financing, it will not be able to redeem any or all of the Participating Preferred Trust Units.

Redemption Limitation. The Participating Preferred Trust Units are not listed on a securities exchange. There is currently no secondary market through which the Participating Preferred Trust Units may be sold, there can be no assurance that any such market will develop and the Trust has no current plans to develop such a market or to list the Participating Preferred Trust Units on an exchange. Accordingly, it is expected that the sole method of liquidation of an investment in the Trust will be by way of redemption of the Participating Preferred Trust Units. Redemptions are limited in a number of ways and Participating Preferred Trust Unitholders should review **Item 4.1 – Securities Except for Debt Securities – Summary of the Declaration of Trust – Redemptions.**

Sector Risks

Risks of Real Property Ownership. Real estate developments, speculation and investments are, generally, subject to numerous risks depending on the nature and location of the property that can affect attractiveness and sale ability to potential purchasers or other investors, or the owner's use of such properties, all of which are beyond the control of the Trust and Partnerships. Such risks include: the highly competitive nature of the real estate industry; changes in general economic conditions (such as the availability and cost to the Partnerships or widespread fluctuations in adjacent property values); changes in general or local conditions (such as the supply of competing properties or the possibility of competitive overbuilding or the inability to obtain full occupancy or other usage of any properties); governmental regulation, rules or policies (such as increased taxation on the sale of or profits from real property, environmental legislation or municipal approvals for usage, development or subdivision); and changes in costs or operating expenses anticipated for properties.

Each segment in the real estate industry is capital intensive and is typically sensitive to interest rates. Any proceeds generated by the sale of real estate assets depend upon general economic conditions and, accordingly, the ability of the Partnerships to repay their financing may be affected by changes in those conditions. The Partnerships will be required to make certain significant expenditures in respect of their Business including, but not limited to, the payment of property taxes, mortgage payments, property management costs, insurance costs and related charges which must be made regardless of whether or not real estate assets are producing sufficient income to service such expenses. If the Partnerships are unable or unwilling to meet the payment obligations on such loans, losses could be

sustained as a result of the exercise by the Lenders of their rights of foreclosure or sale. As a result, the Partnerships' ability to make payments or distributions of cash to the Trust could be adversely affected. In such cases, the Trust's ability to make cash distributions to its Participating Preferred Trust Unitholders would be adversely affected.

Market Risks. The economic performance and value of the Partnerships' investments in real estate properties 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; changes in property values; changes in access to debt and equity capital; changes to revenues from properties due to fewer tenants or lower rental rates; local conditions, including an oversupply of properties similar to the Partnerships' portfolios of properties, or a reduction in demand for such properties; the attractiveness of all or parts of the properties to renters or purchasers; competition from other available properties; and changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes.

The Partnerships' performance will be affected by the supply and demand for property in its geographic area(s) of ownership. Key drivers of demand include employment levels, population growth, rents and consumer confidence. The potential for reduced sales revenue exists in the event that demand diminishes or supply becomes overabundant thereby driving down prices for properties.

General Economic Conditions. Changes in general economic conditions may affect the Trust and the Partnerships. The Trust and the Partnerships are exposed to local, regional, national and international economic conditions and other events and occurrences beyond their control, including, but not limited to the following: global political instability and the outbreak of conflict in various parts of the world, credit and capital market volatility, business investment levels, government spending levels, consumer spending levels, trade barriers, credit availability, job security/unemployment, national and international political circumstances (including wars, terrorist acts or security operations), the rate and direction of economic growth, and general economic uncertainty. Fluctuations in the rate of inflation can cause the value of assets or income from investments to be worth less in the future. As inflation increases, the value of the Trust's and Partnerships' assets can decline as can the value of the Trust's distributions. Changes in any of the above may have a material adverse effect on the performance of the investments.

Real Estate Investments are Relatively Illiquid. Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and for the perceived desirability of, the investment. Such illiquidity may tend to limit the Partnerships' ability to vary their asset base promptly in response to changing economic or investment conditions. If the Partnerships are unable to sell an asset, the Partnerships may not be able to realize profits and/or minimize losses with respect to the asset and this in turn may adversely affect the NAV of the Trust and the return on investment in securities of the Trust.

Vacancy Risk. The Partnerships may be subject to tenant vacancy risk due to a number of economic or other factors. Increased vacancy rates generally result in decreased rental income cash flow which may affect the value of the Trust's investment in the Partnerships.

Competition. The Partnerships compete with other investors, managers, and owners of properties in seeking and developing of desirable real estate properties. Certain competitors may have greater financial and other resources and greater operating flexibility than the Partnerships. The existence of competing managers and owners could have a material adverse effect on the ability of the Partnerships to procure real estate properties and to its Business generally and could materially adversely affect revenues and as a result, the returns to the Trust.

Rent Control Risks. The Trust and the Partnerships may be subject to legislation that exists or is enacted in certain jurisdictions, which restricts the right of landlords to increase rents charged to tenants. As a result, the inability to adjust rents to address higher operating costs or to improve margins on certain properties may have an adverse effect on the returns available from such properties.

Renovation/Maintenance Risks. The Partnerships may be subject to financial risks during renovations or periods of extensive maintenance, as the properties may not be able to generate income. Certain significant expenditures,

including property taxes, interest payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing revenue. Delays in the renovation of any property held by the Partnerships could delay producing revenue, or produce less revenue.

Credit Risk. The Partnerships are exposed to credit risk in that tenants in the properties may become unable to pay their rents or that such properties, where offered for sale, might remain unsold. The Partnerships' income and, consequently, cash distributions, may be adversely affected if one or more major tenants or a significant number of tenants become unable to meet their rental obligations, if the Partnerships are unable to rent a significant number of such properties on commercially favourable terms, or if such properties are not sold at commercially favourable prices. In the event of default by a tenant, the Partnerships may experience delays or limitations in enforcing rights as lessor and may pay substantial costs in protecting its investment. Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs, property management costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing revenue. If the Partnerships are unable to meet mortgage payments or other financing costs (if any) on any property that they own or operate, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale. However, the Partnerships minimize possible risks by conducting an in-depth credit assessment of all tenants. The Partnerships also hold a portfolio of properties having in excess of 340 tenants, which also reduces the concentration of credit risk.

Utilities Risk. The Business of the Partnerships is exposed to fluctuating utility and energy costs such as electricity and natural gas (heating) prices.

Environmental laws require abatement or removal of certain asbestos-containing material in the event of damage, demolition or renovation. Laws and regulations change over time and the Partnerships may become subject to more stringent environmental laws and regulations and may also face broader environmental liability under common law. The Partnerships are presently not aware of any potential material environmental liabilities for which it will be responsible with respect to any of the properties which it currently or has previously managed or owned, but such liabilities may exist and may be material, and may affect the Business of the Partnerships.

Cybersecurity Risk. The Partnerships maintain confidential information regarding their business plans, strategy and potential strategic opportunities in its computer systems. The Partnerships may also maintain internet websites. Despite the implementation of network security measures, this infrastructure may be subject to physical break-ins, computer viruses, programming errors, phishing attempts and related fraud, attacks by third parties or similar disruptive problems. Advances in computer and software capabilities and encryption technology, new tools and other developments may increase the risk of such a breach. A security breach of computer systems could disrupt operations, damage the Partnerships' reputations, result in legal or regulatory liability and could have a material adverse effect on the Business of the Partnerships and results of operations and as a result, the returns to the Trust.

Disclosure of Personal Information. Subscribers of Participating Preferred Trust Units are advised that their names and other specified information, including the number and aggregate value of the Participating Preferred Trust Units owned: (a) will be disclosed to the relevant Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable securities and freedom of information laws and the investor consents to the disclosure of such information; (b) is being collected indirectly by the applicable Canadian securities regulatory authority under the authority granted to it in securities legislation; and (c) is being collected for the purpose of the administration and enforcement of the applicable Canadian securities legislation.

Possibly Inadequate Insurance to Cover all Risks Incidental to the Business of the Partnerships. The Partnerships currently maintain customary insurance of the types and amounts they believe are consistent with prudent industry practice, however, they are not fully insured against all risks incidental to the Business. The Partnerships are not obliged to maintain any such insurance if it is not available on commercially reasonable terms, except in certain instances where insurance requirements are customary. There can be no guarantee that such insurance coverage will be available in the future on commercially reasonable terms or at commercially reasonable rates or that the amounts for which the Partnerships are insured, or the proceeds of such insurance, will compensate it fully for its

losses. In addition, the insurance coverage obtained with respect to the Business and properties will be subject to limits and exclusions or limitations on coverage. There can be no assurance that the insurance proceeds received by the Partnerships in respect of a claim will be sufficient in any particular situation to fully compensate it for losses and liabilities suffered. If a significant accident or event occurs that is not fully insured, it could adversely affect the Partnerships' results of operations, financial position or cash flows and as a result, the returns to the Trust.

Employee Errors or Misconduct. There have been a number of highly publicized cases involving fraud or other misconduct by employees in the investment industry in recent years and, notwithstanding the measures the Trust intends to take to deter and prevent such activity, there is the risk that employee misconduct could occur. Misconduct by employees could include binding the Trust or the Partnerships to transactions that exceed authorized limits or present unacceptable risks, or concealing from the Trust unauthorized or unsuccessful activities, which in either case, may result in unknown and unmanaged risks or losses. Employee misconduct could also involve the improper use of confidential information, which could result in regulatory sanctions and serious reputational harm. The Trust and the Partnerships are also susceptible to loss as a result of employee error. It is not always possible to deter employee misconduct or prevent employee error and the precautions taken to prevent and detect this activity may not be effective in all cases, which could materially adversely affect the Trust and the Partnerships.

Client Fraud, Errors or Misconduct. The Partnerships may, from time to time, retain the services of, without limitations, clients, suppliers, trades, professionals and advisors (together, "**Suppliers**", individually, a "**Supplier**") to assist with the performance of its Business. There is a risk that such hired Suppliers may commit fraud, errors or misconduct resulting in losses incurred by the Partnerships. It is not always possible to deter Supplier fraud, errors or misconduct and the precautions taken to prevent and detect this activity may not be effective in all cases, which could materially adversely affect the Trust and the Partnerships.

Acquisition Risks

Acquisitions of Real Estate Assets. The Partnerships' growth of Trust investment capital depends in large part on identifying suitable real estate acquisition opportunities, pursuing such opportunities and consummating acquisitions. It is not possible to manage all risks associated with such acquisitions in the terms and conditions contained in commercial agreements pertaining to such acquisitions. The real estate assets may be subject to unknown, unexpected or undisclosed liabilities that may materially and adversely affect the Partnerships' operations and financial condition and results. The representations and warranties, if any, given by arm's length third parties to the Partnerships may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. Moreover, real estate assets acquired by the Partnerships may not meet expectations of operational or financial performance due to unexpected costs associated with developing an acquired property, as well as the general investment risks inherent in any real estate investment.

Acquisitions of New Partnerships and Business. The Trust may invest additional capital in either equity or debt, much like the Debentures or Class X Units, in other partnerships which engage in business different than that of the Partnerships. As such businesses, corporations, partnerships or other opportunities have not yet been identified, there is no basis to evaluate the possible merits or risks of any target business' operations, results of operations, cash flows, liquidity, tax considerations, financial condition or prospects. If such acquisitions are completed, there may be numerous risks inherent in the business operations so acquired. Although the Trustees will endeavour to evaluate the risks inherent in a particular target partnership and its business, they may not properly ascertain or assess all of the significant risk factors or have adequate time to complete due diligence. Furthermore, some of these risks may be outside of their control and leave no ability to control or reduce the chances that those risks will adversely impact a target business or partnership, and by extension the returns on Participating Preferred Trust Units. An investment in the Participating Preferred Trust Units may not ultimately prove to be more favourable to investors than a direct investment in an acquisition target, if such opportunity were available. The Trust could also invest in partnerships or businesses in industries the Participating Preferred Trust Unitholders may not approve of.

Tax Risks

Changes in Tax Laws. There can be no assurance that the Canadian federal or provincial tax consequences to a Participating Preferred Trust Unitholder of acquiring, holding and disposing of Participating Preferred Trust Units will not be adversely affected by changes to Canadian federal or provincial income tax laws.

Insufficient Cash Distributions. There can be no assurance that the Trust's cash distributions and other payments, if any, to a Participating Preferred Trust Unitholder will be sufficient to satisfy the Participating Preferred Trust Unitholder's liability for income tax in respect of the Participating Preferred Trust Unitholder's income from Participating Preferred Trust Units, or in respect of any actual or deemed disposition of Participating Preferred Trust Units.

Trust's Status as a "Mutual Fund Trust". The Canadian federal income tax consequences to a Participating Preferred Trust Unitholder in respect of the Participating Preferred Trust Unitholder's Participating Preferred Trust Units as summarized in this Offering Memorandum assume that the Trust will at all times be a "mutual fund trust" as defined for the purposes of the Tax Act. While the Trustees intend to manage the Trust so that it is a mutual fund trust at all times, there can be no guarantee that they will succeed. Different, and in some cases adverse, income tax consequences may arise if the Trust ceases to qualify as a mutual fund trust. Further, if the Trust fails to satisfy the requirements to remain qualified as a "mutual fund trust", there may be significant risks to Participating Preferred Trust Unitholders who hold Participating Preferred Trust Units in an Exempt Plan and certain tax consequences described in this Offering Memorandum will be materially different.

Eligibility for Investment. The status of a Participating Preferred Trust Unit as a "qualified investment" for a trust governed by a "registered retirement savings plan", "registered retirement income fund", "deferred profit sharing plan", "registered education savings plan", "registered disability savings plan", or "tax-free savings account" as those terms are defined in the Tax Act require that the Trust be a "mutual fund trust" as so defined. While the Trustees intend to manage the Trust so that it is a mutual fund trust at all times, there can be no guarantee that they will succeed. Adverse Canadian federal income tax consequences may arise in respect of a Participating Preferred Trust Unit held in such a trust if the Trust ceases to be a mutual fund trust. Should the Tax Act or its regulations be amended, the Participating Preferred Trust Units offered pursuant to this Offering may cease to be Deferred Plan Capital eligible. Should this occur, there may be adverse tax consequences to the Participating Preferred Trust Unitholders.

No Advance Tax Ruling. No advance income tax ruling has been applied for or received with respect to the income tax consequences described in the Offering Memorandum. See **Item 8 – Income Tax Consequences and Deferred Plan Eligibility.**

CRA Reassessment. There is also a risk that the CRA may reassess the returns of Participating Preferred Trust Unitholders relating to their investments in the Participating Preferred Trust Units. Any successful tax reassessment by the CRA may adversely impact the value of the Participating Preferred Trust Units.

Tax Audits. The taxation of corporations, trusts and limited partnerships is complex. In the ordinary course of its activities, the Trust may be subject to ongoing audits by tax authorities.

SIFT Rules and Tax Matters. While the Trust believes that its tax filing position is appropriate and supportable, and that the Trust is not subject to the SIFT Rules, it is possible that tax matters, including the calculation and determination of revenue, expenditures, deductions, credits and other tax attributes, taxable income and taxes payable, may be reviewed and challenged by the tax authorities. If such challenge were to succeed, it could have a material adverse effect on the Trust's tax position.

Taxes for Non-residents of Canada. If any Participating Preferred Trust Unitholder is a Non-resident of Canada, there may be adverse Canadian income tax consequences to the Trust, the Trustees and/or Participating Preferred Trust

Unitholders, including that at the time of a dissolution of the Trust, any distribution of undivided interests in the assets of the Trust may not be effected on a tax deferred basis.

Issuer Risks

Lack of Operating History. The Trust and the Trustees are newly established entities and have no previous operating or investment history. Prospective subscribers of Participating Preferred Trust Units who are not willing to rely on the business judgment of the Trustees, acting in their capacity as Trustees of the Trust, and Operations Management on behalf of the Partnerships, should not subscribe for Participating Preferred Trust Units.

Financial Resources of the Trust. Other than financial arrangements into which the Trust may enter from time to time (including obtaining secured loans, receiving lines of credit, issuing other debt instruments, or otherwise), the only sources of cash to pay the Trust's current and future expenses, liabilities and commitments, including reimbursement of operating and administrative costs incurred by the Trust, will be pursuant to the Debentures, and the Total Trust Commitment Fee. There can be no certainty that the Trust will be able to enter into financial arrangements other than the Debentures and the Total Trust Commitment Fee on acceptable terms to the Trustees, or at all, and there can be no certainty that the Trust will be able to raise additional funds necessary to invest further in the Debentures. Accordingly, if the operating income has been expended, payment of operating and administrative costs could be difficult and diminish the Trust's Assets.

Valuation of the Trust's Investments. Valuation of the Partnerships' portfolios of properties may involve uncertainties and judgment determinations in accordance with the Net Asset Value policy of the Trust and, if such valuations should prove to be incorrect, the Net Asset Value and the Net Asset Value per Participating Preferred Trust Unit could be adversely affected. Certain pricing information may not at times be available regarding certain of the properties, which could adversely affect the value of the Participating Preferred Trust Units. **See Item 2.4 – Investment Flow Chart – Net Asset Value Valuation Policy.**

Conflicts of Interest. Although the Trust and the Partnerships have adopted certain procedures to help minimize conflicts of interest, see **Item 4.1 – Securities Except for Debt Securities – Summary of the Declaration of Trust – Conflicts of Interest**, there are no assurances that conflicts of interest will not arise which cannot be resolved in a manner most favourable to Holders of Participating Preferred Trust Units. Persons considering a purchase of Participating Preferred Trust Units pursuant to this Offering must rely on the judgment and good faith of the Trustees and management of the Trust and Operations Management in resolving such conflicts of interest as the same may arise.

There is no obligation on the Trustees and management of the Trust to account for any profits made from other businesses whether or not they are competitive with the Businesses of the Partnerships. Conflicts, if any, will be subject to the procedures and remedies under the Declaration of Trust and applicable law.

Key Personnel. Executive and other senior officers of the Trust and the Partnerships have a significant role in the both the Trust and Partnerships' success and oversee the execution of the Trust and Partnerships' strategy. The Trust and Partnerships' ability to retain its management team or attract suitable replacements should any members of the management team leave is dependent on, among other things, the competitive nature of the employment market. The Trust may experience departures of key professionals in the future and cannot predict the impact that any such departures will have on its ability to achieve its objectives. The loss of services from key members of the management team or a limitation in their availability could have a material adverse effect on the Business, financial condition, and results of operations of the Trust and Partnerships' and the Trust's ability to make distributions.

Non-Arm's Length Transactions. Certain transactions contemplated by the Trust's structure involve non-arm's length parties. As such, certain contractual terms usually contained in documentation that is negotiated at arm's length are not necessarily included in the agreements among the Trust and the Partnerships as those terms would not have the same effect as they would have in transactions between unrelated parties. In particular, several of the agreements described in **Item 2.13 – Material Agreements** involve non-arm's length parties. As of the date of this

Offering Memorandum, certain of the Trustees are also directors and/or officers of Operations Management. As such, those Trustees are not considered Independent of the Trust are not considered to be at arm's length from the Trust. However, the Independent Trustee of the Trust will not be a director or officer of the Administrator or Operations Management.

Status of the Trust. The Trust is not a "reporting issuer" or a "mutual fund" for securities law purposes. As a result, some of the protections provided to investors in mutual funds under such laws will not be available to investors in the Participating Preferred Trust Units and certain restrictions imposed on mutual funds under Canadian securities laws, including National Instrument 81-102 – *Investment Funds*, do not apply to the Trust.

Other Risks

Global Economic Conditions may have a Material Adverse Effect on the Business of the Partnerships, Financial Condition and Results of Operations. In recent years, global economic conditions have resulted in tighter credit conditions and recessions in most major economies. Future economic downturns may affect the Business of the Partnerships significantly in a number of ways, and in turn, reduce their ability to pay the Trust. Additionally, if the Partnerships were to require access to the capital markets in the future during such a downturn, there can be no assurance that it will be able to secure financing and as a result, the returns to the Trust could be adversely impacted.

Developmental Hazards. Profitability will be reduced if there are delays in the development of the facilities or renovation of properties, and as with other development projects, profitability will be affected by several factors, including: budgeting; timing; permitting and zoning; construction delays and cost overruns; and environmental and weather issues when development is underway. A number of municipal and other regulatory approvals will be required to develop proposed facilities, which may not be granted as anticipated or at all and as a result, the returns to the Trust could be adversely impacted.

Environmental Risks. Under various environmental laws, ordinances and regulations, the current or previous owner or operator of properties acquired or refinanced by the Partnerships may be liable for the costs of removal or remediation of hazardous or toxic substances on, under, or in such properties and these costs could be substantial. Such laws could impose liability whether or not the Partnerships knew of, or were responsible for, the presence of such hazardous or toxic substances.

The presence of hazardous or toxic substances, or the failure to remove or remediate such substances, if any, or restrictions imposed by environmental laws on the manner in which such properties may be operated or developed could adversely affect the Partnerships' ability to sell such properties and pay Distributions and could potentially also result in claims against the Partnerships.

Environmental laws provide for sanctions for non-compliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for release of and exposure to hazardous substances into the air. Third parties may seek recovery from real property owners or operators for personal injury or property damage associated with exposure to released hazardous substances. The cost of defending against claims of liability, of complying with environmental regulatory requirements, of remediating any contaminated property or of paying personal injury claims could be substantial and reduce Distributions to the Trust.

The Partnerships may be subject to liability for undetected pollution or other environmental hazards against which they cannot insure, or against which they may elect not to insure where premium costs are disproportionate to the Partnerships' perception of relative risk. Such factors may impact the Partnerships' ability to pay Distributions, which in turn will have an adverse impact on the Trust.

Unusual Weather, Natural Disasters, Geo-political Events or Acts of Terrorism Could Adversely Affect the Partnerships' Operations and Financial Results. Extreme weather conditions in the areas in which the Partnerships' properties are located could adversely affect the Business of the Partnerships. In addition, natural disasters such as

hurricanes, tornadoes and earthquakes, or a combination of these or other factors, could severely damage or destroy one or more of the Partnerships' properties located in the affected areas, thereby disrupting its operations and as a result, the returns to the Trust could be adversely impacted.

Further, unstable political conditions or civil unrest, including terrorist activities, military and domestic disturbances, changes in trade policy and conflicts, may result in political or economic instability and could have a material adverse effect on the Business of the Partnerships and results of operations and as a result, the returns to the Trust could be adversely impacted.

Pandemic or Contagious Diseases. A local, regional, national or international outbreak of a contagious disease, including, but not limited to, COVID-19, SARS, H1N1 influenza virus, avian flu, or any other similar illness could result in: a general or acute decline in economic activity in the regions the Partnerships operate in, a decrease in the willingness of the general population to travel, staff shortages, reduced tenant traffic, mobility restrictions and other quarantine measures, supply shortages, increased government regulation, and the quarantine or contamination of one or more of the Partnerships' properties. Contagion in one of the Partnerships' properties or a market in which the Partnerships operates could negatively impact such investment's occupancy, its reputation or the attractiveness of that market. All of these occurrences may have a material adverse effect on the business, financial condition and results of operations of the Trust's and the Partnerships' investments.

Climate Change and Climate-Related Risk. As outlined by the Task Force on Climate-related Financial Disclosures, there are two major categories of climate related risks: (i) risks related to the transition to a lower-carbon economy; and (ii) risks related to the physical impacts of climate change. Climate change presents a multi-faceted risk for the Trust and the Partnerships considering their investment in and management of real estate assets in multiple geographical territories.

Given the evolving nature of climate change policy and the control of greenhouse gas emissions and resulting requirements, including carbon taxes and carbon pricing schemes implemented by varying levels of government, it is expected that current and future climate change regulations may give rise to expenses that cannot be passed on to tenants.

Based on the Trust's current understanding, the potential physical risks resulting from climate change are long-term in nature and associated with a high degree of uncertainty regarding timing, scope, and severity of potential impacts. These risks may be event driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications such as direct damage to assets or indirect impacts.

Over the last several years, certain areas of British Columbia, Alberta and Saskatchewan have been negatively impacted by wildfires as well as extreme flooding in British Columbia. Increases in frequency and magnitude of climate-related risks such as floods, draught, fires, windstorms and ice and snow storms in certain locales can lead to increased capital expenditure, repairs and maintenance and interruptions to the operation of the Trust and the Business of the Partnerships. Ongoing operating costs such as energy can potentially be impacted by more extreme weather, and anticipation of more frequent and severe weather events may have an adverse effect on insurance premiums. Asset values in areas that are more prone to weather-related events may have adverse effects on valuations. Lenders, investors, investment advisors, credit rating agencies and regulators are increasingly viewing climate change as an important issue that requires greater consideration due to the perceived elevated long-term risks associated with policy development, regulatory changes, public and private legal challenges or other market developments related to climate change. A lack of investment strategy and operational management plan concerning climate change may have an adverse effect on the Trust's ability to raise funds via debt and/or equity, as well as related investment returns and sentiment.

The Trust maintains a strong insurance program that considers the impacts of weather-related events by providing coverage for property damage and interruption to the Business of the Partnerships.

Workforce Availability and Talent Management. The Trust's ability to provide services to its existing tenants/customers is somewhat dependent on the availability of well-trained employees and contractors to service its tenants/customers as well as to complete required maintenance and capital upgrades on the Partnerships' buildings. The Trust must also balance requirements to maintain adequate staffing levels while balancing the overall cost to the Trust. If the Trust is unable to find or retain well-trained employees and contractors, it could face disruptions to its operations and as a result, the returns to the Trust could be adversely impacted.

The Trust and the Partnerships. There is no assurance as to the profitability of the Trust and the Partnerships. The Partnerships may, depending on their opportunities and funds, invest in a variety of investments. As a result, the terms of each investment and the success of each investment are likely to be significantly different for each investment. It is likely that returns, losses, successes or failures may occur to significantly different degrees in different investments. The effect of the above cannot be accurately predicted but may be material to the return on an investor's investment in Participating Preferred Trust Units.

Adherence to Short-Term and Long-Term Objectives. In assessing the risks and rewards of an investment in Participating Preferred Trust Units, potential investors should appreciate that they are investing in Participating Preferred Trust Units of the Trust, which will in turn invest in the Partnerships, and investors will be relying solely on the good faith, judgment and ability of Operations Management to make appropriate decisions with respect to the nature of the Business of the Partnerships.

Borrowing by the Trust and/or Partnerships. The Trust may borrow funds from financial institutions. See **Item 4.1 – Securities Except for Debt Securities – Summary of the Declaration of Trust.** The Partnerships are also entitled to borrow funds from time to time. There is a risk that the Trust and/or the Partnerships may not be able to borrow funds, or may not be able to borrow sufficient funds to meet the obligations under an agreement to purchase a potential investment opportunity and hence may, in the case of additional investments, lose some or all of the economic opportunity from not being able to participate in any such investments. There can be no assurance that the fees and expenses associated with such borrowings will not exceed their incremental returns or that the Partnerships' borrowing strategy will enhance returns, and it is possible that the Trust and/or the Partnerships could leverage a profitable investment to acquire and/or develop a less profitable investment, thereby decreasing returns.

Access to Capital. The real estate industry is highly capital intensive. The Partnerships will require access to capital to fund their growth strategy and significant capital expenditures from time to time. There can be no assurance that the Partnerships will have access to sufficient capital or access to capital (including mortgage loans) on commercially acceptable terms or on terms favourable to the Partnerships for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes. Failure by the Partnerships to access required capital on commercially acceptable terms could adversely impact the Partnerships' financial condition, results on operations, and decrease the amount of cash available for distribution as well as adversely affect the value of the Class X Units. The degree of leverage could affect the Partnerships' ability to obtain additional financing in the future.

Available Capital. If the proceeds of the Offering of Participating Preferred Trust Units are significantly less than the maximum Offering, the expenses of the Offering and the ongoing administrative expenses and interest expense payable by the Trust may result in a substantial reduction or even elimination of the returns which would otherwise be available to the Trust.

Liability of Participating Preferred Trust Unitholders. Under the terms of the Declaration of Trust, Participating Preferred Trust Unitholders will not be subject to any liabilities in connection with the Trust, and in the event a Participating Preferred Trust Unitholder does become subject to any liabilities, the Participating Preferred Trust Unitholder will be entitled to indemnity and reimbursement out of the property of the Trust. In addition, the Declaration of Trust provides that the Trustees shall make all reasonable efforts to include as a specific term of any obligations or liabilities being incurred by the Trust, a contractual provision to the effect that neither the Participating Preferred Trust Unitholders nor the Trustees have any personal liability or obligations in respect of the obligations and liabilities of the Trust. The Trustees have waived any right at law to indemnification from any Participating

Preferred Trust Unitholder. Notwithstanding the foregoing, there remains risk that a Participating Preferred Trust Unitholder may be personally liable in respect of certain liabilities and obligations of the Trust as the protections of the *Income Trusts Liability Act* (Alberta) do not extend to the Trust (as a result of it not being a reporting issuer as defined in the *Securities Act* (Alberta)).

Litigation Risks. The Partnerships could be involved, from time to time, in a variety of litigation or regulatory proceedings arising out of the Business of the Partnerships, including actions related to patron claims, labour and employees, contractors and trades, tax, personal injury, property damage, regulatory compliance and other operational matters. It can be particularly difficult to gauge the potential impact of such litigation or proceedings. Even if the Partnerships prevail in any such legal proceeding, the proceedings could be costly and time consuming and may divert the attention of management and key personnel from the Partnerships' operations, which could have a material adverse effect on the Business of the Partnerships, cash flows, financial condition and results of operations and ability to make cash distributions. There can be no assurance that the Partnerships' insurance will cover all claims that may be asserted against it. Should any final judgments or settlements not be adequately covered by the Partnerships' insurance, such uncovered losses could increase their costs and thereby lower their profitability, as well as adversely affect their cash flows and liquidity, and as a result adversely affect the returns of the Trust.

Lack of Separate Counsel. Counsel for the Trust in connection with this Offering are also counsel to the Partnerships. Prospective subscribers to Participating Preferred Trust Units, as a group, have not been represented by separate counsel and counsel for the Trust, the Partnerships do not purport to have acted for the Participating Preferred Trust Unitholders or to have conducted any investigation or review on their behalf.

Independent Counsel. No independent counsel was retained on behalf of the Subscribers with respect to this Offering. There has been no review by independent counsel on behalf of the Subscribers of the Offering Memorandum, or any other documentation in relation to the Offering. No due diligence has been conducted on behalf of Subscribers by counsel.

Legislative Changes. Legal, tax and regulatory changes may occur that can adversely affect the Trust or the Participating Preferred Trust Units. There can be no assurance that income tax, securities and other laws will not be changed in a manner that adversely affects the Trust or the Participating Preferred Trust Units. Likewise, increases in real estate taxes, service and transfer taxes, or introductions of new taxes such as the carbon tax, cannot always be passed through to residents or users in the form of higher rents, and may adversely affect the Partnerships' ability to make distributions of cash to the Trust and in turn, the Trust's ability to make cash distributions to its Participating Preferred Trust Unitholders. Similarly, changes or interpretations of existing laws increasing the potential liability for environmental conditions existing on properties or increasing the restrictions on discharges or other conditions, as well as changes in laws affecting development, construction and safety requirements, may result in significant unanticipated expenditures, which could also have an adverse effect on the Partnerships' ability to pay to the Trust and in turn, the Trust's ability to make Distributions to its Participating Preferred Trust Unitholders.

Item 11. REPORTING OBLIGATIONS

The Trust's fiscal year will be the calendar year. The Administrator, on behalf of the Trust, will file and deliver to each Participating Preferred Trust Unitholder, as applicable, such financial statements and other reports as are from time to time required by applicable law.

The Administrator will forward, or cause to be forwarded on a timely basis, to each Participating Preferred Trust Unitholder, either directly or indirectly through intermediaries, the information necessary for the Participating Preferred Trust Unitholder to complete such Participating Preferred Trust Unitholder's Canadian federal and provincial income tax returns.

The Trust is not a reporting issuer in any jurisdiction. Except in accordance with applicable securities laws requirements in certain of the Offering Jurisdictions, the Trust is not required to disclose material changes which occur in its business and affairs and there is, therefore, no requirement that the Trust make disclosure of its affairs,

including, without limitation, the prompt notification of material changes by way of press releases and formal filings or the preparation of quarterly unaudited financial statements. However, where required pursuant to applicable laws, the Trust may be required to file with the securities regulatory authorities or deliver to the securities regulatory authorities audited annual financial statements of the Trust, as well as a notice that accompanies the financial statements which describes how the money raised under the Offering Memorandum has been used and in certain of the Offering Jurisdictions, a notice of specified key events, in accordance with the required form.

Notwithstanding the foregoing, the Trust will report to Participating Preferred Trust Unitholders on the following basis:

- (a) Subject to applicable law, within 120 days of the end of each financial year (or within such shorter time as may be required by applicable securities law), the Trust will make reasonably available to Participating Preferred Trust Unitholders the audited statements of the Trust for the most recently completed fiscal year, together with comparative audited financial statements for the preceding fiscal year, if any, and the report of the auditor thereon. Such financial statements shall be prepared in accordance with IFRS; provided that 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; and
- (b) Subject to applicable law, notice of:
 - (i) a change in the Trust's financial year end;
 - (ii) discontinuation of the Trust's business;
 - (iii) a change in the Trust's industry; or
 - (iv) a change of control of the Trust.

Subject to the remainder of this **Item 11 – Reporting Obligations** and applicable law, for purposes of the foregoing, the term "**make reasonably available to Participating Preferred Trust Unitholders**" means the documents will be e-mailed to Participating Preferred Trust Unitholders.

The Trust may deliver to prospective investors certain documents, including this Offering Memorandum, a Subscription Agreement and any applicable updates or amendments to the Offering Memorandum, from time to time by way of facsimile or e-mail. In accordance with the terms of the Subscription Agreement provided to prospective investors, delivery of such documents by email or facsimile shall constitute valid and effective delivery of such documents unless the Trust receives actual notice that such electronic delivery failed. Unless the Trust receives actual notice that the electronic delivery failed, the Trust is entitled assume that the facsimile or e-mail and the attached documents were actually received by the prospective investor and the Trust will have no obligation to verify actual receipt of such electronic delivery by the prospective investor.

Financial or other information relating to the Trust and provided to Participating Preferred Trust Unitholders by the Trust in the future may not by itself be sufficient for Participating Preferred Trust Unitholders to assess the performance of the Trust or the performance of an investment in Participating Preferred Trust Units.

The Administrator will ensure that the Trust complies with all other reporting and administrative requirements, including the reporting requirements contained in NI 45-106.

The Trustees, the Administrator or such other person as may be appointed from time to time by the Trustees, shall be the Recordkeeper of the Trust and shall, in such capacity, act as Recordkeeper of the Participating Preferred Trust Units and shall maintain the Register.

Item 12. RESALE RESTRICTIONS

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Saskatchewan, and Yukon:

In addition to requiring the approval of the Administrator to transfer Participating Preferred Trust Units, these securities will be subject to a number of resale restrictions on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date the Trust becomes a reporting issuer in any province or territory of Canada. **As there is no present intention for the Trust to become a reporting issuer in any province or territory of Canada, you may never be able to transfer your Participating Preferred Trust Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation.**

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.

Subscribers of Participating Preferred Trust Units offered hereunder who wish to resell such securities should consult with their own legal advisors prior to engaging in any resale, in order to ascertain the restriction on any such resale.

The certificates representing the securities of the Trust issued pursuant to this Offering will have a legend in substantially the following form:

Unless permitted under securities legislation, you cannot trade these securities before the date that is four (4) months and a day after the date the Trust became a reporting issuer in any province or territory of Canada.

It is the responsibility of each individual Subscriber of Participating Preferred Trust Units to ensure that all forms required by the applicable securities legislation are filed as required upon disposition of the Participating Preferred Trust Units acquired pursuant to this Offering.

Item 13. PURCHASERS' RIGHTS

13.1 Statements Regarding Purchasers' Rights.

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

Securities legislation in certain of the Provinces of Canada requires investors to be provided with a remedy for rescission or damages or both, in addition to any other right that they may have at law, where an Offering

Memorandum and any amendment to it or any document referenced and incorporated into the Offering Memorandum or in amendments to it contains a misrepresentation. These remedies must be exercised by the investor within the time limits prescribed by the applicable securities legislation. Purchasers of these securities should refer to the applicable provisions of the securities legislation for the complete text of these rights and should consult with a legal adviser.

The applicable contractual and statutory rights are summarized below and are subject to the express provisions of the securities legislation of the applicable Province or Territory and reference is made thereto for the complete text of such Provinces and Territories. The rights of action described below are in addition to and without derogation from any right or remedy available at law to the investor and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defences contained therein.

Two-Day Cancellation Right for all Purchasers of Participating Preferred Trust Units

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

Rights of Action in the Event of a Misrepresentation

Applicable securities laws and contractual rights in the Offering Jurisdictions provide you with a remedy to sue the Trust to cancel your agreement to buy these securities or for damages against the Trust if this Offering Memorandum, or any amendment thereto, contains a misrepresentation. Unless otherwise noted, in this **Item**, a "**misrepresentation**" (within the meaning of applicable securities laws) means an untrue statement or omission of a "**material fact**" (within the meaning of applicable securities laws) 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 limits prescribed in the applicable securities laws. Further, in an action for damages, the amount you recover will not exceed the price that you paid for your securities and will not include any part of the damages that the Trust proves does not represent the depreciation value of the securities resulting from the misrepresentation. The Trust has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

The applicable contractual and statutory rights are summarized below. By its execution of the Subscription Agreement, the Trust will be deemed to have granted these rights to you. Subscribers should refer to the applicable securities laws of their respective Offering Jurisdiction for the particulars of these rights or consult with professional advisors.

Statutory Rights of Action of Purchasers in British Columbia

Securities legislation in British Columbia provides that every purchaser of securities pursuant to this Offering Memorandum shall have, in addition to any other rights they may have at law, a right of action for damages against the Trust or any person who signed the Offering Memorandum. The purchaser may also elect to exercise a right of rescission against the Trust in which case the purchaser has no right of action for damages. Purchasers should refer to the applicable provisions of the British Columbia securities legislation for particulars of those rights or consult with a lawyer. This right of action may be summarized as set forth below. If there is a misrepresentation in this Offering Memorandum, purchasers have a statutory right to sue:

- (a) the Trust to cancel their agreement to buy the Participating Preferred Trust Units; or

- (b) for damages against the Trust and any person who signed the Offering Memorandum (collectively defined as the "**Insiders**" for this Item).

If this Offering Memorandum or any amendment thereto contains a misrepresentation and it was a misrepresentation on the date of investment, a purchaser to whom such Offering Memorandum was delivered and who purchases securities shall have a right of action for rescission or alternatively for damages against the Insiders. A purchaser who purchases a security offered by the Offering Memorandum during the period of distribution shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the Trust:

- (a) the purchaser may elect to exercise a right of rescission against the Trust in which case the purchaser does not have a right of action for damages against the Insiders;
- (b) the Insiders are not liable under subsection (a) if the Trust proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (c) in an action for damages pursuant to subsection (a), the Insiders are not liable for all or any portion of the damages that the Insiders prove do not represent the depreciation in value of the security as a result of the misrepresentation relied on;
- (d) in no case shall the amount recoverable by the purchaser exceed the price at which the securities were sold to the purchaser; and
- (e) the right of action for damages or rescission will be in addition to any other right or remedy available to the purchaser at law.

In British Columbia, an action to enforce a civil remedy created by the above must not be commenced:

- (a) in the case of an action for rescission, more than 180 days after the Subscriber purchased the Participating Preferred Trust Units; or
- (b) in the case of an action other than for rescission, more than the earlier of:
 - (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
 - (ii) three years after the Subscriber purchased the Participating Preferred Trust Units.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the *Securities Act* (British Columbia) and are subject to the defences contained therein.

Rights for Subscribers in the Province of Alberta

A Subscriber of Participating Preferred Trust Units pursuant to this Offering Memorandum who is a resident in Alberta has, in addition to any other rights the Subscriber may have at law, a right of action for damages or rescission against the Trust if this Offering Memorandum, together with any amendments hereto, contains a misrepresentation. In Alberta, a Subscriber has additional statutory rights of action for damages against every person or company who signed this Offering Memorandum.

If this Offering Memorandum contains a misrepresentation, which was a misrepresentation at the time the Participating Preferred Trust Units were purchased, the Subscriber will be deemed to have relied upon the misrepresentation and will, as provided below, have a right of action against the Trust for damages or alternatively,

while still the owner of any of the Participating Preferred Trust Units purchased by that Subscriber, for rescission, in which case, if the Subscriber elects to exercise the right of rescission, the Subscriber will have no right of action for damages against the Trust, provided that:

- (a) no person or company will be liable if it proves that the Subscriber purchased the securities with knowledge of the misrepresentation;
- (b) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation;
- (c) in no case will the amount recoverable in any action exceed the price at which the securities were purchased by the Subscriber under this Offering Memorandum; and
- (d) in the case of a Subscriber resident in Alberta, no person or company, other than the Trust, will be liable if such person or company is entitled to rely upon certain statutory provisions set out in subsections 204(3)(a) - (e) of the *Securities Act* (Alberta).

In Alberta, no action may be commenced more than:

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

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the *Securities Act* (Alberta) and are subject to the defences contained therein.

Statutory Rights of Action for Subscribers in the Province of Saskatchewan

In the event that this Offering Memorandum and any amendment thereto or advertising or sales literature used in connection therewith delivered to a purchaser of the securities resident in Saskatchewan contains an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities (herein called a "**material fact**") or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (herein called a "**misrepresentation**"), a purchaser will be deemed to have relied upon that misrepresentation and will have a right of action for damages against the Trust, the Promoters, every person or company whose consent has been filed with this Offering Memorandum or amendment thereto but only with respect to reports, opinions or statements that have been made by them, every person who signed this Offering Memorandum or any amendment thereto, and every person who or company that sells the securities on behalf of the Trust under this Offering Memorandum or amendment thereto.

Alternatively, where the purchaser purchased the securities from the Trust, the purchaser may elect to exercise a right of rescission against the Trust. If the Subscriber elects to exercise the right of rescission, the Subscriber will have no right of action for damages against the Trust.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the securities and the verbal statement is made either before or contemporaneously with the purchase of the securities, the purchaser has a right of action for damages against the individual who made the verbal statement.

No persons or company is liable, nor does a right of rescission exist, where the persons or company proves that the purchaser purchased the securities with knowledge of the misrepresentation. In an action for damages, no persons or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied on.

No action shall be commenced to enforce these rights more than:

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

These rights are:

- (a) in addition to and do not derogate from any other right the purchaser may have at law; and
- (b) subject to certain defences as more particularly described in *The Securities Act, 1988* (Saskatchewan).

Statutory Rights of Action for Subscribers in the Province of Manitoba

In the event that this Offering Memorandum (including any amendment hereto) delivered to a purchaser of Participating Preferred Trust Units resident in Manitoba, contains a misrepresentation and it is a misrepresentation at the time of purchase, the purchaser shall be deemed to have relied upon the misrepresentation and shall have, in addition to any other rights they may have at law:

- (a) a right of action for damages against:
 - (i) the Trust;
 - (ii) every person or company who signed this Offering Memorandum (collectively, the "**Signatories**"); and
 - (iii) a right of rescission against the Trust.

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.

A purchaser may elect to exercise a right of rescission against the Trust, in which case the purchaser will have no right of action for damages against the Trust or Signatories.

The Trust and Signatories will not be liable if they prove that the purchaser purchased Participating Preferred Trust Units with knowledge of the misrepresentation.

All persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A person or company who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

A Signatory will not be liable:

- (a) if they prove this Offering Memorandum was sent or delivered to the purchaser without their knowledge or consent and, on becoming aware of its delivery, gave reasonable notice to the Trust that it was delivered without their knowledge and consent;
- (b) if they prove that, after becoming aware of a misrepresentation in this Offering Memorandum, they withdrew their consent to this Offering Memorandum and gave reasonable notice to the Trust of their withdrawal and the reasons therefore;
- (c) if, with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert ("**Expert Opinion**"), such person proves they did not have any reasonable grounds to believe and did not believe that there was a misrepresentation or that the relevant part of this Offering Memorandum did not fairly represent the Expert Opinion or was not a fair copy of, or an extract from, such Expert Opinion; or
- (d) with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority, or not purporting to be a copy of, or an extract from an Expert Opinion, unless the Signatory:
 - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or
 - (ii) believed there had been a misrepresentation.

In an action for damages, the Trust and Signatories will not be liable for all or any part of the damages that they prove do not represent the depreciation in value of the Participating Preferred Trust Units as a result of the misrepresentation relied upon. The amount recoverable under the right of action shall not exceed the price at which the Participating Preferred Trust Units were offered for sale.

A purchaser of Participating Preferred Trust Units to whom this Offering Memorandum was not delivered prior to such purchase in circumstances where such Offering Memorandum was required to be delivered has a right of rescission or a right of action for damages against the Trust or any dealer who failed to deliver the Offering Memorandum within the prescribed time.

A purchaser of Participating Preferred Trust Units to whom the Offering Memorandum is required to be sent may rescind the contract to purchase the Participating Preferred Trust Units by sending a written notice of rescission to the Trust not later than midnight on the second day, excluding Saturdays, Sundays and statutory holidays, after the purchaser signs the agreement to purchase the Participating Preferred Trust Units.

Unless otherwise provided under applicable securities legislation, no action shall be commenced to enforce a right of action unless the right is exercised not later than:

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

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the *Securities Act* (Manitoba) and are subject to the defences contained therein.

Statutory Rights of Action of Purchasers in Ontario

Section 5.3 of Ontario Securities Commission Rule 45-501 ("**Rule 45-501**") provides that when an offering memorandum is delivered to a prospective purchaser resident in the Province of Ontario to whom securities are sold in reliance upon the prospectus exemption contained in Section 2.3 of NI 45-106, the right of action referred to in Section 130.1 of the *Securities Act* (Ontario) (the "**Ontario Act**") shall be described in the offering memorandum.

Section 130.1 of the Ontario Act and Rule 45-501 provide that in the event that this Offering Memorandum, together with any amendments hereto, is delivered to a prospective purchaser in the Province of Ontario and contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made, regardless of whether the purchaser relied on the untrue fact or omission, a purchaser in Ontario who purchases securities offered by this Offering Memorandum (other than a purchaser purchasing under the accredited investor exemption that is a Canadian financial institution or a Schedule III Bank, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada) or a subsidiary of any such entity if the such entity owns all of the voting securities of the subsidiary) will have a right of action against the Trust for damages or rescission as follows:

- (a) the right of action for rescission or damages will be exercisable by an investor resident in Ontario, only if the investor gives written notice to the Trust, not later than 180 days after the date on which payment was made for the securities (or after the initial payment was made for the securities, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to or concurrently with the initial payment), that the investor is exercising this right, or alternatively, in an action for damages, the right of action will be exercisable by an investor only if the investor gives notice to the Trust not later than the earlier of:
 - (i) 180 days after the investor had knowledge of the facts giving rise to the course of action; or
 - (ii) three years after the date of the transaction giving rise to the cause of action;
- (b) the Trust will not be liable if it proves that the investor purchased securities with knowledge of the misrepresentation;
- (c) in the case of an action for damages, the Trust will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation that the investor relied upon;
- (d) in no case will the amount recoverable in any action exceed the price at which the securities were sold to the investor; and
- (e) the rights of action for rescission or damages are in addition to and without derogation from any other right the investor may have at law.

Reference is made to the Ontario Act for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the Ontario Act.

Statutory Rights of Action of Purchasers in Newfoundland and Labrador

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue if you purchased Participating Preferred Trust Units pursuant to the Offering Memorandum Exemption and if you purchased Participating Preferred Trust Units pursuant to any other exemption, you have a contractual right:

- (a) to cancel your agreement to buy these Participating Preferred Trust Units; or
- (b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Participating Preferred Trust Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Participating Preferred Trust Units were offered. There are various defences available to the Trust should you exercise a right to sue. For example, it has a defence if you knew of the misrepresentation when you purchased the Participating Preferred Trust Units.

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

In Newfoundland and Labrador, you must commence your action to rescind your agreement to purchase Participating Preferred Trust Units within 180 days after you signed the agreement to purchase the Participating Preferred Trust Units or commence your action for damages within the earlier of:

- (a) 180 days after learning of the misrepresentation; or
- (b) three years after the transaction.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the *Securities Act* (Newfoundland and Labrador) and are subject to the defences contained therein.

Statutory Rights of Action for Subscribers in the Province of New Brunswick

If this Offering Memorandum or any information relating to the Offering provided to the Subscriber of the securities thereto or any advertising or sales literature used in connection therewith contains a misrepresentation, every Subscriber of Participating Preferred Trust Units resident in New Brunswick purchasing Participating Preferred Trust Units pursuant to this Offering Memorandum shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and will have a right of action, in addition to any other rights they may have at law, for damages against the Trust, the selling holder of a Participating Preferred Trust Unit on whose behalf the distribution is made, and every person who signed the Offering Memorandum. Alternatively, where the Subscriber purchased the Participating Preferred Trust Units from the Trust, the Subscriber may elect to exercise a right of rescission against the Trust or the selling holder of a Participating Preferred Trust Unit on whose behalf the distribution is made, in which case the Subscriber shall have no right of action for damages against the Trust.

In addition, if advertising or sales literature is relied upon by a Subscriber in connection with a purchase of Participating Preferred Trust Units, the Subscriber shall also have a right of action for damages or rescission against the Trust, every promoter of the Trust, every underwriter in contract with the Trust or the selling holder of a Participating Preferred Trust Unit on whose behalf the distribution is made, and every person who sells Participating Preferred Trust Units on behalf of the Trust or selling security holders at the time the advertising or sales literature was disseminated.

In addition, where an individual makes a verbal statement to a prospective Subscriber that contains a misrepresentation relating to the Participating Preferred Trust Units and the verbal statement is made either before or contemporaneously with the purchase of the Participating Preferred Trust Units, the Subscriber has a right of action for damages against the individual who made the verbal statement.

No such individual will be liable if:

- (a) that individual can establish that they cannot reasonably be expected to have known that their statement contained a misrepresentation; or
- (b) no individual is liable if, prior to the purchase of the securities by the Subscriber, that individual notified the Subscriber that the individual's statement contained a misrepresentation.

Neither the Trust nor any promoter, person or company referred to above will be liable, whether for misrepresentations in the Offering Memorandum, any advertising or sales literature or in a verbal statement:

- (a) if the Trust or such promoter, person or company proves that the Subscriber purchased the Participating Preferred Trust Units with knowledge of the misrepresentation; or
- (b) in an action for damages, for all or any portion of the damages that the Trust or such promoter, person or company proves do not represent the depreciation in value of the Participating Preferred Trust Units as a result of the misrepresentation relied on.

No person is liable for misrepresentations in any advertising or sales literature if the person proves:

- (a) that the advertising or sales literature was disseminated without the person's knowledge or consent and that, on becoming aware of its dissemination, the person gave reasonable general notice that it was so disseminated;
- (b) that, after the dissemination of the advertising or sales literature and before the purchase of the securities by the Subscriber, on becoming aware of any misrepresentation in the advertising or sales literature the person withdrew the person's consent to it and gave reasonable general notice of the withdrawal and the reason for the withdrawal; or
- (c) that, with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of, or an extract from, a public official document, it was a correct and fair representation of the statement or copy of, or extract from, the document, and the person had reasonable grounds to believe and did believe that the statement was true.

No person is liable with respect to any part of the advertising or sales literature not purporting to be made on the authority of an expert and not purporting to be a copy of or, an extract from, a report, opinion or statement of an expert unless the person:

- (a) failed to conduct such reasonable investigation as to provide reasonable grounds for a belief that there had been no misrepresentation; or
- (b) believed there had been a misrepresentation.

Any person who at the time the advertising or sales literature was disseminated, sells securities on behalf of the Trust with respect to which the advertising or sales literature was disseminated is not liable if that person can establish that the person cannot reasonably be expected to have had knowledge that the advertising or sales literature was disseminated or contained a misrepresentation.

In no case will the amount recoverable by a Subscriber exceed the price at which Participating Preferred Trust Units were sold to the Subscriber.

In New Brunswick, no action may be commenced to enforce such right of action unless the right is exercised:

- (a) in the case of an action for rescission, 180 days after the date the Subscriber purchased the Participating Preferred Trust Units; and
- (b) in the case of any action, other than an action for rescission, the earlier of:
 - (i) one year after the Subscriber first had knowledge of the facts giving rise to the cause of action; or
 - (ii) six years after the date the Subscriber purchased the Participating Preferred Trust Units.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the *Securities Act* (New Brunswick) and are subject to the defences contained therein.

Statutory Rights of Action for Subscribers in the Province of Nova Scotia

If this Offering Memorandum or any amendment thereto or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) used in connection therewith contains a misrepresentation, every Subscriber resident in Nova Scotia of Participating Preferred Trust Units in reliance on an exemption under the *Securities Act* (Nova Scotia), the regulations thereunder or a decision of the Nova Scotia Securities Commission pursuant to this Offering Memorandum shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and has a right of action, in addition to any other rights they may have at law, for damages against the Trust and every person who signed this Offering Memorandum, but may elect (while still the owner of any of the Participating Preferred Trust Units that they purchased) to exercise a right of rescission against the Trust, in which case they shall have no right of action for damages, provided that:

- (a) neither the Trust nor anyone signing this Offering Memorandum will be liable if the Trust or such person or company proves that the Subscriber purchased the Participating Preferred Trust Units with knowledge of the misrepresentation;
- (b) no person or company signing this Offering Memorandum will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless such person or company:
 - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or
 - (ii) believed there had been a misrepresentation;
- (c) in an action for damages, neither the Trust nor anyone signing this Offering Memorandum will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Participating Preferred Trust Units as a result of the misrepresentation relied upon; and
- (d) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Participating Preferred Trust Units were sold to the Subscriber.

In Nova Scotia, no action may be commenced to enforce such rights more than one hundred and twenty days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the *Securities Act* (Nova Scotia) and are subject to the defences contained therein.

Statutory Rights of Action for Subscribers in the Province of Prince Edward Island

If this Offering Memorandum contains a misrepresentation when a Subscriber resident in Prince Edward Island buys Participating Preferred Trust Units, securities legislation in Prince Edward Island provides that every such Subscriber has, without regard to whether the Subscriber relied on the misrepresentation, a right of action for damages against the Trust, the selling holder of a Participating Preferred Trust Unit, and every person or company who signed this Offering Memorandum, but may elect (while still the owner of any of the Participating Preferred Trust Units that they purchased) to exercise a right of rescission against the Trust or the selling holder of a Participating Preferred Trust Unit in which case the Subscriber shall have no right of action for damages, provided that:

- (a) neither the Trust nor anyone signing this Offering Memorandum will be liable if the Trust or such person or company proves that the Subscriber purchased the Participating Preferred Trust Units with knowledge of the misrepresentation;
- (b) in an action for damages, neither the Trust nor anyone signing this Offering Memorandum will be liable for all or any portion of such damages if the Trust or such person or company proves that they do not represent the depreciation in value of the Participating Preferred Trust Units as a result of the misrepresentation relied on; and
- (c) the amount recoverable under this right of action must not exceed the price at which the Participating Preferred Trust Units purchased by the Subscriber were offered.

In Prince Edward Island, no action may be commenced to enforce such right of action described above unless the right is exercised:

- (a) in the case of action for rescission, no later than 180 days from the date the Subscriber purchased the Participating Preferred Trust Units; or
- (b) in the case of any action, other than an action for rescission, not later than the earlier of:
 - (i) 180 days from the day that the Subscriber first had knowledge of the facts giving rise to the cause of action; or
 - (ii) three years from the day the Subscriber purchased the Participating Preferred Trust Units.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the *Securities Act* (Prince Edward Island) and are subject to the defences contained therein.

Statutory Rights of Action for Subscribers in the Northwest Territories

If an Offering Memorandum contains a misrepresentation, a Subscriber who purchases a security offered by the Offering Memorandum during the period of distribution has, without regard to whether the Subscriber relied on the misrepresentation, a right of action for damages against the Trust, the selling holder of a Participating Preferred

Trust Unit on whose behalf the distribution is made, and every person who signed the Offering Memorandum. If an Offering Memorandum contains a misrepresentation, a Subscriber who purchases a security offered by the Offering Memorandum during the period of distribution has a right of action for rescission against the Trust or the selling security holder on whose behalf the distribution is made. If the Subscriber elects to exercise a right of action for rescission, the Subscriber shall have no right of action for damages.

A defendant is not liable if they prove that the Subscriber purchased the securities with knowledge of the misrepresentation. A person, other than the Trust and selling security holder, is not liable if they prove that:

- (a) the Offering Memorandum was sent to the Subscriber without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the knowledge and consent of the person;
- (b) the person, on becoming aware of the misrepresentation in the Offering Memorandum, had withdrawn their consent to the Offering Memorandum and given reasonable notice to the Trust of the withdrawal and the reason for it; or
- (c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:
 - (i) there had been a misrepresentation; or
 - (ii) the relevant part of the Offering Memorandum:
 - 1) did not fairly represent the report, statement or opinion of the expert, or
 - 2) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

A person, other than the Trust and selling holder of a Participating Preferred Trust Units, is not liable with respect to any part of an Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person:

- (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
- (b) believed that there had been a misrepresentation.

A defendant is not liable with respect to a misrepresentation in forward-looking information:

- (a) if the Offering Memorandum containing the forward-looking information also contains, proximate to the forward-looking information,
 - (i) reasonable cautionary language identifying the forward-looking information as such forecast or projection in the forward-looking information; and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, and
- (b) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

In an action for damages, the defendant is not liable for any damages that the defendant proves do not represent the depreciation in value of the Participating Preferred Trust Units resulting from the misrepresentation. The amount recoverable by a plaintiff must not exceed the price at which the Participating Preferred Trust Units purchased by the plaintiff were offered. The right of action for rescission or damages is in addition to and without derogation from any other right the Subscriber may have at law. If a misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, the misrepresentation is deemed to be contained in the Offering Memorandum.

In the Northwest Territories, no action may be commenced to enforce such right of action described above unless the right is exercised within:

- (a) in the case of an action for rescission, 180 days after the Subscriber purchased the Participating Preferred Trust Units; or
- (b) in the case of any action other than an action for rescission,
 - (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or
 - (ii) three years after the date the Subscriber purchased the Participating Preferred Trust Units, whichever period expires first.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the *Securities Act* (Northwest Territories) and are subject to the defences contained therein.

Statutory Rights of Action for Subscribers in Yukon

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, then you have a statutory right to sue in Yukon:

- (a) for the Trust to cancel your agreement to buy these securities; or
- (b) for damages against the Trust and any other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the Trust proves that:

- (a) this Offering Memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the Trust has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

However, in Yukon, the above defence does not relieve a person of liability respecting forward-looking information in a financial statement required to be filed under Yukon securities laws.

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

In Yukon, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of:

- (a) 180 days after learning of the misrepresentation, or
- (b) three years after the transaction.

If you reside in Yukon and you did not receive a copy of this Offering Memorandum before you signed your Subscription Agreement, you have a right to sue for damages, or if you still own your securities, you can choose to cancel your agreement instead of suing for damages.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the *Securities Act* (Yukon) and are subject to the defences contained therein.

Statutory Rights of Action for Subscribers in Nunavut

If an Offering Memorandum contains a misrepresentation, a Subscriber who purchases a security offered by the Offering Memorandum during the period of distribution has, without regard to whether the Subscriber relied on the misrepresentation, a right of action for damages against the Trust, the selling holder of a Participating Preferred Trust Unit on whose behalf the distribution is made and every person who signed the Offering Memorandum. If an Offering Memorandum contains a misrepresentation, a Subscriber who purchases a security offered by the Offering Memorandum during the period of distribution has a right of action for rescission against the Trust or the selling security holder on whose behalf the distribution is made. If the Subscriber elects to exercise a right of action for rescission, the Subscriber shall have no right of action for damages.

A defendant is not liable if they prove that the Subscriber purchased the securities with knowledge of the misrepresentation. A person, other than the Trust and selling security holder, is not liable if they prove that:

- (a) the Offering Memorandum was sent to the Subscriber without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the knowledge and consent of the person;
- (b) the person, on becoming aware of the misrepresentation in the Offering Memorandum, had withdrawn their consent to the Offering Memorandum and given reasonable notice to the Trust of the withdrawal and the reason for it;
- (c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:
 - (i) there had been a misrepresentation; or
 - (ii) the relevant part of the Offering Memorandum:
 - 1) did not fairly represent the report, statement or opinion of the expert, or

- 2) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

A person, other than the Trust and selling holder of a Participating Preferred Trust Unit, is not liable with respect to any part of an Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person:

- (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
- (b) believed that there had been a misrepresentation.

A defendant is not liable with respect to a misrepresentation in forward-looking information:

- (a) if the Offering Memorandum containing the forward-looking information also contains, proximate to the forward-looking information,
 - (i) reasonable cautionary language identifying the forward-looking information as such forecast or projection in the forward-looking information; and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, and
- (b) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

However, in Nunavut, certain defences do not relieve a person of liability respecting forward-looking information in a financial statement required to be filed under Nunavut securities laws.

In an action for damages, the defendant is not liable for any damages that the defendant proves do not represent the depreciation in value of the Participating Preferred Trust Units resulting from the misrepresentation. The amount recoverable by a plaintiff must not exceed the price at which the Participating Preferred Trust Units purchased by the plaintiff were offered. The right of action for rescission or damages is in addition to and without derogation from any other right the Subscriber may have at law. If a misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, the misrepresentation is deemed to be contained in the Offering Memorandum.

In Nunavut, no action may be commenced to enforce such right of action described above unless the right is exercised within:

- (a) in the case of an action for rescission, 180 days after the Subscriber purchased the Participating Preferred Trust Units; or
- (b) in the case of any action other than an action for rescission,
 - (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or
 - (ii) three years after the date the Subscriber purchased the Participating Preferred Trust Units, whichever period expires first.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the *Securities Act* (Nunavut) and are subject to the defences contained therein.

The securities laws of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories are complex. Reference should be made to the full text of the provisions summarized above relating to rights of action.

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

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

13.2 Cautionary Statement Regarding Report, Statement or Option by Expert.

This Offering Memorandum includes: (i) the section titled **Item 8 – Income Tax Consequences and Deferred Plan Eligibility** prepared by Field LLP effective as of the date of this Offering Memorandum; (ii) the annual audited financial statements of the Trust and the Partnerships for the year ended December 31, 2023 and accompanying independent auditors' report prepared by KPMG LLP; and (iii) select excerpts from various reports relating to cap rates, household incomes, average rental rates, population growth, interest rates, inflation rates, and economic/GDP growth. You do not have a statutory right of action against these parties for a misrepresentation in this Offering Memorandum. **You should consult with a legal adviser for further information.**

Item 14. FINANCIAL STATEMENTS

Attached are the required financial statements for the Trust.

Item 15. DATE AND CERTIFICATE

Dated September 9, 2024

This Offering Memorandum does not contain a misrepresentation.

EPIPHANY GROUP LEGACY INVESTMENT MUTUAL FUND TRUST

by its TRUSTEES

"Darryl Kenna"

(SIGNED) Darryl Kenna
Trustee

"Roy Fowler"

(SIGNED) Roy Fowler
Trustee

"Peter Jarman"

(SIGNED) Peter Jarman
Trustee

"Roger Simpson"

(SIGNED) Roger Simpson
Trustee

"James Bolen"

(SIGNED) James Bolen
Trustee

BY THE PROMOTERS

222204 ALBERTA LTD.

BLACK ELM FINANCIAL CORP.

"Riley Dykslag"

(SIGNED)
President

"Riley Dykslag"

(SIGNED)
President

SCHEDULE A TO THE OFFERING MEMORANDUM OF EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

2023 FINANCIAL STATEMENTS OF EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST



KPMG LLP
3410 Fairway Plaza Road South
Lethbridge, AB T1K 7T5
Tel 403-380-5700
Fax 403-380-5760
www.kpmg.ca

Epiphany Legacy Investment
Mutual Fund Trust 50-550 WT
Hill Blvd South
Lethbridge, AB, T1J 4Z8

Attention: Aaron Krein

Private & Confidential

September 9, 2024

Dear Mr. Krein:

RE: Epiphany Legacy Investment Mutual Fund Trust (the "Trust") Offering Memorandum dated September 9, 2024 (the "Offering Memorandum")

We refer to the Offering Memorandum of the Trust relating to the Participating Preferred Class A Trust Units and Participating Preferred Class F Trust Units by the Trust.

We consent to being named in the Offering Memorandum under the heading "13.2 Cautionary Statement Regarding Report, Statement or Opinion by Expert". We also consent to being named and to the use in the Offering Memorandum for the fiscal period of 2024 and until the Offering Memorandum update of 2025 of the following reports:

- a) Statement of Financial Position as at December 31, 2023, with comparative information 2022;
- b) Statement of Income and Comprehensive Income for the year ended December 31, 2023, with comparative information for the year ended December 31, 2022;
- c) Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year ended December 31, 2023, with comparative information for 2022;
- d) Statement of Cash Flows for the year ended December 31, 2023, with comparative information for 2022; and
- e) The Notes to Financial Statements for the year ended December 31, 2023.



We consent to being named and to the use in the Offering Memorandum for the fiscal period of 2024 and until the Offering Memorandum update of 2025 to the partners of Black Elm Financial LP on the following reports:

- a) Statement of Financial Position as at December 31, 2023, with comparative information for 2022;
- b) Statement of Income and Comprehensive Income for the year ended December 31, 2023, with comparative information for 2022;
- c) Statement of Net Assets Attributable to Partners for the year ended December 31, 2023, with comparative information for 2021;
- d) Statement of Cash Flows for the year ended December 31, 2023, with comparative information for 2022; and
- e) The Notes to Financial Statements for the period ended December 31, 2023.

We consent to being named and to the use in the Offering Memorandum for the fiscal period of 2024 and until the Offering Memorandum update of 2025 to the partners of Epiphany Perpetuity LP on the following reports:

- a) Statement of Financial Position as at December 31, 2023, with comparative information for 2022;
- b) Statement of Income and Comprehensive Income for the year ended December 31, 2023, with comparative information for 2022;
- c) Statement of Net Assets Attributable to Partners for the year ended December 31, 2023, with comparative information for 2022;
- d) Statement of Cash Flows for the year ended December 31, 2023, with comparative information for 2022; and
- e) The Notes to Financial Statements for the period ended December 31, 2023.

We consent to being named and to the use in the Offering Memorandum for the fiscal period of 2024 and until the Offering Memorandum update of 2025 to the partners of Emerald Delta on the following reports:

- a) Statement of Financial Position as at December 31, 2023;
- b) Statement of Income and Comprehensive Income for the year ended December 31, 2023, with comparative information for 2022;
- c) Statement of Net Assets Attributable to Partners for the year ended December 31, 2023;
- d) Statement of Cash Flows for the year ended December 31, 2023; and
- e) The Notes to Financial Statements for the period ended December 31, 2023.



We report that we have read the Offering Memorandum and all information therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements. We have complied with Canadian generally accepted standards for an auditor's consent to the use of a report of the auditor included in an offering document as described in the CPA Canada Handbook-Assurance.

Capitalized terms utilized herein but not defined shall have the meaning ascribed thereto in the Offering Memorandum.

Yours truly,

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Derek Taylor

Partner, responsible for the engagement and its performance, and for the report that is issued on behalf of KPMG LLP, and who, where required, has the appropriate authority from a professional, legal, or regulatory body.
403-380-5735

Financial Statements of

**EPIPHANY LEGACY
INVESTMENT MUTUAL
FUND TRUST**

And Independent Auditor's Report thereon

Year ended December 31, 2023

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

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KPMG LLP
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Lethbridge, AB T1K 7T5
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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Epiphany Legacy Investment Mutual Fund Trust

Opinion

We have audited the financial statements of Epiphany Legacy Investment Mutual Fund Trust (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of income (loss) and comprehensive income (loss) for the year then ended
- the statement of changes in net assets attributable to holders of redeemable units for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2023, and its financial performance and its cash flow for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 auditor's report.

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

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



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

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

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

Those charged with governance are responsible for overseeing the Trust financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Lethbridge, Canada

April 25, 2024

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Investments (note 4)	\$ 262,690	\$ 763,926
Cash	528,721	2,518,618
Other receivables (note 5)	358,967	-
Due from related parties (note 7)	6,101,775	793,914
Prepaid expenses	6,375	6,375
	<u>\$ 7,258,528</u>	<u>\$ 4,082,833</u>

Liabilities

Liabilities:

Accounts payable and accrued liabilities	\$ 122,799	\$ 242,121
Net assets attributable to holders of redeemable units	<u>\$ 7,135,729</u>	<u>\$ 3,840,712</u>

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

On behalf of the Board:

"Darryl Kenna" Trustee "Roger Simpson" Trustee

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Statement of Income (Loss) and Comprehensive Income (Loss)

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Income	\$ 1,007,674	\$ 284,616
Expenses:		
Administrative	462,587	178,592
Insurance	8,500	2,125
Travel	5,724	2,829
Interest and bank charges	961	759
Office	537	1,813
	478,309	186,118
Income before the undernoted item	529,365	98,498
Other income (expense):		
Fair value gain (loss) on investments (note 4)	(505,736)	43,937
Income before issuance costs	23,629	142,435
Issuance costs	563,821	548,954
Decrease in net assets attributable to holders of redeemable units	\$ (540,192)	\$ (406,519)

The accompanying notes form an integral part of these financial statements

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Income before issuance costs	\$ 23,629	\$ 142,435
Issuance costs	(563,821)	(548,954)
Decrease in net assets attributable to holders of redeemable units	(540,192)	(406,519)
Net assets (deficit) attributable to holders of redeemable units, beginning of year	3,840,712	(427,316)
Proceeds from redeemable units issued	4,053,749	4,679,364
Distributions	(595,845)	(98,815)
Reinvested distributions	423,459	93,998
Redemptions	(46,154)	-
Net assets attributable to holders of redeemable units, end of year	\$ 7,135,729	\$ 3,840,712

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

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash flow used in operating activities:		
Decrease in net assets attributable to holders of redeemable unit	\$ (540,192)	\$ (406,519)
Item not involving cash:		
Fair value loss (gain) on investments	505,736	(43,937)
	(34,456)	(450,456)
Changes in non-cash operating working capital:		
Other receivables	(358,967)	100
Prepaid expenses	-	(6,375)
Accounts payable and accrued liabilities	(119,322)	242,120
	(512,745)	(214,611)
Cash flow from financing activities:		
Proceeds from redeemable units issued	4,053,749	4,679,364
Net distributions	(172,386)	(4,817)
Redemptions of redeemable units	(46,154)	-
	3,835,209	4,674,547
Cash flow from investing activities:		
Due to/from related parties	(5,307,861)	(1,225,829)
Increase in investments	(4,500)	(719,989)
Increase (decrease) in cash	(1,989,897)	2,514,118
Cash, beginning of year	2,518,618	4,500
Cash, end of year	\$ 528,721	\$ 2,518,618

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

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements

Year ended December 31, 2023

1. Trust organization and nature of operations:

Epiphany Legacy Investment Mutual Fund Trust (the "Trust") is a Trust established by a declaration of Trust dated as of September 2, 2021, which was amended and restated on March 29, 2022, and was later amended and restated on June 12, 2023, for the purpose of investing assets in certain limited partnerships. The Trust's registered address is located at 50-550 WT Hill Blvd. South, Lethbridge, Alberta, T1J 4Z8.

2. Basis of presentation:

(a) Statement of compliance:

These financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS).

These financial statements have been approved by the Trustees on April 25, 2024.

(b) Basis of measurement:

The financial statements have been prepared on a historical basis except for financial assets and financial liabilities at fair value through profit or loss ("FVTPL") which are presented at fair value.

(c) Functional and presentation currency:

The Trust's financial statements are presented in Canadian Dollars, which is the Trust's functional and presentation currency.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies:

These financial statements are prepared in accordance with IFRS. The Trust's material accounting policies are as follows:

(a) Financial instruments:

(i) Classification and measurement:

Financial assets are required to be classified into one of the following categories: Fair value through profit and loss ("FVTPL"), amortized cost or fair value through other comprehensive income ("FVOCI") based on the Trust's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition.

Financial assets and liabilities at FVTPL are recognized initially on the trade date, which is the date on which the Trust becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they originated. The Trust derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

At December 31, 2023, no amounts have been offset in the statement of financial position.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies (continued):

(a) Financial instruments (continued):

(ii) FVTPL:

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the year in which they occur. The Trust has classified its investments, derivative financial assets and derivative financial liabilities as FVTPL.

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. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Trust uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Trust's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of management, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability. These valuation techniques require assumptions that are based on market conditions existing at each statement of financial position date.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies (continued):

(a) Financial instruments (continued):

Investments in private companies and other assets for which no published market exists are initially valued at cost and adjusted each reporting period, when appropriate, to reflect the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is otherwise determined to be appropriate by management.

The Trust invests in privately held Limited partnerships through equity investments. These investments are valued at their fair value according to the value prescribed in their annual financial statements.

The Trust's accounting policies for measuring the fair value of investments are consistent with those used for measuring its net asset value for transactions with unitholders.

(iii) Amortized cost:

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Trust classifies cash, other receivables, accounts payable and accrued liabilities and due from/to related parties as amortized cost.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies (continued):

(a) Financial instruments (continued):

(iv) Impairment of financial assets:

For financial assets measured at amortized cost, the Trust uses an expected credit loss ("ECL") impairment model. The ECL model uses an allowance for expected credit losses being recorded regardless of whether or not there has been an actual loss event.

The Fund measured the loss allowance at an amount equal to lifetime ECL for trade and other receivables. Lifetime ECL's are the ECL that results from all possible default events over the expected life of the respective assets. ECL's are a probability-weighted estimate of credit losses.

Credit losses are measured as the present value of all cash shortfalls (that being the difference between the cash flows due to the Trust in accordance with the contractual and the cash flows that the Trust expects to receive). ECL's are discounted at the effective rate of the financial asset.

(b) Redeemable units:

The Trust classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Trust has an obligation to distribute its income to minimize taxes such that it has no discretion to avoid cash distributions and therefore the Fund's redeemable units do not qualify as equity under International Accounting Standards (IAS 32), Financial Instruments. The redeemable units, which are measured at the redemption amounts and are considered a residual amount of the net assets attributable to holders of redeemable units, provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Trust's valuation policies at each redemption date. The classification of all units as financial liabilities with presentation of net assets attributable to the holders of redeemable units does not alter the underlying economic interest of the unitholders in the net assets and net operating results attributable to the unitholders.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies (continued):

(c) Critical accounting estimates and judgments:

The preparation of financial statements in accordance with IFRS requires management to use accounting estimates. It also requires management to exercise its judgment in the process of applying the Trusts' accounting policies. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Rising inflation driven by supply-chain and labour disruptions, changing monetary policy and escalating geopolitical tensions contribute to uncertainty regarding the timing of a full economic recovery. This has led to increased uncertainties in the estimates and assumptions used by the Trust in preparing the financial statements.

The following discusses the most significant accounting judgments and estimates that the Trust has made in preparing the financial statements:

Classification and measurement of investments and application of the fair value option:

In classifying and measuring financial instruments held by the Trust, management is required to make significant judgments about whether or not the business of the Trust is to manage its portfolio of investments and evaluate performance on a fair value basis and that the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The most significant judgments made include assessing and determining the appropriate business model that enables the decision that the Trust's investments are classified as FVTPL under IFRS 9.

Fair value measurement of investments not quoted in an active market:

The Trust may, from time to time, hold financial instruments that are not quoted in active markets, such as unlisted securities, private securities or derivatives. The valuation methods for these financial instruments is described in note 3(a)(ii). The values of these securities are independently assessed by management to ensure they are reasonable. However, because of the inherent uncertainty of valuation, the estimated fair value for these securities may be materially different from the values that would have been used had a ready market for the investment existed. The fair values of private securities are affected by the perceived credit risks of the issuer, predictability of cash flows and the length of time to maturity. Valuation models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty); volatilities and correlations require management to make estimates. Changes in assumption about these factors could affect the reporting fair values of financial instruments.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies (continued):

(d) Investment entity:

The Trust has determined that they are an investment entity as defined by IFRS 10, Consolidated Financial Statements and the Amendments to IFRS 10, as the following conditions exist:

- (i) The Trust has committed to its investors that its business purpose is to invest funds solely for returns from capital appreciation and investment income; and
- (ii) The Trust measures and evaluates the performance of substantially all of their investments on a fair value basis.

As an investment entity, the Trust is exempted from consolidating particular subsidiaries and instead are required to measure their investments in these particular subsidiaries at fair value through profit and loss.

(e) Current adoption of new accounting standards:

Material accounting standards adopted January 1, 2023:

- (i) IAS 1, *Presentation of Financial Statements* ("IAS 1") and IFRS Practice Statement 2: In February 2021, the IASB issued amendments to IAS 1 and the IFRS Practice Statement 2 *Making Materiality Judgements* to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose "significant" accounting policies with a requirement to disclose "material" accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of materiality concept when making judgments about accounting policy disclosures. Effective January 1, 2023, the Trust adopted these amendments prospectively. These amendments had no material impact to these financial statements;
- (ii) IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* ("IAS 8") – Definition of accounting estimates: the amendments to IAS 8 introduce a new definition for accounting estimates to clarify that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Effective January 1, 2023, the Trust adopted the amendments to IAS 8 which had no material impact to these financial statements.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies (continued):

(f) Future accounting standards:

Below are new standards, amendments to existing standards and interpretations that have been issued and are not yet effective. The Trust plans to apply the new standards or interpretations in the annual period for which they are effective.

IAS 1: In October 2022, the IASB issued amendments to IAS 1 titled Non-current Liabilities with Covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of Debt as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The Trust does not expect these amendments to have a material effect on its financial statements.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

4. Fair value:

Financial instruments measured at fair value are categorized into one of the three hierarchy levels. Each level is based on the transparency of the inputs used to measure the fair value of the assets or liabilities:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities either directly or indirectly; and

Level 3: inputs for the asset or liabilities that are not based on observable market data.

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Trusts' investments fall as of December 31, 2022:

2022		Level 1	Level 2	Level 3
Black Elm Financial LP (536,250 units)	\$	-	\$ -	\$ 580,187
Epiphany Perpetuity LP (183,739 units)		-	-	183,739
	\$	-	\$ -	\$ 763,926

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Trusts' investments fall as of December 31, 2023:

2023		Level 1	Level 2	Level 3
Black Elm Financial LP (536,250 units)	\$	-	\$ -	\$ 185,711
Epiphany Perpetuity LP (183,739 units)		-	-	204,612
Emerald Delta LP (4,500 units)		-	-	(127,633)
	\$	-	\$ -	\$ 262,690

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

4. Fair value (continued):

The following is a reconciliation of Level 3 fair value measurements:

	Black Elm Financial LP	Epiphany Perpetuity LP	Emerald Delta LP	2023	2022
Balance, beginning of year	\$ 580,187	\$ 183,739	- \$	763,926 \$	-
Purchases	-	-	4,500	4,500	719,989
Unrealized gain (loss) in net income	(394,476)	20,873	(132,133)	(505,736)	43,937
	\$ 185,711	\$ 204,612	(127,633) \$	262,690 \$	763,926

The Trust's other financial instruments include cash, other receivables, due from related companies and accounts payable and accrued liabilities. The fair value of these financial instruments is equal to the carrying value of these financial instruments due to their short-term to maturity.

The various investments above are impacted by the allocated fair value adjustments in the respective Limited Partnerships.

5. Other receivables:

The Trust received \$358,967 (2022 - \$nil) subsequent to year end pertaining to redeemable units issued in 2023.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Income taxes:

The Trust qualifies as a Mutual Fund Trust under the provisions of the Income Tax Act (Canada) (the "Tax Act"), and accordingly, is not subject to tax on their net taxable income for the tax year which ends in December, including net realized capital gains, which is paid or payable to its Unitholders as at the end of the tax year. However, such part of the Trust's net income and net realized capital gains that is not paid or payable, is subject to income tax in the Trust. It is the intention of the Trust to distribute all of its taxable income and sufficient net realized capital gains so that the Trust will not be subject to income tax. The Trust may be subject to alternative minimum tax, which is potentially recoverable. Non-capital losses are available to be carried forward for twenty years and applied against future taxable income. Capital losses for income tax purposes may be carried forward indefinitely and applied against future capital gains. The Trust has no capital losses to carry forward at year end.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

7. Due from related parties:

	2023	2022
Black Elm Financial LP	\$ 1,075,778	\$ 483,546
Epiphany Perpetuity LP	1,188,965	310,368
Emerald Delta LP	3,837,032	-
	<u>\$ 6,101,775</u>	<u>\$ 793,914</u>

The above related parties are entities that share significant ownership, which includes members of management, and is related to the general partner by virtue of common control.

The amount owed from Black Elm Financial LP, Epiphany Perpetuity LP and Emerald Delta LP has no specific maturity date. Interest is determined quarterly by using each partnerships net income multiplied by the proportionate percentage. At no time will the interest amount exceed 11.0% per annum for each of Black Elm Financial LP, Epiphany Perpetuity LP and Emerald Delta LP.

During the year, the Trust had transactions with Black Elm Financial LP, Epiphany Perpetuity LP and Emerald Delta LP. In 2023, the Trust received \$414,923 (2022 - \$196,067) in commitment fees and interest income of \$589,628 (2022 - \$88,549) from the above-mentioned partnerships.

Although the amounts due from related parties are callable, the parties have waived their right to demand repayment prior to the next fiscal year end and therefore, it has been disclosed as a non-current liability.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

8. Redeemable units of the Trust:

The Trust is authorized to issue an unlimited number of redeemable units, issuable in an unlimited number classes of redeemable units, each of which represent an equal, undivided, beneficial interest in the net assets attributable to holders of redeemable units of the Trust. The Trust currently offers Class A and Class F redeemable participating preferred trust units ("redeemable units"). Each unit of each class entitles the holder to vote, with one vote for each unit and to participate equally with respect to any and all distributions made by the Trust.

One year after the unitholder acquires their redeemable units, each unitholder shall 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 redeemable units registered in the name of the unitholder pursuant to the timeline and the amounts determined and payable. Redemptions will be satisfied on a quarterly basis. Subject to applicable redemption fees, the unitholder of the redeemable units tendered for redemption will receive a redemption price per redeemable unit of:

- a) the listed price per redeemable unit if the redeemable units are listed; or
- b) if the redeemable units are not listed, a redemption price equal to the Net Asset Value per redeemable unit.

The Trustees may, by way of unanimous approval, create and issue additional participating preferred trust units, rights, warrants, or convertible securities as required.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

8. Redeemable units of the Trust (continued):

The unit activity is as follows:

	2023	2022
Redeemable units, beginning of period:		
Class A	1,053,909	1,000
Class F	7,825	-
Redeemable units, issued:		
Class A	939,094	1,052,909
Class F	55,854	7,825
Redeemable units, redeemed:		
Class A	(9,231)	-
Class F	-	-
Redeemable units, end of period		
Class A	1,983,772	1,053,909
Class F	63,679	7,825

9. Capital disclosure:

The capital of the Trust is represented by issued and redeemable units. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Trust's net asset value per unit upon redemption. The Trust has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the statement of changes in net assets attributable to holders of redeemable units. In accordance with its investment objectives and strategies, and the risk management practices outlined in note 10, the Trust endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments where necessary.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

10. Financial risks and concentration of risk:

The Trust actively manages risks that arise as a result of its use of financial instruments. These risks include market, credit, liquidity and price risks:

(a) Market risk:

Market risk is the potential for loss to the Trust due to changes in the fair value of its financial instruments due to changes in interest rates, foreign exchange rates or equity prices. The Trust is not directly exposed to any significant interest rate, foreign exchange or equity price risk.

(b) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Trust has established credit approval and monitoring practices including reviewing the credit worthiness of new tenants, monitoring payments and where considered appropriate reviewing the credit standing of prospective tenants to mitigate credit risk.

The Trust is also exposed to credit risk relating to cash. The risk is mitigated as cash is deposited with major Canadian banks.

The maximum credit risk exposure is the carrying amount of its cash and due from related parties.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (continued)

Year ended December 31, 2023

10. Financial risks and concentration of risk: (continued):

(c) Liquidity risk:

Liquidity risk is defined as the risk that the Trust may not be able to settle or meet its obligation on time or at a reasonable price.

The Trust's exposure to liquidity risk is concentrated in the periodic cash redemptions of units. The Trust generally retains sufficient cash positions to maintain liquidity.

The Trust may employ the use of derivatives to moderate certain risk exposures. There is no guarantee that a market will exist for some derivatives and it is possible that the exchanges may impose limits on trading of derivatives.

All investments represent a risk of loss of capital. Management aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Trust's investment objective and strategy. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Trust's overall market positions are monitored on a regular basis by management.

(d) Price risk:

Financial instruments held by the Trust are susceptible to market price risk arising from uncertainties about future prices of the instruments. As at December 31, 2023, 11.1 percent (2022 - 19.9 percent) of the Trust's net assets attributable to holders of redeemable units are invested in limited partner units of Epiphany Perpetuity LP, Black Elm Financial LP and Emerald Delta LP ("The LP's"). The value of the investments in the LP's are tied to the fair market value of the net assets attributable to partners in the LP's. The fair value of the LP units will fluctuate with the fair value of the underlining real estate assets. If real estate values increase or decrease by 10% at year end, with all other factors remaining constant, net assets attributable to the partners in the LP's could change by approximately \$1,350,000 (2022 - \$90,000).

11. Comparative information:

In the comparative information presented, there have been changes in the prior year numbers, specifically in relation to the number of units issued in the partnership. These changes are detailed in Note 8. The adjustments made reflect the revised number of units issued in the partnership, which were not accurately represented in the previous year's financial statements. This reclassification has been done to provide a more accurate and fair view of the financial position of the partnership.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Schedule of Investment Portfolio

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Black Elm Financial LP (536,250 units)	\$ 185,711	\$ 580,187
Epiphany Perpetuity LP (183,739 units)	204,612	183,739
Emerald Delta LP (4,500 units)	(127,633)	-
Total investments owned	262,690	763,926
Other assets, net	6,995,838	3,318,907
Other liabilities, net	(122,799)	(242,121)
Net assets attributable to holders of the redeemable units	\$ 7,135,729	\$ 3,840,712



Quarterly Information

Epiphany Legacy Investment Mutual Fund Trust
Q2 2024

Basis of Preparation

This report is prepared solely for the confidential use of Epiphany Legacy Investment Mutual Fund Trust. In the preparation of this report Epiphany Group Ltd has relied upon the unaudited financial and non-financial information provided to them. The analysis and report must not be recited or referred to in whole or in part in any other document. The analysis and report must not be made available, copied or recited to any other party without our express written permission. Epiphany Group Ltd neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on the report or the analysis contained herein.

Financials - Unaudited

BALANCE SHEET	Q2 2024	Q2 2023
ASSETS		
Cash & Equivalents	\$476,242	\$439,231
Other Current Assets	\$2,833	\$2,125
Total Current Assets	\$479,076	\$441,356
Investments or Other Non-Current Assets	\$9,923,201	\$5,247,668
Total Non-Current Assets	\$9,923,201	\$5,247,668
Total Assets	\$10,402,277	\$5,689,023
LIABILITIES		
Accounts Payable	\$371,398	\$103,528
Total Current Liabilities	\$371,398	\$103,528
Other Non-Current Liabilities	\$0	\$5,724
Total Non-Current Liabilities	\$0	\$5,724
Total Liabilities	\$371,398	\$109,252
EQUITY		
Retained Earnings	-\$1,378,527	-\$838,336
Current Earnings	\$949,606	\$7,784
Other Equity	\$10,459,800	\$6,410,323
Total Equity	\$10,030,879	\$5,579,771
Total Liabilities & Equity	\$10,402,277	\$5,689,023

Financials - Unaudited Continued

PROFIT & LOSS	Q2 2024	Q2 2023	YTD	YTD last year
Revenue				
Commitment fee	\$179,388	\$103,960	\$357,943	\$197,543
Interest income	\$238,665	\$142,563	\$442,899	\$249,324
Other income	\$9,047	\$141	\$9,727	\$246
Total Revenue	\$427,100	\$246,664	\$810,569	\$447,112
Cost of Sales				
Trailer Commissions	\$11,704	\$0	\$16,658	\$0
Gross Profit	\$415,396	\$246,664	\$793,911	\$447,112
Expenses				
Administrative	\$46,022	\$24,783	\$105,002	\$47,043
Amortization	\$59,986	\$38,237	\$113,956	\$69,591
Professional fees	\$63,902	\$79,376	\$133,075	\$126,503
Travel	\$0	\$0	\$0	\$427
Total Expenses	\$169,910	\$142,397	\$352,033	\$243,563
Operating Profit	\$245,486	\$104,267	\$441,878	\$203,549
Other Income				
FMV adjustment on investments	\$515,482	\$0	\$808,449	\$5,377
Other Expenses				
Issuance costs	\$131,617	\$108,094	\$300,721	\$201,142
Earnings Before Interest & Tax	\$629,352	-\$3,827	\$949,606	\$7,784
Net Income	\$629,352	-\$3,827	\$949,606	\$7,784

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (UNAUDITED)

Period ended June 30, 2024

1. Trust organization and nature of operations:

Epiphany Legacy Investment Mutual Fund Trust (the "**Trust**") is a trust formed under the laws of the Province of Alberta pursuant to a declaration of trust dated as of September 2, 2021, among the trustees, the initial participating preferred trust unitholder, and each person who becomes a Unitholder thereafter, which was later amended and restated on March 29, 2022, and further amended and restated on June 12, 2023. The Trust's address is located at 50-550 WT Hill Blvd South, Lethbridge, Alberta T1J 4Z9.

These financial statements have been prepared on a going concern basis with the assumption that the Trust will be able to establish normal business operations.

2. Basis of presentation:

a. Statement of compliance:

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

b. Basis of measurement:

The financial statements have been prepared on a historical basis except for financial assets and financial liabilities at fair value through profit or loss ("**FVTPL**"), which are presented at fair value.

c. Functional and presentation currency:

The Trust's financial statements are presented in Canadian Dollars, which is the Trust's functional and presentation currency.

3. Significant accounting policies:

These accounting policies set out below have been applied consistently to the period presented in these financial statements.

a. Financial instruments:

i. Classification and measurement:

Financial assets are required to be classified into one of the following methods: fair value through profit and loss ("**FVTPL**"); or amortized cost or fair value through other comprehensive income ("**FVOCI**") based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (UNAUDITED)

Period ended June 30, 2024

3. Significant accounting policies (continued):

a. Financial instruments:

i. Classification and measurement:

Financial assets and liabilities at FVTPL are recognized initially on the trade date, which is the date on which the Trust becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they originated. The Trust derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

As of June 30, 2024, Class X units are measured at the FVTPL through the appreciation associated with the investment into each Limited Partnership.

ii. FVTPL:

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income (loss) in the period in which they occur.

iii. Amortized cost:

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Trust classifies cash, other accounts receivable and issuance costs as amortized cost.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (UNAUDITED)

Period ended June 30, 2024

3. Significant accounting policies (continued):

iv. Impairment of financial assets:

For financial assets measured at amortized cost, the Trust uses an expected credit loss ("ECL") impairment model. The ECL model uses an allowance for expected credit losses being recorded regardless of whether or not there has been an actual loss event.

The Fund measured the loss allowances at an amount equal to lifetime ECL for trade other receivables. Lifetime ECL's are the ECL that results from all possible default events over the expected life of the respective assets. ECL's are a probability-weighted estimate of credit losses.

Credit losses are measured as the present value of all cash shortfalls (that being the difference between the cash flows due to the Trust in accordance with the contractual and the cash flows that the Trust expects to receive). ECL's are discounted at the effective rate of the financial asset.

v. Redeemable Units:

The Trust classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Trust has an obligation to distribute its income to minimize taxes such that it has no discretion to avoid cash distributions and therefore the Fund's Redeemable Units do not qualify as equity under International Accounting Standards (IAS 32), Financial Instruments. The Redeemable Units, which are measured at the redemption amounts and are considered a residual amount of the net assets attributable to holders of Redeemable Units, provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Trust's valuation policies at each redemption date.

vi. Use of estimates and judgements:

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The most significant judgements made by management in preparing these financial statements is in determining the fair value of financial instruments not traded in an active market, if any, under IFRS 13, Fair Value Measurement (IFRS 13).

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (UNAUDITED)

Period ended June 30, 2024

4. Subsequent events

a. Issuance of units

Subsequent to the period ending June 30, 2024, the Trust raised an additional \$0 thus far which will be presented in the next scheduled financial report.

5. Redeemable Units of the Trust:

The Trust is authorized to issue an unlimited number of Redeemable Units, issuable in an unlimited number classes of Redeemable Units, each of which represent an equal, undivided, beneficial interest in the net assets attributable to holders of Redeemable Units (as defined below) of the Trust. The Trust currently offers Class A and Class F redeemable participating preferred trust units ("**Redeemable Units**"). Each Redeemable Unit of each class entitles the holder to vote, with one vote for each unit of the Trust and to participate equally with respect to any and all distributions made by the Trust.

Each holder of Redeemable Units (the "**Unitholder**") shall 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 Redeemable Units registered in the name of the Unitholder pursuant to the timeline and the amounts determined and payable. Redemptions will be satisfied on a quarterly basis. Subject to any applicable redemption fees, the Redeeming Unitholder of the Redeemable Units tendered for redemption will receive a redemption price per Redeemable Unit of the greater of:

- a. the redemption price; or
- b. a redemption price equal to the Net Asset Value per Redeemable Unit.

The Trustees may, by way of unanimous approval, create and issue additional participating preferred trust units, rights, warrants, or convertible securities as required.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (UNAUDITED)

Period ended June 30, 2024

5. Redeemable Units of the Trust (continued):

The unit activity during the three-month period ended June 30, 2024 is as follow:

	For the three months ended June 30, 2024	For the three months ended June 30, 2023
Redeemable Units, beginning of period		
Class A	2,344,220	1,298,553
Class F	112,513	8,030
Redeemable Units, issued and redeemed:		
Class A	115,784	189,593
Class F	2,232	212
Redeemable Units, end of period		
Class A	2,460,004	1,488,146
Class F	114,745	8,242

6. Income taxes:

The Trust qualifies as a Mutual Fund Trust under the provisions of the *Income Tax Act* (Canada) (the "**Tax Act**"), and accordingly, is not subject to tax on their net taxable income for the tax year which ends in December, including net realized capital gains, which is paid or payable to its Unitholders as at the end of the tax year. However, such part of the Trust's net income and net realized capital gains that is not paid or payable, is subject to income tax in the Trust. It is the intention of the Fund to distribute all of its taxable income and sufficient net realized capital gains so that the Trust will not be subject to income tax. The Trust may be subject to alternative minimum tax, which is potentially recoverable. Non-capital losses are available to be carried forward for twenty years and applied against future taxable income. Capital losses for income tax purposes may be carried forward indefinitely and applied against future capital gains.

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (UNAUDITED)

Period ended June 30, 2024

7. Fair value of financial instruments:

The Trust's financial instruments include cash, and other receivables. The fair value of these financial instruments is equal to the carrying value of these financial instruments due to their short-term to maturity.

Fair value hierarchy: Financial instruments measured at fair value are categorized into one of the three hierarchy levels. Each level is based on the transparency of the inputs used to measure the fair value of the assets or liabilities:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities either directly or indirectly; and
- Level 3: inputs for the asset or liabilities that are not based on observable market data.

The Class X Units of the Trust are measured at FVTPL as of June 30, 2024.

8. Risk management:

The Trust actively manages risks that arise as a result of its use of financial instruments. These risks include credit, liquidity, and market risks:

a. Credit risk:

Credit risk is the potential for financial loss to the Trust if the counterparty in a transaction fails to meet its obligations. The Trust's cash is subject to credit risk. The Trust regularly reviews its credit exposure from each counterparty. The Trust also monitors its credit risk policies to evaluate their effectiveness. The Trust holds its cash on deposit with a Canadian chartered bank. The maximum exposure to credit risk from cash is its carrying value.

i. Market risk:

Market risk is the potential for loss to the Trust due to changes in the fair value of its financial instruments due to changes in interest rates, foreign exchange rates or equity prices. The Trust is not directly exposed to any significant interest rate, foreign exchange or equity price risk.

9. Capital disclosure:

The capital of the Trust is represented by issued and Redeemable Units. The Redeemable Units are entitled to distributions, if any, and to payment of a proportionate share based on the Trust's net asset value per unit upon redemption. The Trust has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the statement of changes in net assets attributable to Unitholders. In accordance with its investment objectives and strategies, and the risk management practices outlined in note 8, the

EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

Notes to Financial Statements (UNAUDITED)

Period ended June 30, 2024

9. Capital disclosure (continued):

Trust endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments where necessary.

SCHEDULE B TO THE OFFERING MEMORANDUM OF EIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

2023 FINANCIAL STATEMENTS OF EIPHANY COMMERCIAL LIMITED PARTNERSHIP,

FORMERLY KNOWN AS EIPHANY PERPETUITY LP

Financial Statements of

EPIPHANY PERPETUITY LP

And Independent Auditor's Report thereon

Year ended December 31, 2023



KPMG LLP

3410 Fairway Plaza Road South
Lethbridge, AB T1K 7T5
Canada
Telephone 403 380 5700
Fax 403 380 5760

INDEPENDENT AUDITOR'S REPORT

To the Partners of Epiphany Perpetuity LP

Opinion

We have audited the financial statements of Epiphany Perpetuity LP (the Partnership), which comprise:

- the statement of financial position as at December 31, 2023
- the statements of income (loss) and comprehensive income (loss) for the year then ended
- the statements of net assets attributable to partners for the year then ended
- the statements of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 auditor’s report.

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Lethbridge, Canada

April 25, 2024

EPIPHANY PERPETUITY LP

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Non-current assets		
Revenue producing properties (note 5)	\$ 29,345,000	\$ 27,366,533
Long-term receivable	18,989	43,868
Due from related parties (note 7)	80,972	170,360
Total non-current assets	29,444,961	27,580,761
Current assets		
Cash	181,726	88,648
Accounts receivable	19,162	1,794
Prepaid expenses	306,042	291,774
Current portion of long-term receivable	25,642	25,008
	532,572	407,224
	\$ 29,977,533	\$ 27,987,985
Liabilities		
Non-current liabilities		
Due to related parties (note 7)	\$ 1,444,738	\$ 476,497
	1,444,738	476,497
Current liabilities		
Line of credit (note 6)	5,989,688	6,015,753
Accounts payable and accrued liabilities	202,448	97,848
Tenant deposits	58,531	64,000
Prepaid rent	96,138	64,298
Loans payable (note 6)	12,061,777	12,242,549
	18,408,582	18,484,448
Commitments (note 10)		
Total net assets attributable to partners	\$ 10,124,213	\$ 9,027,040

The related notes form an integral part of these financial statements.

Approved by the General Partner

"Riley Dykslag"

222204 Alberta Ltd.

EPIPHANY PERPETUITY LP

Statement of Income (Loss) and Comprehensive Income (Loss)

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Rental income	\$ 1,818,815	\$ 1,764,328
Common area maintenance income	1,380,300	1,230,245
	<u>3,199,115</u>	<u>2,994,573</u>
Direct property costs:		
Property taxes	612,102	612,066
Property management fees (notes 8 and 10)	421,054	421,098
Repairs and maintenance	137,594	142,139
Utilities	131,403	166,291
Condo fees	122,172	94,639
Insurance	85,396	65,584
	<u>1,509,721</u>	<u>1,501,817</u>
Property income, net of direct costs	1,689,394	1,492,756
General expenses:		
Interest on loans payable	902,993	654,646
Interest on line of credit	473,443	315,990
General and administrative expenses	367,398	294,954
Interest and bank charges	330,222	80,452
	<u>2,074,056</u>	<u>1,346,042</u>
Other income:		
Interest income	5,361	1,928
Other income	—	33,679
Fair value gain (loss) of revenue producing properties (note 5)	1,963,232	(1,033,934)
	<u>1,968,593</u>	<u>(998,327)</u>
Net income (loss) and comprehensive income (loss)	<u>\$ 1,583,931</u>	<u>\$ (851,613)</u>

The related notes form an integral part of these financial statements.

EPIPHANY PERPETUITY LP

Statements of Net Assets Attributable to Partners

Year ended December 31, 2023, with comparative information for 2022

	General Partner	Limited Partners	Total
Balance, December 31, 2021	\$ 95	\$ 9,927,453	\$ 9,927,548
Net loss and comprehensive loss	(85)	(851,528)	(851,613)
Distributions to partners	–	(576,423)	(576,423)
Contributions	–	527,528	527,528
Balance, December 31, 2022	10	9,027,030	9,027,040
Net income and comprehensive income	158	1,583,773	1,583,931
Distributions to partners	–	(854,814)	(854,814)
Contributions	–	368,056	368,056
Balance, December 31, 2023	\$168	\$10,124,045	\$ 10,124,213

The related notes form an integral part of these financial statements.

EPIPHANY PERPETUITY LP

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used for):		
Operating:		
Net income (loss) and comprehensive income (loss)	\$ 1,583,931	\$ (851,613)
Items not involving cash:		
Fair value (gain) loss of revenue producing properties	(1,963,232)	1,033,934
	(379,301)	182,321
Changes in non-cash operating working capital:		
Prepaid expenses	(14,268)	(18,109)
Accounts receivable	(17,368)	20,034
Accounts payable and accrued liabilities	104,600	33,258
Tenant deposits	(5,469)	5,000
Prepaid rent	31,839	(33,680)
Long-term receivable	24,246	20,155
	(255,721)	208,979
Financing:		
Proceeds from loans payable	–	11,707,853
Repayment of loans payable	(180,772)	(11,807,293)
Increase (decrease) in line of credit	(26,065)	36,801
Partner distributions	(554,815)	(576,423)
Unit redemptions	(299,999)	–
Partner contributions	368,056	527,528
	(693,595)	(111,534)
Investing:		
Improvements to revenue producing properties	(15,235)	(11,236)
Purchase of revenue producing properties	–	(288,971)
Change in due to/from related parties	1,057,629	214,295
	1,042,394	(85,912)
Increase in cash	93,078	11,533
Cash, beginning of year	88,648	77,115
Cash, end of year	\$ 181,726	\$ 88,648

The related notes form an integral part of these financial statements.

EPIPHANY PERPETUITY LP

Notes to Financial Statements

Year ended December 31, 2023

1. Nature of operations:

Epiphany Perpetuity LP (the "Partnership") was formed on November 15, 2019 under the Partnership Act of Alberta. The Partnership has been formed for the purposes and common objective of acquiring, developing, maintenance and/or renting commercial real estate, leading to the realization of profit. The General Partner of the Partnership is 2222204 Alberta Ltd. The registered office of the Partnership is located in Lethbridge, Alberta.

Under the provisions of the Income Tax Act (Canada), the income tax consequences for a limited partnership are deemed to be those of the partners individually and, as such, are not reflected in the financial statements.

2. Basis of presentation:

(a) Statement of compliance and basis of accounting:

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS).

These financial statements present the financial position and results of operations of Epiphany Perpetuity LP. As such, these financial statements do not include all the assets, liabilities, revenues and expenses of the partners, and no provision has been made for income taxes which may be payable by the partners on the Partnership's net income. The statement of income and comprehensive income does not include charges for partners' salaries or interest on invested capital.

These financial statements were approved by the Board of Directors of the Partnership and authorized for issue on April 25, 2024.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis except revenue producing properties which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Partnership's functional currency.

EPIPHANY PERPETUITY LP

Notes to Financial Statements, page 2

Year ended December 31, 2023

2. Basis of presentation (continued):

(d) Critical accounting estimates and judgements:

The preparation of financial statements requires management to make critical judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

In making estimates and judgments, management relies on external information with market observable conditions where possible, supplemented by internal analysis, as required. The estimates and judgments have been applied in a manner consistent with the prior year and there are no known trends, commitments, events or uncertainties that management believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in these financial statements.

The critical estimates and judgments used in determining the recorded amount for assets and liabilities in the financial statements includes the estimate related to the revenue producing properties.

The critical estimates and assumptions underlying the valuation of the revenue producing properties are described in note 3(a). In applying this policy, judgment is applied in determining certain assumptions, such as capitalization rates, future rental income, operating expenses, capital expenditures and per square foot market values to be used to value each investment property. These estimates are based on local market conditions existing at the reporting date.

Further information about assumptions and key inputs used to measure fair value revenue producing properties are described in note 5.

EIPHANY PERPETUITY LP

Notes to Financial Statements, page 3

Year ended December 31, 2023

3. Material accounting policies:

The Partnership's material accounting policies are as follows:

(a) Revenue producing properties:

The Partnership accounts for real estate classified as revenue producing properties using the fair value method. A property is determined to be a revenue producing property when it is principally held to earn rental income, capital appreciation, or both. Revenue producing properties are initially measured at cost, including transaction costs associated with acquiring the property. Subsequent to initial recognition, revenue producing properties are measured at fair value.

The fair value of revenue producing properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. It also reflects any cash outflows (excluding those relating to future capital expenditures) that could be expected in respect of the properties.

The Partnership regularly reviews significant unobservable inputs and valuation adjustments but will use market observable data when available. Furthermore, the Partnership uses the services of external appraisers on a case-by-case basis. Where third party information, such as appraisal services, is used to measure fair values, the Partnership assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which valuations should be classified. The appropriate valuation method for each asset is determined by the Partnership and could be, among other methods, discounted cash flow, direct capitalization, or direct comparison.

Subsequent capital expenditures are charged to investment properties only when it is probable that future economic benefits of the expenditure will flow to the Partnership and the cost can be measured reliably.

Gains or losses from the disposal of investment properties are determined as the difference between the net disposal proceeds and the recorded fair value of the asset just prior to disposal and are recognized in the statement of income in the year of disposal.

EPIPHANY PERPETUITY LP

Notes to Financial Statements, page 4

Year ended December 31, 2023

3. Material accounting policies (continued):

(b) Revenue recognition:

The Partnership retains substantially all of the risks of ownership from its revenue producing properties and therefore, accounts for its rental agreements based on minimum rent. Revenue producing property revenue includes base rent for the use of space leased, recoveries of property tax and property insurance, and service revenue from utilities, cleaning and property maintenance costs. Revenue from lease components is recognized on a straight-line basis over the lease term and includes the recovery of property taxes and insurance. Rental income from leases with contractual rent increases and rent-free periods are recognized on a straight-line basis over the term of the lease. The difference between the rental income recognized and the amounts contractually due under the lease agreements are recorded as straight-line rent and are included in revenue producing property. Incentives for lessees to enter into lease agreements are spread evenly over the term of the lease, even if the payments are not made on such a basis. The term of a lease is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Partnership is reasonably certain that the tenant will exercise that option.

(c) Financial instruments:

Amounts receivable and the loans payable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Partnership becomes a party to the contractual provision of the instrument.

A financial asset (except for amounts receivable without a significant financing component) or a financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Amounts receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is measured at fair value through profit or loss ("FVTPL"), amortized cost or fair value through other comprehensive income ("FVOCI") based on the Partnership's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The Partnership has no debt or equity instruments which are measured at fair value through other comprehensive income. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL.

EPIPHANY PERPETUITY LP

Notes to Financial Statements, page 5

Year ended December 31, 2023

3. Material accounting policies (continued):

(c) Financial instruments (continued):

- (i) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

All other financial assets not measured at amortized cost are measured at FVTPL.

The Partnership subsequently measures financial assets at amortized cost using the effective interest method. The amortized cost is reduced by loss allowances. Interest income, foreign exchange gains and losses and loss allowances are recognized in profit and loss. Any gain or loss on derecognition is recognized in profit and loss. Financial assets measured at FVTPL are re-measured at each statement of financial position reporting period end date with net gains and losses, including interest or dividend income, recognized in profit and loss.

Financial liabilities are classified as amortized cost or FVTPL. A financial liability is measured at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or loss on derecognition is also recognized in profit and loss.

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the year in which they occur. The Partnership has classified its investments, derivative financial assets and derivative financial liabilities as FVTPL.

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. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Partnership uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Partnership's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

EIPHANY PERPETUITY LP

Notes to Financial Statements, page 6

Year ended December 31, 2023

3. Material accounting policies (continued):

(c) Financial instruments (continued):

The fair value of financial assets and liabilities that are not traded in an active market, including derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability. These valuation techniques require assumptions that are based on market conditions existing at each statement of financial position date.

Investments in private companies and other assets for which no published market exists are initially valued at cost and adjusted each reporting period, when appropriate, to reflect the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is otherwise determined to be appropriate by the Manager.

The Partnership does not hold derivative financial instruments for hedging purposes.

The Partnership classifies cash, due to/from related parties, accounts receivable, loans payable, loans receivable, accounts payable and accrued liabilities and tenant deposits as amortized cost.

The Partnership recognizes loss allowances for expected credit losses ("ECLs") on financial assets measured at amortized cost and contract assets. Loss allowances for amounts receivable and contract assets are always measured at an amount equal to lifetime ECLs and are deducted from the gross carrying amount of the financial asset on the statement of financial position. Impairment losses, if incurred, would be recorded in the general and administrative expenses in the statement of income and comprehensive income. In periods subsequent to the impairment where the impairment loss has decreased, and such decrease can be related objectively to conditions and changes in factors occurring after the impairment was initially recognized, the previously recognized impairment loss would be reversed through the statement of income and comprehensive income. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

EIPHANY PERPETUITY LP

Notes to Financial Statements, page 7

Year ended December 31, 2023

3. Material accounting policies (continued):

(d) Fair value:

The Partnership measures financial instruments, such as derivatives, and non-financial instruments, such as revenue producing properties and assets held-for-sale, at fair value at each statement of financial position date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interests. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Partnership uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unavailable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

EIPHANY PERPETUITY LP

Notes to Financial Statements, page 8

Year ended December 31, 2023

3. Material accounting policies (continued):

(d) Fair value (continued):

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Partnership determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Partnership has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(e) Net assets attributable to partners:

The Partnership is authorized to issue multiple classes of limited partner units, which are redeemable at the end of the term of the Partnership as defined in the Limited Partnership Agreement ("LPA"). The Partnership classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The units are classified as financial liabilities given the limited term of the Partnership.

For financial statement reporting purposes, the Partnership's obligation for net assets attributable to unitholders is presented at the residual interest in the Partnership. This amount differs from the net asset value used for unitholder reporting and pricing purposes, which are calculated in accordance with the LPA.

EPIPHANY PERPETUITY LP

Notes to Financial Statements, page 9

Year ended December 31, 2023

3. Material accounting policies (continued):

(f) Current adoption of new accounting standards:

Material accounting standards adopted January 1, 2023

(i) IAS 1, Presentation of Financial Statements (“IAS 1”) and IFRS Practice Statement 2: In February 2021, the IASB issued amendments to IAS 1 and the IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose ‘significant’ accounting policies with a requirement to disclose ‘material’ accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of materiality concept when making judgments about accounting policy disclosures. Effective January 1, 2023, the Partnership adopted these amendments prospectively. These amendments had no material impact to these financial statements;

(ii) IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) – Definition of accounting estimates: the amendments to IAS 8 introduce a new definition for accounting estimates to clarify that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Effective January 1, 2023, the Partnership adopted the amendments to IAS 8 which had no material impact to these financial statements.

(g) Future accounting standards:

Below are new standards, amendments to existing standards and interpretations that have been issued and are not yet effective. The Partnership plans to apply the new standards or interpretations in the annual period for which they are effective.

IAS 1: In October 2022, the IASB issued amendments to IAS 1 titled Non-current Liabilities with Covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of Debt as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The Partnership does not expect these amendments to have a material effect on its financial statements.

EPIPHANY PERPETUITY LP

Notes to Financial Statements, page 10

Year ended December 31, 2023

4. Redeemable units of the Partnership:

The Partnership is authorized to issue an unlimited number of redeemable units, issuable in an unlimited number of classes of redeemable units, each of which represent an equal, undivided, beneficial interest in the net assets attributable to holders of redeemable units of the Partnership. The Partnership currently offers Class A, Class B and Class X redeemable participating partnership units ("redeemable units"). Class A unit holders have the ability to vote, with one vote for each unit and to participate equally with respect to any and all distributions made by the Partnership. Class B and X are non-voting.

One year after the Redeemable Unitholder acquires their redeemable units, each Redeemable Unitholder shall be entitled to require the Partnership to redeem at any time or from time to time at the demand of the Redeemable Unitholder all or any part of the redeemable units registered in the name of the Redeemable Unitholder pursuant to the timeline and the amounts determined and payable. Redemptions will be satisfied on an annual basis. Subject to applicable Redemption Fees, the Redeeming Unitholder of the redeemable units tendered for Redemption will receive a redemption amount equal to the redemption price multiplied by the number of Units.

The unit activity is as follows:

	2023	2022
Redeemable units, beginning of period:		
Class A	9,495,670	9,165,967
Class B	1	1
Class X	183,739	2,300
Redeemable units, issued:		
Class A	347,162	329,703
Class B	-	-
Class X	-	181,439
Redeemable units, redeemed:		
Class A	291,261	-
Class B	-	-
Class X	-	-
Redeemable units, end of period		
Class A	9,551,571	9,495,670
Class B	1	1
Class X	183,739	183,739

EPIPHANY PERPETUITY LP

Notes to Financial Statements, page 11

Year ended December 31, 2023

5. Revenue producing properties:

	2023	2022
Balance, beginning of year	\$ 27,366,533	\$ 28,100,259
Purchase of revenue producing properties	–	288,971
Improvements to revenue producing properties	15,235	11,237
Fair value gain/(loss) on revenue producing properties	1,963,232	(1,033,934)
Balance, end of year	\$ 29,345,000	\$ 27,366,533

Revenue producing properties with a fair value of \$29,345,000 (2022 - \$27,366,533) are pledged as security for the loans payable.

The fair value measurement has been categorized as a Level 3 fair value based on the inputs to the valuation technique used (note 3(d)). The fair value of the revenue producing properties is determined by management with certain revenue producing properties, supported by valuations done by independent external appraisers accredited by professional institutes with recent experience in the location of the property being valued.

In the determination of fair value, management with the assistance of external appraisers for certain investment properties used direct capitalization method, direct comparison approach, or a combination of methods as deemed to be appropriate and suitable for the situation of the property as well as the availability of information.

In the direct capitalization method, capitalization rates are the most significant assumptions in determining fair value. Management with the assistance of appraisers, as needed, use leasing history, market reports, and tenant profiles, among other evidence, to determine the most appropriate assumption.

The following table represents a summary of the capitalization rates used in measuring the fair value of the revenue producing properties:

2023	Capitalization rate
Minimum	6.24 %
Maximum	7.92 %
Weighted average	6.56 %

2022	Capitalization rate
Minimum	6.72 %
Maximum	7.25 %
Weighted average	6.77 %

EPIPHANY PERPETUITY LP

Notes to Financial Statements, page 12

Year ended December 31, 2023

6. Loans payable:

	2023	2022
Canadian Western Bank (CWB) term loan bearing interest at a prime plus 0.6% per annum, repayable in monthly blended payments of \$3,816. Loan is due February 2025.	\$ 528,794	\$ 534,696
CWB term loan bearing interest at prime plus 0.75% per annum for a one-year term, repayable in monthly blended payments of \$81,639. Loan is due December 2024.	11,532,983	11,707,853
	12,061,777	12,242,549
Less current portion	12,061,777	12,242,549
	\$ —	\$ —

The Partnership also has a demand line of credit facility to finance the day-to-day operations of the Partnership's business. The maximum amount available on the facility was \$6,175,000 on December 31, 2023 (2022 - \$6,175,000).

The credit facility bears interest at the bank's prime rate plus 0.80% per annum. As at December 31, 2023, there was \$5,989,688 drawn on this facility (2022 - \$6,015,753).

In connection with the demand line of credit facility and the term loan facilities described above, the Partnership is required to maintain compliance with certain financial covenants. The Partnership was in breach of its covenants under its bank loan facility as at December 31, 2023 as the restrictive financial covenants were not met. The lender has not stated what action, if any, it will take as a result of these covenant violations. As such, all debt has been reclassified as current.

The loans payable are guaranteed by a limited partner and secured by the properties to which they relate.

EPIPHANY PERPETUITY LP

Notes to Financial Statements, page 13

Year ended December 31, 2023

7. Due from/to related parties:

	2023	2022
2222204 Alberta Ltd	\$ 320	\$ 320
1785909 Alberta Ltd (A-Win)	60,652	43,667
Epiphany Capital LP	–	106,372
Other	20,000	20,000
Due from related parties, end of year	80,972	170,359
Black Elm Financial Limited Partnership	\$ 170,489	\$ 166,129
Epiphany Capital LP	85,284	–
Epiphany Legacy Investment Mutual Fund Trust	1,188,965	310,367
Due to related parties, end of year	1,444,738	476,496

The amounts due to/from related parties are unsecured and have no specific terms of repayment.

Although the amounts due to/from related parties are callable, the parties have waived their right to demand repayment prior to the next fiscal year end and therefore, it has been disclosed as a non-current liability.

8. Related party transaction:

During the year, the Partnership paid Property management fees of \$346,843 (2022 - \$421,098) to Epiphany Consulting Services, an entity that shares significant ownership, which includes members of management, and is related to the general partner by virtue of common control.

During the year, the Partnership paid insurance premiums of \$94,461 (2022 - \$67,034) to A-Win Insurance, an entity that shares significant ownership, which includes members of management, and is related to the general partner by virtue of common control, of which \$9,066 (2022 - \$8,375) is included in prepaid expenses.

During the year, the Partnership earned rental income of \$971,839 (2022 - \$1,338,025) from an entity that shares significant ownership, which includes members of management, and is related to the general partner by virtue of common control.

During the year, the Partnership paid commitment fee of \$205,349 (2022 - nil) to Epiphany Legacy Investment Mutual Fund Trust, an entity that shares significant ownership, which includes members of management, and is related to the general partner by virtue of common control.

EPIPHANY PERPETUITY LP

Notes to Financial Statements, page 14

Year ended December 31, 2023

9. Financial instruments:

(a) Financial risks

The Partnership is exposed to the following significant financial risks:

(i) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Partnership has established credit approval and monitoring practices including reviewing the credit worthiness of new tenants, monitoring payments and where considered appropriate reviewing the credit standing of prospective tenants to mitigate credit risk.

The Partnership is also exposed to credit risk relating to cash. The risk is mitigated as cash is deposited with major Canadian banks.

The maximum credit risk exposure is the carrying amount of its cash.

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Partnership is exposed to interest rate cash flow risk to the extent that the loans payable are at prime plus. At December 31, 2023, prime rate was 7.20% (2022– 6.45%).

(iii) Liquidity risk:

Liquidity risk refers to the potential inability by the Partnership to meet financial obligations as they become due. The financial liabilities of the Partnership consist of accounts payable and accrued liabilities, line of credit, tenant deposits and loans payable. The Partnership manages this risk through detailed monitoring of budgeted and projected operating results and cash requirements. The Partnership's management has formal monthly meetings addressing the expected cash inflows and outflows to reduce any potential liquidity risk.

EPIPHANY PERPETUITY LP

Notes to Financial Statements, page 15

Year ended December 31, 2023

9. Financial instruments (continued):

(iii) Liquidity risk (continued):

The following is a table of the estimated maturities of the Partnership's liabilities as at December 31, 2023.

	Carrying Amount	Contractual cash flows	Within 1 year	2-5 years
Loans payable	\$ 12,061,777	\$ 13,007,575	\$ 12,477,375	\$ 530,199
Accounts payable and accrued liabilities	202,447	202,447	202,447	--
Due to related parties	1,444,738	1,444,738	1,444,738	--
Line of credit	5,989,688	5,989,688	5,989,688	--
Tenant deposits	58,531	58,531	58,531	--

The Partnership strives to generate cash flows from operations to meet financial obligations and debt is structured to reduce liquidity risk, however, certain debt is due on demand and could be called upon by the lender at any time due to covenant violations (note 6). Liquidity risk has increased from the prior year.

There were no significant changes in the nature of these risk exposures from prior year. However, as the project is situated in the province of Alberta, the extent of the risk exposures will vary in relation to the overall provincial economy.

(b) Fair value:

The fair values of the due to and from related parties, cash, accounts receivables, loans payable, line of credit, accounts payable and accrued liabilities and tenant deposits approximate their carrying values due to their short-term nature.

The fair value of the net assets attributable to partners is limited in the net assets of the Partnership and equates to their carrying value at December 31, 2023. As a result, the fair value of the net assets attributable to partners is based on level 3 inputs.

EPIPHANY PERPETUITY LP

Notes to Financial Statements, page 16

Year ended December 31, 2023

10. Commitments:

The Partnership has entered into a management agreement with Epiphany Consulting Services (the "Manager"), an entity that shares significant ownership, which includes members of management, and is related to the general partner by virtue of common control. The agreement provides that the Manager provides management services to the Partnership until the agreement is terminated. The agreement shall terminate on the earliest of the following dates:

- (i) Dissolution of the Partnership pursuant to the LPA;
- (ii) If the Manager or the Partnership (as the case may be) is in material breach of any of the provisions of the Agreement and such breach has not been cured within 30 days after notice thereof given to the other party;
- (iii) At any time, upon 180 days prior written notice by the Manager to the Partnership;
- (iv) Upon admission of a substitute general partner that is not an affiliate of 2222204 Alberta Ltd.; and
- (v) If either party become bankrupt or insolvent or makes a general assignment for the benefit of its creditors or a receiver is appointed for such party or in respect of a substantial portion of such party's assets.

During the term of the agreement, the Partnership will pay the Manager an annual fee calculated and payable on a quarterly basis in arrears by the Partnership in the amount of 1.5% of the net asset value of the Partnership plus any applicable taxes.

11. Partners' equity net income allocation:

Under the terms of the Limited Partnership Agreement, subject to adjustments, the profits are to be allocated first to the general partner equal to the Partnership Percentage (0.01%) multiplied by the net income. Second to the holders of Class A and B units equal to the Partnership Percentage multiplied by the net income. The net loss shall be allocated to the holders of limited partners in proportion to their respective partnership interest.

EIPHANY PERPETUITY LP

Notes to Financial Statements, page 17

Year ended December 31, 2023

12. Capital Management:

The Partnerships capital is comprised of the following:

	2023	2022
Loans payable	\$ 12,061,777	\$ 12,242,549
Line of credit	5,989,688	6,015,753
Total net assets attributable to partners	10,124,213	9,027,040
	<u>28,175,678</u>	<u>27,285,342</u>

The objectives of the Partnership when managing capital are to safeguard cash and maintain an appropriate level of financial liquidity to support its current operations and execute its business plans; and to enable the internal financing of revenue producing property purchases.

The Partnership's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above, and to respond to changes in economic conditions.

There were no changes in the Partnership's approach to capital management during the period.

SCHEDULE C TO THE OFFERING MEMORANDUM OF EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

2023 FINANCIAL STATEMENTS OF BLACK ELM FINANCIAL LIMITED PARTNERSHIP

Financial Statements of

BLACK ELM FINANCIAL LP

And Independent Auditor's Report thereon

Year ended December 31, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Partners of Black Elm Financial LP

Opinion

We have audited the financial statements of Black Elm Financial LP (the Partnership), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of income (loss) and comprehensive income (loss) for the year then ended
- the statement of net assets attributable to partners for the year then ended
- the statement of cash flows for the for the year then ended
- and notes to the financial statements, including a summary of material accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2023 and its results of operations and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 auditor’s report.

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Lethbridge, Canada

April 25, 2024

BLACK ELM FINANCIAL LP

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Non-current assets		
Revenue producing properties (note 5)	\$ 5,349,500	\$ 6,266,778
Purchase option (note 6)	62,188	55,541
Due from related parties (note 8)	696,581	173,462
Total non-current assets	6,108,269	6,495,781
Current assets		
Cash	84,701	425,496
Accounts receivable	21,584	9,885
Prepaid expenses	29,457	32,160
Deposits	-	190,000
Total current assets	135,742	657,541
	\$ 6,244,011	\$ 7,153,322
Liabilities		
Non-current liabilities		
Due to related parties (note 8)	\$ 1,102,480	\$ 560,770
Loans payable (note 7)	1,812,193	-
Total non-current liabilities	2,914,673	560,770
Current liabilities		
Line of credit (note 7)	\$ 1,532,959	\$ 1,261,355
Accounts payable and accrued liabilities	72,184	57,719
Tenant deposits	48,424	48,750
Prepaid rent	24,040	14,550
Current portion of loans payable (note 7)	26,821	2,325,824
Total current liabilities	1,704,428	3,708,198
Total net assets attributable to partners	\$ 1,624,910	\$ 2,884,354

The related notes form an integral part of these financial statements.

Approved by the General Partner

"Riley Dykslag"

Black Elm Financial Corp.

BLACK ELM FINANCIAL LP

Statement of Income (Loss) and Comprehensive Income (Loss)

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Rental income	\$ 858,458	\$ 446,803
Interest	17,315	16,377
	<u>875,773</u>	<u>463,180</u>
Direct property costs:		
Property management fees (note 8)	139,808	81,713
Utilities	142,023	68,970
Property taxes	81,046	47,801
Insurance	71,388	38,313
Repairs and maintenance	44,198	30,313
	<u>478,463</u>	<u>267,110</u>
Property income net of direct costs	397,310	196,070
General expenses:		
Interest on loans payable	335,938	102,080
Interest on line of credit	116,941	54,294
General and administrative expenses	92,210	88,378
Interest and bank charges	5,038	5,653
	<u>550,127</u>	<u>250,405</u>
Other income (expense):		
Fair value gain (loss) on revenue producing properties (note 5)	(563,126)	56,879
	<u>(563,126)</u>	<u>56,879</u>
Net income (loss) and comprehensive income (loss)	\$ (715,943)	\$ 2,544

The related notes form an integral part of these financial statements.

BLACK ELM FINANCIAL LP

Statement of Net Assets Attributable to Partners

Year ended December 31, 2023, with comparative information for 2022

	General Partner	Limited Partners	Total
Balance, December 31, 2021	\$ 19	\$ 1,756,868	\$ 1,756,887
Net income and comprehensive income	–	2,544	2,544
Distributions to partners	–	(259,348)	(259,348)
Contributions	–	1,348,271	1,348,271
Balance, December 31, 2022	19	2,884,335	2,884,354
Net income (loss) and comprehensive income (loss)	–	(715,943)	(715,943)
Distributions to partners	–	(1,070,909)	(1,070,909)
Contributions	–	527,408	527,408
Balance, December 31, 2023	\$ 19	\$ 1,624,891	\$ 1,624,910

The related notes form an integral part of these financial statements.

BLACK ELM FINANCIAL LP

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used for):		
Operating:		
Net income (loss) and comprehensive income (loss)	\$ (715,943)	\$ 2,544
Item not affecting cash:		
Fair value loss (gain) on revenue producing properties	563,126	(56,879)
	(152,817)	(54,335)
Changes in non-cash operating working capital:		
Prepaid expenses	2,703	(12,579)
Accounts receivable	(11,699)	(9,885)
Purchase option	(6,647)	(6,442)
Accounts payable and accrued liabilities	14,465	41,135
Tenant deposits	(326)	48,750
Prepaid rent	9,490	14,550
	(144,831)	21,194
Financing:		
Proceeds from loans payable	1,859,283	2,754,959
Repayment of loans payable	(2,346,093)	(1,922,044)
Proceeds from line of credit	271,604	551,687
Partner distributions	(1,070,909)	(259,348)
Partner contributions	527,408	1,384,271
	(758,707)	2,509,525
Investing:		
Purchase of revenue producing properties	(7,263,113)	(2,486,917)
Proceeds on disposition of revenue producing properties	7,617,265	-
Deposits	190,000	(190,000)
Change in due to/from related parties	18,591	570,178
	562,743	(2,106,739)
Increase (decrease) in cash	(340,795)	423,980
Cash, beginning of year	425,496	1,516
Cash, end of year	\$ 84,701	\$ 425,496

The related notes form an integral part of these financial statements.

BLACK ELM FINANCIAL LP

Notes to Financial Statements

Year ended December 31, 2023

1. Nature of operations:

Black Elm Financial LP (the "Partnership") was formed on October 30, 2019 under the Partnership Act of Alberta. The business of the Partnership shall consist solely of the purchase, management, leasing, development and sale of real property and other related activities. The General Partner of the Partnership is Black Elm Financial Corp. The registered office of the Partnership is located in Lethbridge, Alberta.

Under the provisions of the Income Tax Act (Canada), the income tax consequences for a limited partnership are deemed to be those of the partners individually and, as such, are not reflected in the financial statements.

2. Basis of presentation:

(a) Statement of compliance and basis of accounting:

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS).

These financial statements present the financial position and results of operations of Black Elm Financial LP. As such, these financial statements do not include all the assets, liabilities, revenues and expenses of the partners, and no provision has been made for income taxes which may be payable by the partners on the Partnership's net income. The statement of income and comprehensive income does not include charges for partners' salaries or interest on invested capital.

These financial statements were approved by the Board of Directors of the Partnership and authorized for issue on April 25, 2024.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis except revenue producing properties which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Partnership's functional currency.

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 2

Year ended December 31, 2023

2. Basis of presentation (continued):

(d) Critical accounting estimates and judgements:

The preparation of financial statements requires management to make critical judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

In making estimates and judgments, management relies on external information with market observable conditions where possible, supplemented by internal analysis, as required. The estimates and judgments have been applied in a manner consistent with the prior year and there are no known trends, commitments, events or uncertainties that management believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in these financial statements.

The critical estimates and judgments used in determining the recorded amount for assets and liabilities in the financial statements includes the estimate related to the revenue producing properties.

The critical estimates and assumptions underlying the valuation of the revenue producing properties are described in note 3(a). In applying this policy, judgment is applied in determining certain assumptions, such as capitalization rates, future rental income, operating expenses, capital expenditures and per square foot market values to be used to value each investment property. These estimates are based on local market conditions existing at the reporting date.

Further information about assumptions and key inputs used to measure fair value of revenue producing properties are described in note 5.

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 3

Year ended December 31, 2023

3. Material accounting policies:

The Partnership's material accounting policies are as follows:

(a) Revenue producing properties:

The Partnership accounts for real estate classified as revenue producing properties using the fair value method. A property is determined to be a revenue producing property when it is principally held to earn rental income, capital appreciation, or both. Revenue producing properties are initially measured at cost, including transaction costs associated with acquiring the property. Subsequent to initial recognition, revenue producing properties are measured at fair value.

The fair value of revenue producing properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. It also reflects any cash outflows (excluding those relating to future capital expenditures) that could be expected in respect of the properties.

The Partnership regularly reviews significant unobservable inputs and valuation adjustments but will use market observable data when available. Furthermore, the Partnership uses the services of external appraisers on a case-by-case basis. Where third party information, such as appraisal services, is used to measure fair values, the Partnership assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which valuations should be classified. The appropriate valuation method for each asset is determined by the Partnership and could be, among other methods, discounted cash flow, direct capitalization, or direct comparison.

Subsequent capital expenditures are charged to investment properties only when it is probable that future economic benefits of the expenditure will flow to the Partnership and the cost can be measured reliably.

Gains or losses from the disposal of investment properties are determined as the difference between the net disposal proceeds and the recorded fair value of the asset just prior to disposal and are recognized in the statement of income in the year of disposal.

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 4

Year ended December 31, 2023

3. Material accounting policies (continued):

(b) Revenue recognition:

Revenue includes rent earned from tenants under lease agreements and interest. Rental revenue earnings from tenants under lease agreements is recognized over the term of the lease.

Interest income is recorded when collection is reasonably assured using the effective interest method.

(c) Financial instruments:

Amounts receivable and the loans payable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Partnership becomes a party to the contractual provision of the instrument.

A financial asset (except for amounts receivable without a significant financing component) or a financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Amounts receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is measured at fair value through profit or loss ("FVTPL"), amortized cost or fair value through other comprehensive income ("FVOCI") based on the Partnership's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The Partnership has no debt or equity instruments which are measured at fair value through other comprehensive income. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL.

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 5

Year ended December 31, 2023

3. Material accounting policies (continued):

(c) Financial instruments (continued):

- (i) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

All other financial assets not measured at amortized cost are measured at FVTPL.

The Partnership subsequently measures financial assets at amortized cost using the effective interest method. The amortized cost is reduced by loss allowances. Interest income, foreign exchange gains and losses and loss allowances are recognized in profit and loss. Any gain or loss on derecognition is recognized in profit and loss. Financial assets measured at FVTPL are re-measured at each statement of financial position reporting period end date with net gains and losses, including interest or dividend income, recognized in profit and loss.

Financial liabilities are classified as amortized cost or FVTPL. A financial liability is measured at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or loss on derecognition is also recognized in profit and loss.

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the year in which they occur. The Partnership has classified its investments, derivative financial assets and derivative financial liabilities as FVTPL.

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. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Partnership uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Partnership's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 6

Year ended December 31, 2023

3. Material accounting policies (continued):

(c) Financial instruments (continued):

The fair value of financial assets and liabilities that are not traded in an active market, including derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability. These valuation techniques require assumptions that are based on market conditions existing at each statement of financial position date.

Investments in private companies and other assets for which no published market exists are initially valued at cost and adjusted each reporting period, when appropriate, to reflect the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is otherwise determined to be appropriate by the Manager.

The Partnership does not hold derivative financial instruments for hedging purposes.

The Partnership classifies cash, due to/from related parties, accounts receivable, loans payable, accounts payable and accrued liabilities and tenant deposits as amortized cost.

The Partnership recognizes loss allowances for expected credit losses ("ECLs") on financial assets measured at amortized cost and contract assets. Loss allowances for amounts receivable and contract assets are always measured at an amount equal to lifetime ECLs and are deducted from the gross carrying amount of the financial asset on the statement of financial position. Impairment losses, if incurred, would be recorded in the general and administrative expenses in the statement of income and comprehensive income. In periods subsequent to the impairment where the impairment loss has decreased, and such decrease can be related objectively to conditions and changes in factors occurring after the impairment was initially recognized, the previously recognized impairment loss would be reversed through the statement of income and comprehensive income. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 7

Year ended December 31, 2023

3. Material accounting policies (continued):

(d) Fair value:

The Partnership measures financial instruments, such as derivatives, and non-financial instruments, such as revenue producing properties and assets held-for-sale, at fair value at each statement of financial position date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interests. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Partnership uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unavailable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Partnership determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Partnership has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 8

Year ended December 31, 2023

3. Material accounting policies (continued):

(e) Net assets attributable to partners:

The Partnership is authorized to issue multiple classes of limited partner units, which are redeemable at the end of the term of the Partnership as defined in the Limited Partnership Agreement (“LPA”). The Partnership classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The units are classified as financial liabilities given the limited term of the Partnership.

For financial statement reporting purposes, the Partnership’s obligation for net assets attributable to unitholders is presented at the residual interest in the Partnership. This amount differs from the net asset value used for unitholder reporting and pricing purposes, which are calculated in accordance with the LPA.

(f) Current adoption of new accounting standards:

Material accounting standards adopted January 1, 2023

(i) IAS 1, Presentation of Financial Statements (“IAS 1”) and IFRS Practice Statement 2: In February 2021, the IASB issued amendments to IAS 1 and the IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose ‘significant’ accounting policies with a requirement to disclose ‘material’ accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of materiality concept when making judgments about accounting policy disclosures. Effective January 1, 2023, the Partnership adopted these amendments prospectively. These amendments had no material impact to these financial statements;

(ii) IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) – Definition of accounting estimates: the amendments to IAS 8 introduce a new definition for accounting estimates to clarify that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Effective January 1, 2023, the Partnership adopted the amendments to IAS 8 which had no material impact to these financial statements.

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 9

Year ended December 31, 2023

3. Material accounting policies (continued):

(g) Future accounting standards:

Below are new standards, amendments to existing standards and interpretations that have been issued and are not yet effective. The Partnership plans to apply the new standards or interpretations in the annual period for which they are effective.

IAS 1: In October 2022, the IASB issued amendments to IAS 1 titled Non-current Liabilities with Covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of Debt as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The Partnership does not expect these amendments to have a material effect on its financial statements.

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 10

Year ended December 31, 2023

4. Redeemable units of the Partnership:

The Partnership is authorized to issue an unlimited number of redeemable units, issuable in an unlimited number of classes of redeemable units, each of which represent an equal, undivided, beneficial interest in the net assets attributable to holders of redeemable units of the Partnership. The Partnership currently offers Class A, Class B and Class X redeemable participating partnership units ("redeemable units"). Class A unit holders have the ability to vote, with one vote for each unit and to participate equally with respect to any and all distributions made by the Partnership. Class B and X are non-voting.

One year after the Redeemable Unitholder acquires their redeemable units, each Redeemable Unitholder shall be entitled to require the Partnership to redeem at any time or from time to time at the demand of the Redeemable Unitholder all or any part of the redeemable units registered in the name of the Redeemable Unitholder pursuant to the timeline and the amounts determined and payable. Redemptions will be satisfied on an annual basis. Subject to applicable Redemption Fees, the Redeeming Unitholder of the redeemable units tendered for Redemption will receive a redemption amount equal to the redemption price multiplied by the number of Units.

The unit activity is as follows:

	2023	2022
Redeemable units, beginning of period:		
Class A	1,503,621	1,020,117
Class B	1	1
Class X	536,250	2,200
Redeemable units, issued:		
Class A	280,904	483,504
Class B	-	-
Class X	-	534,050
Redeemable units, redeemed:		
Class A	(497,727)	-
Class B	-	-
Class X	-	-
Redeemable units, end of period		
Class A	1,286,798	1,503,621
Class B	1	1
Class X	536,250	536,250

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 11

Year ended December 31, 2023

5. Revenue producing properties:

	2023	2022
Balance, beginning of year	\$ 6,266,778	\$ 3,722,982
Additions – revenue producing properties	7,263,113	2,486,917
Disposition of revenue producing properties	(7,617,265)	--
Fair value gain (loss) on revenue producing properties	(563,126)	56,879
Balance, end of year	\$ 5,349,500	\$ 6,266,778

Revenue producing properties with a fair value of \$5,349,500 (2022 - \$6,266,778) are pledged as security for the loans payable.

The fair value measurement has been categorized as a Level 3 fair value based on the inputs to the valuation technique used (note 3(d)). The fair value of the revenue producing properties is determined by management with certain revenue producing properties, supported by valuations done by independent external appraisers accredited by professional institutes with recent experience in the location of the property being valued.

In the determination of fair value, management with the assistance of external appraisers for certain investment properties used direct capitalization method, direct comparison approach, or a combination of methods as deemed to be appropriate and suitable for the situation of the property as well as the availability of information.

In the direct capitalization method, capitalization rates are the most significant assumptions in determining fair value. Management with the assistance of appraisers, as needed, use leasing history, market reports, and tenant profiles, among other evidence, to determine the most appropriate assumption.

The following table represents a summary of the capitalization rates used in measuring the fair value of the revenue producing properties:

2023	Capitalization rate
Suited	6.0 %
Condo	5.4 %
Single Family	4.7 %
Multiple Family	6.2 %

2022	Capitalization rate
Suited	6.0 %
Condo	5.4 %
Single Family	4.7 %
Multiple Family	6.2 %

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 12

Year ended December 31, 2023

6. Purchase option:

The Partnership has entered into an Option to Purchase Agreement to purchase a property from the Optionor. The Partnership and the Optionor have entered into a five-year lease agreement which provides the Partnership leasing the land from the Optionor in the amount of \$1,067 monthly. The Option may be exercised by the Partnership with respect to the land during the term of the lease agreement.

7. Loans payable:

	2023	2022
Canadian Western Bank (CWB) term mortgage bearing interest at 7.1% per annum, repayable in monthly blended payments of \$10,030. The loan is repayable in full, together with all interest, costs and charged, the earlier of October 1, 2023 or the date payment is demanded as a result of default	\$ -	\$ 1,537,854
CWB term mortgage bearing interest at 3.12% per annum, repayable in monthly blended payments of \$4,077. The loan is repayable in full, together with all interest, costs and charged, the earlier of December 1, 2023 or the date payment is demanded as a result of default	-	787,970
CWB variable rate mortgage bearing interest at prime plus 0.65% per annum, repayable in monthly blended payments of \$14,186, maturing in January 2025	1,839,014	-
	1,839,014	2,325,824
Less current portion	26,821	2,325,824
	\$ 1,812,193	\$ -

Principal repayments are dues as follows:

2024	\$ 26,821
2025	29,005
2026	31,365
2027	33,917
2028	36,678
Thereafter	1,681,228

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 13

Year ended December 31, 2023

7. Loans payable (continued):

The Partnership also has a demand operating loan facility to finance the day-to-day operations of the Partnership's business. The maximum amount available on the facility was \$1,580,000 on December 31, 2023 (2022 - \$1,675,000). The credit facility bears interest at the bank's prime rate plus 0.75% per annum. As at December 31, 2023, there was \$1,532,959 drawn on this facility (2022 - \$1,261,355).

In connection with the demand operating loan facility and the term mortgage facility described above, the Partnership is required to maintain compliance with certain financial covenants. The Partnership is compliant with its financial covenant as at December 31, 2023 (2022 – in compliance).

The loans payable are guaranteed by a limited partner and secured by the properties to which they relate.

8. Due from/to related parties:

	2023	2022
Epiphany Perpetuity LP	\$ 170,489	\$ 166,017
Black Elm Financial Corp	7,945	7,445
Emerald Delta Limited Partnership	518,147	--
Due from related parties, end of year	696,581	173,462
Black Elm Financial Limited Partnership	1,075,777	483,546
Epiphany Capital LP	26,703	77,224
Due to related parties, end of year	\$ 1,102,480	\$ 560,770

The amounts due to/from related parties are unsecured and have no specific terms of repayment.

Although the amounts due to/from related parties are callable, the parties have waived their right to demand repayment prior to the next fiscal year end and therefore, it has been disclosed as a non-current liability.

9. Related party transaction:

During the year, the Partnership paid property management fees of \$139,808 (2022 - \$81,713) to Epiphany Consulting Services Ltd. (the "Manager"), an entity that shares significant ownership, which includes members of management, and is related to the general partner by virtue of common control. The Manager will be entitled to the management fee, calculated and payable quarterly, of 1.5% of the total assets under management.

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 14

Year ended December 31, 2023

9. Related party transaction (continued):

During the year, the Partnership paid insurance premiums of \$14,375 (2022 - \$38,313) to A-Win Insurance, an entity under common control, of which \$7,187 (2022 - \$16,486) is included in prepaid expenses.

Also during the year, the Partnership was reimbursed for expenses of \$500 (2022 - \$199) paid on behalf of Black Elm Financial Corp., an entity under common control.

During the year, the Partnership paid commitment fee of \$63,055 (2022 - \$35,539) to Epiphany Legacy Investment Mutual Fund Trust, an entity that shares significant ownership, which includes members of management, and is related to the general partner by virtue of common control.

The amounts due to/from related parties are unsecured and have no specific terms of repayment.

10. Partners' equity net income allocation:

Under the terms of the Limited Partnership Agreement, subject to adjustments, the profits are to be allocated first to the holders of general partner in the amount equal to the amount distributed to or entitled to be received by the applicable holder of general partner units, and the remainder to limited partners in proportion to their respective partnership interest. The losses will be allocated to the holders of limited partners in proportion to their respective partnership interest.

11. Capital Management:

The Partnerships capital is comprised of the following:

	2023	2022
Loans payable	\$ 1,839,014	\$ 2,325,824
Line of credit	1,532,959	1,261,355
Total net assets attributable to partners	1,624,910	2,884,354
	<u>\$ 4,996,883</u>	<u>\$ 6,471,533</u>

The objectives of the Partnership when managing capital are to safeguard cash and maintain an appropriate level of financial liquidity to support its current operations and execute its business plans; and to enable the internal financing of revenue producing property purchases.

The Partnership's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above, and to respond to changes in economic conditions.

There were no changes in the Partnership's approach to capital management during the period.

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 15

Year ended December 31, 2023

12. Financial instruments:

(a) Financial risks:

The Partnership is exposed to the following significant financial risks:

(i) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Partnership has established credit approval and monitoring practices including reviewing the credit worthiness of new tenants, monitoring payments and where considered appropriate reviewing the credit standing of prospective tenants to mitigate credit risk.

The Partnership is also exposed to credit risk relating to cash. The risk is mitigated as cash is deposited with major Canadian banks.

The maximum credit risk exposure is the carrying amount of its cash.

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Partnership is exposed to interest rate cash flow risk to the extent that the loans payable are at prime plus. At December 31, 2023, prime rate was 7.20% (2022– 6.45%).

(iii) Liquidity risk:

Liquidity risk refers to the potential inability by the Partnership to meet financial obligations as they become due. The financial liabilities of the Partnership consist of accounts payable and accrued liabilities, line of credit, tenant deposits, due to related parties and loans payable. The Partnership manages this risk through detailed monitoring of budgeted and projected operating results and cash requirements. The Partnership's management has formal monthly meetings addressing the expected cash inflows and outflows to reduce any potential liquidity risk.

BLACK ELM FINANCIAL LP

Notes to Financial Statements, page 16

Year ended December 31, 2023

12. Financial instruments (continued):

(a) Financial risks (continued):

(iii) Liquidity risk (continued):

The following is a table of the estimated maturities of the Partnership's liabilities as at December 31, 2023

	Carrying Amount	Contractual cash flows	Within 1 year	2-5 years
Loans payable	\$ 1,839,014	\$ 1,980,525	\$ 170,233	\$ 1,810,292
Accounts payable and accrued liabilities	72,184	72,184	72,184	--
Due to related parties	1,102,480	1,102,480	1,102,480	--
Line of credit	1,532,959	1,532,959	1,523,959	--
Tenant deposits	48,424	48,424	48,424	--

There have been no significant changes to the Partnerships exposure to liquidity risks and how they arise in the normal course of operations and from unforeseen capital expenditures.

There were no significant changes in the nature of these risk exposures from prior year. However, as the operations are situated in the province of Alberta, the extent of the risk exposures will vary in relation to the overall provincial economy.

(b) Fair value:

The fair values of the due to and from related parties, cash, accounts receivables, deposits, line of credit, loan payable, accounts payable and accrued liabilities and tenant deposits approximate their carrying values due to their short-term nature.

The fair value of the net assets attributable to partners is limited in the net assets of the Partnership and equates to their carrying value at December 31, 2023. As a result, the fair value of the net assets attributable to partners is based on level 3 inputs.

SCHEDULE D TO THE OFFERING MEMORANDUM OF EIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

2023 FINANCIAL STATEMENTS OF EIPHANY MULTI-FAMILY LIMITED PARTNERSHIP,

FORMERLY KNOWN AS EMERALD DELTA LIMITED PARTNERSHIP

Financial Statements of

EMERALD DELTA LP

And Independent Auditor's Report thereon

Year ended December 31, 2023

EMERALD DELTA LP

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Emerald Delta LP

Opinion

We have audited the financial statements of Emerald Delta LP (the Partnership), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of income (loss) and comprehensive income (loss) for the year then ended
- the statement of net assets attributable to partners for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 auditor's report.

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

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

Responsibilities of Management for the Financial Statements

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



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

Those charged with governance are responsible for overseeing the Partnership financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- 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 Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Lethbridge, Canada

April 25, 2024

EMERALD DELTA LP

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Non-current assets		
Due from related parties (note 7)	\$ 10,291	\$ 730,205
Revenue producing properties (note 5)	27,295,000	-
Deposits on revenue producing properties (note 11)	1,167,622	130,000
Total non-current assets	28,472,913	860,205
Current assets:		
Cash	547,269	401,036
Accounts receivable	80,614	-
Prepaid expenses	80,983	-
Total current assets	708,866	401,036
	\$ 29,181,779	\$ 1,261,241
Liabilities		
Long-term liabilities:		
Loans payable (note 6)	\$ 23,436,362	\$ -
Due to related parties (note 7)	4,355,442	263
	27,791,804	263.00
Current liabilities:		
Accounts payable and accrued liabilities	97,593	-
Prepaid rent	78,677	-
Tenant deposits	225,820	-
Current portion of loans payable (note 6)	178,987	-
	581,077	-
Total net assets attributable to partners	\$ 808,900	\$ 1,260,978

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

Approved by the General Partner:

"Riley Dykslag"

2435227 Alberta Ltd.

EMERALD DELTA LP

Statement of Income (Loss) and Comprehensive Income (Loss)

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Rental income	\$ 1,329,447	\$ -
Direct property costs:		
Property management fees	206,219	-
Utilities	158,086	-
Property Taxes	143,481	-
Repairs and maintenance	115,569	-
Insurance	62,606	-
	<u>685,961</u>	<u>-</u>
Property income, net of direct costs	643,486	-
General expenses:		
Interest on loans payable	681,709	-
Commitment fees	142,640	-
Professional fees	66,304	63,737
Advertising	2,728	-
Interest and bank charges	2,239	387
Office and general	913	-
	<u>896,533</u>	<u>64,124</u>
Other income (expense):		
Fair value loss of revenue producing properties (note 5)	(203,531)	-
Net loss and comprehensive loss	<u>\$ (456,578)</u>	<u>\$ (64,124)</u>

The accompanying notes form an integral part of these financial statements

EMERALD DELTA LP

Statements of Net Assets Attributable to Partners

Year ended December 31, 2023, with comparative information for 2022

	General Partner	Limited Partners	Total 2023	Total 2022
Balance, beginning of period	\$ (5)	\$ 1,260,983	\$ 1,260,978	1,325,102
Net loss and comprehensive loss	(46)	(456,532)	(456,578)	(64,124)
Distributions to partners	-	(53,805)	(53,805)	-
Contributions	-	58,305	58,305	-
Balance, end of period	\$ (51)	\$ 808,951	\$ 808,900	1,260,978

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

EMERALD DELTA LP

Statement of Cash Flows
Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used for):		
Operating:		
Net loss and comprehensive loss	\$ (456,578)	\$ (64,124)
Item not involving cash:		
Fair value loss of revenue producing properties	203,531	-
	(253,047)	(64,124)
Changes in non-cash operating working capital:		
Accounts receivable	(80,614)	-
Prepaid expenses	(80,983)	-
Accounts payable	97,593	-
Prepaid rent	78,677	-
Tenant deposits	225,820	-
	(12,554)	(64,124)
Financing:		
Proceeds of loans payable	23,683,630	-
Repayment of loans payable	(68,281)	-
Partner contributions	4,500	1,325,102
	23,619,849	1,325,102
Investing:		
Purchase of revenue producing properties	(27,439,684)	-
Improvements to revenue producing properties	(58,847)	-
Deposits on revenue producing properties	(1,037,622)	(130,000)
Due to/from related parties	5,075,093	(729,942)
	(23,461,060)	(859,942)
Increase in cash	146,235	401,036
Cash, beginning of period	401,036	-
Cash, end of period	\$ 547,271	\$ 401,036

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

EMERALD DELTA LP

Notes to Financial Statements

Year ended December 31, 2023

1. Nature of operations:

Emerald Delta LP (the "Partnership") was formed on June 1, 2022 under the Partnership Act of Alberta. The Partnership has been formed for the purposes and common objective of acquiring, developing, maintain and/or renting commercial real estate, leading to the realization of profit. The General Partner of the Partnership is 2435227 Alberta Ltd. The registered office of the Partnership is located in Lethbridge, Alberta.

Under the provisions of the Income Tax Act (Canada), the income tax consequences for a limited partnership are deemed to be those of the partners individually and, as such, are not reflected in the financial statements.

2. Basis of presentation:

(a) Statement of compliance:

These financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS).

These financial statements present the financial position and results of operations of Emerald Delta LP. As such, these financial statements do not include all the assets, liabilities, revenues and expenses of the partners, and no provision has been made for income taxes which may be payable by the partners on the Partnership's net income. The statement of income and comprehensive income does not include charges for partners' salaries or interest on invested capital.

These financial statements have been approved by the Board of Directors on XXXXXXXXXXXX.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis except revenue producing properties which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Partnership's functional currency.

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Basis of presentation (continued):

(d) Critical accounting estimates and judgements:

The preparation of financial statements requires management to make critical judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

In making estimates and judgments, management relies on external information with market observable conditions where possible, supplemented by internal analysis, as required. The estimates and judgments have been applied in a manner consistent with the prior year and there are no known trends, commitments, events or uncertainties that management believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in these financial statements.

The critical estimates and judgments used in determining the recorded amount for assets and liabilities in the financial statements includes the estimate related to the revenue producing properties.

The critical estimates and assumptions underlying the valuation of the revenue producing properties are described in note 3(a). In applying this policy, judgment is applied in determining certain assumptions, such as capitalization rates, future rental income, operating expenses, capital expenditures and per square foot market values to be used to value each investment property. These estimates are based on local market conditions existing at the reporting date.

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies:

These financial statements are prepared in accordance with International financial reporting standards. The Partnership's material accounting policies are as follows:

(a) Revenue producing properties:

The Partnership accounts for real estate classified as revenue producing properties using the fair value method. A property is determined to be a revenue producing property when it is principally held to earn rental income, capital appreciation, or both. Revenue producing properties are initially measured at cost, including transaction costs associated with acquiring the property. Subsequent to initial recognition, revenue producing properties are measured at fair value.

The fair value of revenue producing properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. It also reflects any cash outflows (excluding those relating to future capital expenditures) that could be expected in respect of the properties.

The Partnership regularly reviews significant unobservable inputs and valuation adjustments but will use market observable data when available. Furthermore, the Partnership uses the services of external appraisers on a case-by-case basis. Where third party information, such as appraisal services, is used to measure fair values, the Partnership assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which valuations should be classified. The appropriate valuation method for each asset is determined by the Partnership and could be, among other methods, discounted cash flow, direct capitalization, or direct comparison.

Subsequent capital expenditures are charged to revenue producing properties only when it is probable that future economic benefits of the expenditure will flow to the Partnership and the cost can be measured reliably.

Gains or losses from the disposal of revenue producing properties are determined as the difference between the net disposal proceeds and the recorded fair value of the asset just prior to disposal and are recognized in the statement of income in the year of disposal.

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies (continued):

(b) Revenue Recognition:

The Partnership retains substantially all of the risks of ownership from its revenue producing properties and therefore, accounts for its rental agreements based on minimum rent. Revenue producing property revenue includes base rent for the use of space leased, recoveries of property tax and property insurance, and service revenue from utilities, cleaning and property maintenance costs. Revenue from lease components is recognized on a straight-line basis over the lease term and includes the recovery of property taxes and insurance. Rental income from leases with contractual rent increases and rent-free periods are recognized on a straight-line basis over the term of the lease. The difference between the rental income recognized and the amounts contractually due under the lease agreements are recorded as straight-line rent and are included in revenue producing property. Incentives for lessees to enter into lease agreements are spread evenly over the term of the lease, even if the payments are not made on such a basis. The term of a lease is the non-cancelable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Partnership is reasonably certain that the tenant will exercise that option.

(c) Financial instruments:

Amounts receivable and the loans payable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Partnership becomes a party to the contractual provision of the instrument.

A financial asset (except for amounts receivable without a significant financing component) or a financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Amounts receivable without a significant financing component is initially measured at the transaction price.

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies (continued):

Financial instruments (continued):

On initial recognition, a financial asset is measured at fair value through profit or loss ("FVTPL"), amortized cost or fair value through other comprehensive income ("FVOCI") based on the Partnership's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The Partnership has no debt or equity instruments which are measured at FVOCI. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL.

(i) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

All other financial assets not measured at amortized cost are measured at FVTPL.

The Partnership subsequently measures financial assets at amortized cost using the effective interest method. The amortized cost is reduced by loss allowances. Interest income, foreign exchange gains and losses and loss allowances are recognized in profit and loss. Any gain or loss on derecognition is recognized in profit and loss. Financial assets measured at FVTPL are re-measured at each statement of financial position reporting period end date with net gains and losses, including interest or dividend income, recognized in profit and loss.

Financial liabilities are classified as amortized cost or FVTPL. A financial liability is measured at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or loss on derecognition is also recognized in profit and loss.

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies (continued):

Financial instruments (continued):

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the year in which they occur. The Partnership has classified its investments, derivative financial assets and derivative financial liabilities as FVTPL.

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. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Partnership uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Partnership's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability. These valuation techniques require assumptions that are based on market conditions existing at each statement of financial position date.

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies (continued):

Financial instruments (continued):

Investments in private companies and other assets for which no published market exists are initially valued at cost and adjusted each reporting period, when appropriate, to reflect the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is otherwise determined to be appropriate by the Manager.

The Partnership does not hold derivative financial instruments for hedging purposes.

The Partnership classifies cash, due to/from related parties, accounts receivable, loans payable, accounts payable and accrued liabilities and tenant deposits as amortized cost.

The Partnership recognizes loss allowances for expected credit losses ("ECLs") on financial assets measured at amortized cost and contract assets. Loss allowances for amounts receivable and contract assets are always measured at an amount equal to lifetime ECLs and are deducted from the gross carrying amount of the financial asset on the statement of financial position. Impairment losses, if incurred, would be recorded in the general and administrative expenses in the statement of income and comprehensive income. In periods subsequent to the impairment where the impairment loss has decreased, and such decrease can be related objectively to conditions and changes in factors occurring after the impairment was initially recognized, the previously recognized impairment loss would be reversed through the statement of income and comprehensive income. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies (continued):

(d) Fair value:

The Partnership measures financial instruments, such as derivatives, and non-financial instruments, such as revenue producing properties and assets held-for-sale, at fair value at each statement of financial position date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interests. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Partnership uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unavailable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies (continued):

(d) Fair value (continued):

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Partnership determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Partnership has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(e) Net assets attributable to partners:

The Partnership is authorized to issue multiple classes of limited partner units, which are redeemable at the end of the term of the Partnership as defined in the Limited Partnership Agreement ("LPA"). The Partnership classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The units are classified as financial liabilities given the limited term of the Partnership.

For financial statement reporting purposes, the Partnership's obligation for net assets attributable to unitholders is presented at the residual interest in the Partnership. This amount differs from the net asset value used for unitholder reporting and pricing purposes, which are calculated in accordance with the LPA.

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Material accounting policies (continued):

(f) Current adoption of new accounting standards:

Material accounting standards adopted January 1, 2023:

i) IAS 1, Presentation of Financial Statements (“IAS 1”) and IFRS Practice Statement 2: In February 2021, the IASB issued amendments to IAS 1 and the IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose ‘significant’ accounting policies with a requirement to disclose ‘material’ accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of materiality concept when making judgments about accounting policy disclosures. Effective January 1, 2023, the Partnership adopted these amendments prospectively. These amendments had no material impact to these financial statements;

ii) IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) – Definition of accounting estimates: the amendments to IAS 8 introduce a new definition for accounting estimates to clarify that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Effective January 1, 2023, the Partnership adopted the amendments to IAS 8 which had no material impact to these financial statements.

(g) Future accounting standards:

Below are new standards, amendments to existing standards and interpretations that have been issued and are not yet effective. The Partnership plans to apply the new standards or interpretations in the annual period for which they are effective.

IAS 1: In October 2022, the IASB issued amendments to IAS 1 titled Non-current Liabilities with Covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of Debt as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The Partnership does not expect these amendments to have a material effect on its financial statements.

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

4. Redeemable units of the Partnership:

The Partnership is authorized to issue an unlimited number of redeemable units, issuable in an unlimited number of classes of redeemable units, each of which represent an equal, undivided, beneficial interest in the net assets attributable to holders of redeemable units of the Partnership. The Partnership currently offers Class A, Class B and Class X redeemable participating partnership units ("redeemable units"). Class A unit holders have the ability to vote, with one vote for each unit and to participate equally with respect to any and all distributions made by the Partnership. Classes B and X are non-voting. The partnership agreement was amended in the year to remove Class C units.

One year after the Redeemable Unitholder acquires their redeemable units, each Redeemable Unitholder shall be entitled to require the Partnership to redeem at any time or from time to time at the demand of the Redeemable Unitholder all or any part of the redeemable units registered in the name of the Redeemable Unitholder pursuant to the timeline and the amounts determined and payable. Redemptions will be satisfied on an annual basis. Subject to applicable Redemption Fees, the Redeeming Unitholder of the redeemable units tendered for Redemption will receive a redemption amount equal to the redemption price multiplied by the number of Units.

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

4. Redeemable units of the Partnership (continued):

The unit activity is as follows:

	2023	2022
Redeemable units, beginning of period:		
GP unit	1	-
Class A	100	-
Class B	1	-
Class C	1,325,000	-
Class X	-	-
Redeemable units, issued:		
GP unit	-	1
Class A	1,325,000	100
Class B	-	1
Class C	-	1,325,000
Class X	4,500	-
Redeemable units, redeemed:		
GP unit	-	-
Class A	-	-
Class B	-	-
Class C	(1,325,000)	-
Class X	-	-
Redeemable units, end of period:		
GP unit	1	1
Class A	1,325,100	100
Class B	1	1
Class C	-	1,325,000
Class X	4,500	-

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

5. Revenue producing properties:

	2023	2022
Balance, beginning of year	\$ -	\$ -
Purchase of revenue producing properties	27,439,684	-
Improvements to revenue producing properties	58,847	-
Fair value loss on revenue producing properties	(203,531)	-
Balance, end of year	\$ 27,295,000	\$ -

Revenue producing properties with a fair value of \$27,295,000 (2022 - nil) are pledged as security for the loans payable.

The fair value measurement has been categorized as a Level 3 fair value based on the inputs to the valuation technique used (note 3(d)). The fair value of the investment properties is determined by management with certain investment properties, supported by valuations done by independent external appraisers accredited by professional institutes with recent experience in the location of the property being valued.

In the determination of fair value, management and with the assistance of external appraisers for certain investment properties used discounted cash flow method, direct comparison approach, or a combination of methods as deemed to be appropriate and suitable for the situation of the property as well as the availability of information.

In the discounted cash flow approach, discount and terminal capitalization rates are the most significant assumptions in determining fair value. Management with the assistance of appraisers, as needed, use leasing history, market reports, and tenant profiles, among other evidence, to determine the most appropriate assumption.

The following table represents a summary of the capitalization rates used in measuring the fair value of the revenue producing properties:

	2023
Capitalization rates (%)	
Multiple Family	6.0

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Loans payable:

	2023	2022
Peoples Trust Company (PTC) term mortgage bearing interest at 4.44% per annum, repayable in monthly blended payments of \$13,300, maturing in December 2028.	\$ 3,115,770	\$ -
PTC term mortgage bearing interest at 4.39% per annum, repayable in monthly blended payments of \$25,005, maturing in December 2028.	5,902,162	-
PTC term mortgage bearing interest at 4.83% per annum, repayable in monthly blended payments of \$13,302, maturing in June 2029.	2,948,250	-
PTC term mortgage bearing interest at 3.84% per annum, repayable in monthly blended payments of \$25,553, maturing in June 2033.	6,572,226	-
PTC term mortgage bearing interest at 3.84% per annum, repayable in monthly blended payments of \$19,739, maturing in June 2033.	5,076,941	-
	23,615,349	-
Less current portion	178,987	-
	\$ 23,436,362	\$ -

The loans payable are secured by the properties to which they relate.

Principal repayments are due as follows:

2024	\$ 178,987
2025	186,537
2026	194,410
2027	202,616
2028	8,881,774
Thereafter	\$ 13,971,025

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

7. Due from (to) related parties:

	2023	2022
Epiphany Capital LP	\$ 10,291	\$ 730,205
Due from related parties, end of year	10,291	730,205
Black Elm Financial LP	518,147	-
Epiphany Legacy Investment MF	3,837,032	-
Emerald Delta GP	263	263
Due to related parties, end of year	\$ 4,355,442	\$ 263

The above related parties are entities that share significant ownership, which includes members of management, and is related to the general partner by virtue of common control.

The amounts owed have no terms and no specific maturity date.

Although the amounts due to/from related parties are callable, the parties have waived their right to demand repayment prior to the next fiscal year end and therefore, it has been disclosed as a non-current liability.

8. Related party transactions:

During the year, the Partnership paid property management fees of \$206,219 (2022 - nil) to Epiphany Consulting Services Ltd. (the "Manager"), an entity that shares significant ownership, which includes members of management, and is related to the general partner by virtue of common control. The Manager will be entitled to the management fee, calculated and payable quarterly, of 1.5% of the total assets under management.

During the year, the Partnership paid insurance premiums of \$63,958 (2022 - \$2,125) to A-Win Insurance, an entity under common control, of which \$1,352 (2022 - \$6,375) is included in prepaid expenses.

During the year, the Partnership paid commitment fee of \$146,519 (2022 - nil) to Epiphany Legacy Investment Mutual Fund Trust, an entity that shares significant ownership, which includes members of management, and is related to the general partner by virtue of common control.

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

9. Financial instruments:

(a) Financial risks

The Partnership is exposed to the following significant financial risks:

(i) Credit risk:

Credit risk is the potential for financial loss to the Partnership if the counterparty in a transaction fails to meet its obligations. The Partnership's cash is subject to credit risk. The Partnership regularly reviews its credit exposure from each counterparty. The Partnership also monitors its credit risk policies to evaluate their effectiveness. The Partnership holds its cash on deposit with a Canadian chartered bank. The maximum exposure to credit risk from cash is its carrying value.

(ii) Liquidity risk:

Liquidity risk refers to the potential inability by the Partnership to meet financial obligations as they become due. The financial liabilities of the Partnership consist of accounts payable and accrued liabilities, line of credit, tenant deposits, due to related parties and loans payable. The Partnership manages this risk through detailed monitoring of budgeted and projected operating results and cash requirements. The Partnership's management has formal monthly meetings addressing the expected cash inflows and outflows to reduce any potential liquidity risk.

The following is a table of the estimated maturities of the Partnership's liabilities as at December 31, 2023

	Carrying Amount	Contractual Cash Flows	Within 1 year	After 1 year
Loans payable	\$ 23,615,349	\$ 24,033,334	\$ 1,162,791	\$ 22,870,543
Accounts payable and accrued liabilities	16,456	16,456	16,456	-
Due to related parties	4,355,442	4,355,442	4,335,442	-
Tenant deposits	225,820	225,820	225,820	-
Interest payable	81,137	81,137	81,137	-
	<u>\$ 28,294,204</u>	<u>\$ 28,712,189</u>	<u>\$ 5,821,646</u>	<u>\$ 22,870,543</u>

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

9. Financial instruments (continued):

(b) Fair value:

The fair values of the due to and from related parties, cash, accounts receivables, deposits, accounts payable and accrued liabilities and tenant deposits is approximately their carrying values due to their short-term nature.

The fair value of the net assets attributable to partners is limited in the net assets of the Partnership and equates to their carrying value at December 31, 2023. As a result, the fair value of the net assets attributable to partners is based on level 3 inputs.

10. Partners' equity net income allocation:

Under the terms of the Limited Partnership Agreement, subject to adjustments, the profits are to be allocated first to the general partner equal to the Partnership Percentage (0.01%) multiplied by the net income. Second to the holders of Class C, third to Class A, fourth to Class B, equal to the Partnership Percentage multiplied by the net income. The net loss shall be allocated to the holders of limited partners in proportion to their respective partnership interest.

11. Deposits on revenue producing properties:

At year end, the Partnership has deposits on five (2022 - four) different revenue producing properties. By placing these deposits and signing the agreements, they have committed to purchasing these properties. These deals will be finalized in the subsequent year.

EMERALD DELTA LP

Notes to Financial Statements (continued)

Year ended December 31, 2023

12. Capital Management:

The Partnerships capital is comprised of the following:

	2023	2022
Total net assets attributable to partners	\$ 1,164,748	\$ 1,260,978
Loans payable	23,615,349	-
	<u>\$ 24,780,097</u>	<u>\$ 1,260,978</u>

The objectives of the Partnership when managing capital are to safeguard cash and maintain an appropriate level of financial liquidity to support its current operations and execute its business plans; and to enable the internal financing of revenue producing property purchases.

The Partnership's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above, and to respond to changes in economic conditions.

There were no changes in the Partnership's approach to capital management during the period.

13. Comparative information:

In the comparative information presented, there have been changes in the prior year numbers, specifically in relation to the number and classes of units issued in the partnership. These changes are detailed in Note 4. The adjustments made reflect the revised number and classes of units issued in the partnership, which were not accurately represented in the previous year's financial statements. This reclassification has been done to provide a more accurate and fair view of the financial position of the partnership.

SCHEDULE E TO THE OFFERING MEMORANDUM OF EPIPHANY LEGACY INVESTMENT MUTUAL FUND TRUST

ADDITIONAL DISCLOSURE REQUIREMENTS FOR AN ISSUER ENGAGED IN REAL ESTATE ACTIVITIES

ECLP Properties:

Address	Nature of interest	Material encumbrances, Restrictions on sale/disposition	Tax arrears	Who provides utilities, and how if not currently being provided	Current use, proposed use, suitable for plans	Type of construction, Age, Condition	Description of rental units	Occupancy level	Legal proceedings, environmental liabilities, hazards, or contaminations
1105 36 St N, Lethbridge AB	Ownership	None	On TIPP Program	ECLP provides but recovered through CAM	Service industrial facility, existing use, generating rental income	Steel frame structure, concrete foundation and floors, 1998, Average	Industrial	100%	None
3760 18 Ave N, Lethbridge AB	Ownership	None	On TIPP Program	Tenant pays all utilities	Industrial warehouse development, existing use, generating rental income	Steel frame structure, concrete foundation and floors, 2008, Good	Industrial	100%	None
3306 9 Ave N, Lethbridge AB	Ownership	None	On TIPP Program	Tenant pays all utilities	Industrial retail development, existing use, generating rental income	Steel frame structure, concrete foundation and floors, 1997, Average	Industrial	100%	None

Address	Nature of interest	Material encumbrances, Restrictions on sale/disposition	Tax arrears	Who provides utilities, and how if not currently being provided	Current use, proposed use, suitable for plans	Type of construction, Age, Condition	Description of rental units	Occupancy level	Legal proceedings, environmental liabilities, hazards, or contaminations
Unit 15, 495 WT Hill Blvd S, Lethbridge AB	Ownership	None	On TIPP Program	ECLP provides but recovered through CAM	Suburban retail development, existing use, generating rental income	Steel frame structure, concrete foundation and floors, 2011, Good	Industrial	100%	None
405 Stafford Dr N, Lethbridge AB	Ownership	None	On TIPP Program	ECLP provides but recovered through CAM	Strip centre retail development, existing use, generating rental income	Steel frame structure, brick foundation and concrete floors, 1974, Average	Industrial	100%	None
3710 18 Ave N, Lethbridge AB	Ownership	None	On TIPP Program	Tenant pays all utilities	Industrial warehouse development, existing use, generating rental income	Steel frame structure, concrete foundation and floors, 2010, Good	Industrial	100%	None
2930 9 Ave N, Lethbridge AB	Ownership	None	On TIPP Program	ECLP provides but recovered through CAM	Industrial warehouse development, existing use, generating rental income	Steel frame structure, concrete foundation and floors, 1973 Good	Industrial	100%	None

Address	Nature of interest	Material encumbrances, Restrictions on sale/disposition	Tax arrears	Who provides utilities, and how if not currently being provided	Current use, proposed use, suitable for plans	Type of construction, Age, Condition	Description of rental units	Occupancy level	Legal proceedings, environmental liabilities, hazards, or contaminations
KPC Backlands	Ownership	None	On TIPP Program	N/A	Vacant land, proposed use, Suburban office or industrial development	N/A N/A N/A	Land	N/A	None
550 WT Hill Blvd S, Lethbridge AB	Ownership	None	On TIPP Program	ECLP provides but recovered through CAM	Suburban office development, existing use, generating rental income	Steel frame structure, concrete foundation and floors, 2005 Great	Office	98%	None
3174 34 St N, Lethbridge AB	Ownership	None	On TIPP Program	Tenant pays all utilities	Industrial warehouse development, existing use, generate rental income	Steel frame structure, concrete foundation and floors, 2008 Good	Industrial	100%	None

Address	Nature of interest	Material encumbrances, Restrictions on sale/disposition	Tax arrears	Who provides utilities, and how if not currently being provided	Current use, proposed use, suitable for plans	Type of construction, Age, Condition	Description of rental units	Occupancy level	Legal proceedings, environmental liabilities, hazards, or contaminations
562 2 St SE, Medicine Hat AB	Ownership	None	On TIPP Program	Tenant pays all utilities	Suburban office development, existing use, generate rental income	Timber frame structure, concrete foundation and floors, 1928 Average	Office	100%	None

EMLP Properties:

Address	Nature of interest	Material encumbrances, Restrictions on sale/disposition	Tax arrears	Who provides utilities, and how if not currently being provided	Current use, proposed use, suitable for plans	Type of construction, Age, Condition	Description of rental units	Occupancy level	Legal proceedings, environmental liabilities, hazards, or contaminations
638 Isabelle St, Estevan SK	Ownership	None	Facilitated by the Lender, through monthly mortgage payments	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Wood frame, 2011, Great	Apartment / Multi-family	95%	None
718 3 St, Estevan SK	Ownership	None	Facilitated by the Lender, through monthly mortgage payments	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Wood frame, 2014, Great	Apartment / Multi-family	95%	None
6602 48 St, Cold Lake AB	Ownership	None	On TIPP Program	Tenants pay own electric, LP pay the rest	Rental property, existing use, generate rental income	Wood frame, 2009, Great	Apartment / Multi-family	95%	None

Address	Nature of interest	Material encumbrances, Restrictions on sale/disposition	Tax arrears	Who provides utilities, and how if not currently being provided	Current use, proposed use, suitable for plans	Type of construction, Age, Condition	Description of rental units	Occupancy level	Legal proceedings, environmental liabilities, hazards, or contaminations
121, 129, 137 Timber Lane, Hinton AB ⁽¹⁾	Ownership	None	On TIPP Program	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Wood frame, 1980, Average	Apartment / Multi-family	86%	None
5333 5 Ave, Edson AB ⁽¹⁾	Ownership	None	On TIPP Program	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Wood frame, 1978, Average	Apartment / Multi-family	91%	None
5415 10 Ave, Edson AB ^[1]	Ownership	None	On TIPP Program	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Wood frame, 1978, Average	Apartment / Multi-family	64%	None

Address	Nature of interest	Material encumbrances, Restrictions on sale/disposition	Tax arrears	Who provides utilities, and how if not currently being provided	Current use, proposed use, suitable for plans	Type of construction, Age, Condition	Description of rental units	Occupancy level	Legal proceedings, environmental liabilities, hazards, or contaminations
5506 Westhaven Dr, Edson AB ^[1]	Ownership	None	On TIPP Program	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Wood frame, 1980, Good	Apartment / Multi-family	77% ^[3]	None
1015 57 St, Edson AB ^[1]	Ownership	None	On TIPP Program	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Wood frame, 1980, Good	Apartment / Multi-family	71% ^[3]	None
541 Dufferin Ave, Estevan SK ^[1]	Ownership	None	On TIPP Program	Covered by tenants	Rental property, existing use, generate rental income	Wood frame, 1983, Good	Apartment / Multi-family	67%	None

Address	Nature of interest	Material encumbrances, Restrictions on sale/disposition	Tax arrears	Who provides utilities, and how if not currently being provided	Current use, proposed use, suitable for plans	Type of construction, Age, Condition	Description of rental units	Occupancy level	Legal proceedings, environmental liabilities, hazards, or contaminations
5112 54 Ave, Cold Lake AB ^[1]	Ownership	None	On TIPP Program	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Wood frame, 1985, Good	Apartment / Multi-family	92%	None
604 21 St S, Lethbridge AB ^[1]	Ownership	None	On TIPP Program	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Wood frame 1958 original, ^[2] Good	Apartment / Multi-family	88% ^[4]	None
542 5 St SE, Medicine Hat AB ^[1]	Ownership	None	On TIPP Program	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Wood frame, 1992, Good	Apartment / Multi-family	100%	None

Address	Nature of interest	Material encumbrances, Restrictions on sale/disposition	Tax arrears	Who provides utilities, and how if not currently being provided	Current use, proposed use, suitable for plans	Type of construction, Age, Condition	Description of rental units	Occupancy level	Legal proceedings, environmental liabilities, hazards, or contaminations
1201 99 St, North Battleford SK ^[1]	Ownership	None	Facilitated by the lender, through monthly mortgage payments	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Wood frame, 1983, Average	Apartment / Multi-family	97%	None
1551 107 St, North Battleford SK ^[1]	Ownership	None	Facilitated by the lender, through monthly mortgage payments	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Wood frame, 1977, Average	Apartment / Multi-family	75%	None
1901 Pearson Ave, North Battleford SK ^[1]	Ownership	None	Facilitated by the lender, through monthly mortgage payments	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Wood frame, 1982, Average	Apartment / Multi-family	92%	None

Address	Nature of interest	Material encumbrances, Restrictions on sale/disposition	Tax arrears	Who provides utilities, and how if not currently being provided	Current use, proposed use, suitable for plans	Type of construction, Age, Condition	Description of rental units	Occupancy level	Legal proceedings, environmental liabilities, hazards, or contaminations
10908 Winder Cres, North Battleford SK ^[1]	Ownership	None	Facilitated by the lender, through monthly mortgage payments	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Load-bearing, 1977, Average	Apartment / Multi-family	84%	None
10910 Winder Cres, North Battleford SK ^[1]	Ownership	None	Facilitated by the lender, through monthly mortgage payments	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Load-bearing, 1974, Good	Apartment / Multi-family	93%	None
10912 Winder Cres, North Battleford SK ^[1]	Ownership	None	Facilitated by the lender, through monthly mortgage payments	Would be covered by property owner, tenants paying electric	Rental property, existing use, generate rental income	Load-bearing, 1974, Good	Apartment / Multi-family	89%	None

Note:

- (1) Environmental assessment did not indicate any environmental liabilities. It did note that due to the building age it could have asbestos containing materials, but a survey was not conducted.
- (2) 40% of South side added 10 years later.
- (3) A large amount of contractor month-to-month leases expired all at once. Management & Property Management have an active plan to rectify.
- (4) The current vacancy is attributable units requiring renovations; upon completion of said renovations, it is anticipated that occupancy will reach 100%.

Real Property Purchase and Sale Transactions between Related Parties

Between June 7, 2023 and September 9, 2024, BELP and EMLP entered into a series of transactions whereby EMLP acquired certain properties from BELP at market rates for the purposes of improving the financing costs related to those properties.

The table below outlines the transactions that BELP and EMLP, as Related Parties to each other, were party to:

Address	Date of transfer	Legal name of Seller	Legal name of Buyer	Amount and form of Consideration for Initial Purchase by Seller	Amount and form of Consideration for Purchase by Buyer	Reason for Material Difference between amount of Consideration paid by the Buyer and the amount of Consideration paid by the Seller
6602 48 St, Cold Lake AB	June 7, 2023	BELP ⁽¹⁾	EMLP ⁽¹⁾	\$6,300,000.00	\$6,300,000.00 ⁽²⁾	N/A
5112 54 Ave, Cold Lake AB	April 30, 2024	BELP ⁽¹⁾	EMLP ⁽¹⁾	\$1,440,000.00	\$1,440,000.00 ⁽²⁾	N/A
604 21 St, Lethbridge AB	April 30, 2024	BELP ⁽¹⁾	EMLP ⁽¹⁾	\$990,000.00	\$960,000.00 ⁽²⁾	N/A
542 5 St, Medicine Hat AB	April 30, 2024	BELP ⁽¹⁾	EMLP ⁽¹⁾	\$925,000.00	\$930,000.00 ⁽²⁾	N/A

Notes:

⁽¹⁾ Related Parties as between each other.

⁽²⁾ EMLP paid BELP by securing financing from an arm's length Lender and transferring said funds to BELP.

Risk Factors Relating to Real Property

There are significant risks that pertain to investments in real property. Please refer to **Item 10 – Risk Factors** in this document.