



**NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR**

**ANNUAL AND SPECIAL MEETING OF UNITHOLDERS
TO BE HELD ON AUGUST 4, 2023**

June 30, 2023

NORTHVIEW FUND

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual and special meeting (the “**Meeting**”) of the holders (“**Unitholders**”) of class A trust units (“**Class A Units**”), class C trust units (“**Class C Units**”) and class F trust units (collectively, “**Units**”) of Northview Fund (the “**Fund**”) will be held virtually via live audio webcast available online using <https://virtual-meetings.tsxtrust.com/1544> on August 4, 2023 at 1:00 p.m. (Toronto time) for the following purposes:

1. **TO CONSIDER** and if deemed advisable, pass a special resolution (the “**Transaction Resolution**”) in the form attached as Appendix “H” to the accompanying management information circular dated June 30, 2023 (the “**Circular**”), approving certain matters, including:
 - (i) the acquisition by the Fund of three portfolios of properties comprising 20 properties (the “**Acquisition Properties**”) comprising approximately 3,300 multi-family suites and 119,000 commercial square feet for approximately \$742 million, to be satisfied by a combination of (in each case assuming a closing date of August 9, 2023): (A) the assumption of approximately \$339.1 million aggregate principal amount of existing mortgage debt relating to the Acquisition Properties; (B) the assumption of approximately \$40 million in credit facilities relating to the portfolio of properties (the “**Galaxy Portfolio**”) to be purchased from Galaxy Value Add Properties LP (the “**Galaxy Vendor**”), which will become part of the Fund’s existing syndicated credit facility and merge with its Tranche A-1 Facility; (C) the issuance of up to approximately 13.15 million Class C Units at an issue price of \$15.06 per Class C Unit (the “**Transaction Issue Price**”) to the Galaxy Vendor; (D) the issuance of (I) up to approximately 0.26 million Class C Units at the Transaction Issue Price to TC Core LP, one of the vendors of the portfolio four properties located in Manitoba (the “**Winnipeg Portfolio**”), and (II) approximately 7.21 million Class B redeemable limited partnership units (the “**Redeemable Units**”) of Northview Canadian HY Properties LP (an indirect subsidiary of the Fund) at the Transaction Issue Price, accompanied by the same number of special voting units (the “**Special Voting Units**”) of the Fund to or as directed by certain affiliates of TD Asset Management Inc., one of the vendors of the Winnipeg Portfolio; and (E) the issuance of up to approximately 3.47 million Class C Units to D.D. Acquisitions Partnership, issuable on exchange of Class B limited partnership units (the “**Starlight Consideration Units**”) of a new limited partnership that will beneficially own the portfolio of four properties located in Ontario and Alberta (the “**Starlight Portfolio**”) and become a subsidiary of the Fund (the Starlight Consideration Units will be issued in connection with Transaction at the Transaction Issue Price and will be economically equivalent to and exchangeable for Class C Units), and accompanied by the same number of Special Voting Units, provided that all of the foregoing numbers of units to be issued as consideration are subject to closing adjustments, as described in the accompanying Circular;
 - (ii) amendments to the Fund’s second amended and restated declaration of trust dated February 15, 2022 (the “**Declaration of Trust**”) in order to align the Fund with typical open-ended “real estate investment trusts”, in order to facilitate the acquisition of the Acquisition Properties, including amendments to: (A) change the name of the Fund to “Northview Residential REIT”; (B) allow for the issuance of additional Units by the Fund; (C) concurrently with a subdivision (the “**Subdivision**”) of the existing Class C Units and Class F Units in accordance with their exchange ratios and as permitted by the Declaration of Trust, amend the conversion ratios for the Units such that after the Subdivision the Units will be convertible on a 1:1 basis; (D) create a class of Special Voting Units and provide for their terms; (E) provide for all future distributions to be made proportionately on the basis of the number of Units held; (F) internalize the Fund’s management; and (G) provide for certain other consequential amendments directly relating to the foregoing;

- (iii) the determination of the “carried interest” represented by the existing class B limited partnership units of Northview Canadian HY Holdings LP held by Starlight West LP (the “**Carried Interest Units**”), resulting in such Carried Interest Units becoming exchangeable for an aggregate of approximately 2.82 million Class C Units based on the Transaction Issue Price accompanied by the same number of Special Voting Units (subject to closing adjustments in respect of the acquisition of the Acquisition Properties); and
- (iv) the approval of the issuance of an additional approximately 9.23 million Class A Units, Class C Units and Class F Units of the Fund, in the aggregate, in connection with the Transaction in the event that the numbers of Units, Exchangeable Units and Redeemable Units contemplated in subparagraph (i) are insufficient to complete the Transaction or one or more elements thereof, including to satisfy the redemption/retraction of the Redeemable Units on a redemption/retraction date for such Redeemable Units;

all of the foregoing of which shall constitute the Fund’s Recapitalization Event (as such term is defined in the Declaration of Trust), all as more particularly described or otherwise set forth in the accompanying Circular, as well as all matters relating to the matters contemplated by the Transaction Resolution as described therein or as otherwise agreed to by the Fund in order to carry out the intent of the foregoing and the matters authorized hereby;

2. **TO RECEIVE** the financial statements of the Fund for the year ended December 31, 2022, together with the auditors’ report thereon (the “**Financial Statements**”);
3. **TO ELECT** trustees to the board of trustees of the Fund (the “**Board of Trustees**”) until the next annual meeting of the Fund;
4. **TO RE-APPOINT** KPMG LLP as auditors of the Fund until the next annual meeting of the Fund and to authorize the Board of Trustees to fix their remuneration;
5. **TO CONSIDER** and if deemed advisable, pass an ordinary resolution to authorize and approve the adoption of the Fund’s equity incentive plan; and
6. **TO TRANSACT** such further or other business as may properly come before the Meeting or any postponements or adjournments thereof.

In addition to being passed as a special resolution by at least two-thirds of the votes cast by the Unitholders present virtually or represented by proxy and entitled to vote at the Meeting, voting together as a single class, as required by the Declaration of Trust for a Recapitalization Event, the Transaction Resolution must also be approved by (i) a simple majority of the votes cast by Unitholders present virtually or represented by proxy and entitled to vote at the Meeting, voting together as a single class, other than Unitholders whose votes are required to be excluded for the purposes of “minority approval” under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as the Recapitalization Event constitutes a “related party transaction” for the purposes of MI 61-101, and (ii) a simple majority of the of the votes cast by Unitholders present virtually or represented by proxy and entitled to vote at the Meeting, voting together as a single class, other than Unitholders whose votes are required to be excluded for the purposes of the TSX Company Manual, all as further described in the accompanying Circular.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice of Meeting.

The Meeting will be held in a virtual only format which will be conducted via live audio webcast available online using <https://virtual-meetings.tsxtrust.com/1544>, which will allow registered Unitholders and duly appointed proxyholders to participate, vote and submit questions at the Meeting online, regardless of their geographic location. We hope that hosting a virtual meeting helps enable greater participation by our Unitholders by allowing Unitholders that might not otherwise be able to travel to a physical meeting to attend online. Additional instructions are provided in the accompanying Circular as to how Unitholders and duly appointed proxyholders can attend and vote their Units at the Meeting.

Registered Unitholders and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting online at <https://virtual-meetings.tsxtrust.com/1544>. If you are a registered Unitholder, whether or not you plan to attend the Meeting, you are requested to complete, sign, date and return to TSX Trust Company, the transfer agent and registrar of the Units, the enclosed form of proxy. **To be valid, proxies must be deposited with TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1 or over the internet at www.voteproxyonline.com no later than 1:00 p.m. (Toronto time) on August 2, 2023 being the second last business day preceding the date of the Meeting, and any instruments appointing proxies to be used at any adjournment or postponement of the Meeting must be so deposited at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for such adjournment or postponement of the Meeting. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.**

If you are a non-registered Unitholder (for example, if you hold your Units in an account with a broker, dealer or other intermediary), whether or not you plan to attend the Meeting, you should complete and send the form of proxy or voting instruction form, as applicable, in accordance with the instructions provided by your broker or intermediary. These instructions include the additional step of registering proxyholders with TSX Trust Company, the transfer agent and registrar of the Units, after submitting your form of proxy or voting instruction form. Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving a “Control Number” or username to participate in the Meeting and only being able to attend as a guest. Non-registered Unitholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but will not be able to vote or submit questions at the Meeting. Please refer to the voting instructions provided in the “Proxy Voting Information for Non-Registered Holders” section of the accompanying Circular and call your broker, dealer or other intermediary for information on how you can vote your Units.

If you have any questions or require more information with regard to the procedures for voting or completing your form of proxy, please contact TSX Trust Company toll free at 1-866-600-5869 or by email at tsxtis@tmx.com.

The Board of Trustees has fixed June 30, 2023 as the record date for the determination of Unitholders entitled to receive notice of and vote at the Meeting. Any Unitholder that has acquired Units after the record date will not be entitled to receive notice of or vote those Units at the Meeting.

DATED at Toronto, Ontario this 30th day of June, 2023

“Todd R. Cook”

Todd R. Cook
Chief Executive Officer
Northview Fund

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MANAGEMENT INFORMATION CIRCULAR

Introduction

This management information circular dated June 30, 2023 (the “**Circular**”) is furnished in connection with the solicitation of proxies by or on behalf of management of Northview Fund (“**Northview**” or the “**Fund**”) for use at the annual and special meeting (the “**Meeting**”) of holders (“**Unitholders**”) of class A trust units (“**Class A Units**”), class C trust units (“**Class C Units**”) and class F trust units (“**Class F Units**” and together with the class A Units and Class C Units, “**Units**”) to be held on August 4, 2023 commencing at 1:00 p.m. (Toronto time), and at all postponements or adjournments thereof, for the purposes set forth in the accompanying notice of the Meeting (the “**Notice of Meeting**”).

Capitalized words and terms used in this Circular but not otherwise defined have the meanings set forth under the heading “Glossary of Terms”. Information contained in this Circular is given as of June 30, 2023, except where otherwise noted. No person has been authorized to give any information or to make any representation in connection with the Transaction and other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Fund.

Information contained in this Circular should not be construed as legal, tax or financial advice and Unitholders are urged to consult their own professional advisors in connection therewith.

Descriptions in this Circular of the terms of the Purchase Agreements, the Fairness Opinion, the Valuation, the Declaration of Trust and the Equity Incentive Plan and other similar documents, are summaries of those documents. Unitholders should refer to the full texts of the Purchase Agreements available on the Fund’s SEDAR profile www.sedar.com and to the full text of each of the Fairness Opinion, the Valuation, the comparison of the proposed amended and restated Declaration of Trust against the current Declaration of Trust and the Equity Incentive Plan attached to this Circular as Appendices I, J, K and L, respectively. You are urged to carefully read the full text of these documents.

Cautionary Statement Regarding Forward-Looking Information

Except for statements of historical fact, certain information contained herein constitutes forward-looking information within the meaning of applicable securities laws. Statements that reflect Fund’s objectives, plans, goals, and strategies are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future results expressed, projected, or implied by such forward-looking information. Forward-looking information includes, but is not limited to, statements concerning the Transaction referred to in this Circular, and timing thereof or expected impacts therefrom, the Acquisitions and the benefits thereof including the Fund’s financial stability, liquidity, ability to grow and deleverage and strengthen its balance sheet, the satisfaction of the conditions precedent for each of the Purchase Agreements, the anticipated approval of the Transaction Resolution and the Equity Incentive Plan Resolution by Unitholders, the receipt of any required regulatory approvals and consents (including final approval of the TSX); expected timing for the closing of the Transaction, the tax treatment of the Transaction, the expected continued institutional ownership in the Fund and the benefits thereof, the continuity of the Fund’s management team, the ability of the Fund to secure financing and assume mortgages, the Fund’s name change, future distributions by the Fund, the future outlook for the Acquisition Properties as set out in the management’s discussion and analysis (“**MD&A**”) for the Acquisition Properties included herein, and the benefits of the Transaction to Unitholders generally. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “may”, “might”, “will”, “could”, “should”, “would”, “occur”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “budget”, “forecast”, “predict”, “potential”, “starting”, “beginning”, “begun”, “moving”, “continue”, “likely”, “schedule”, or the negative thereof or other similar expressions concerning matters that are not historical facts. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. These cautionary statements qualify all of the statements and information contained in this Circular incorporating forward-looking information. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Fund to be materially different from those expressed or implied by such forward-looking information, including, but not limited to, the risks identified in the Fund’s MD&A for the three months ended March 31, 2023 and 2022 and the Fund’s MD&A for the years ended December 31, 2022 and December 31, 2021, general economic conditions; the availability of a new competitive supply of real estate which may become available through construction; the Fund’s ability to maintain

distributions at their current level; the Fund's ability to maintain occupancy and the timely lease or re-lease of multi-residential suites, executives, and commercial space at current market rates; compliance with financial covenants and negotiations on the credit facility; tenant defaults; changes in interest rates, which continue to be volatile and have trended upward since the Fund's formation in 2020; changes in inflation rates, including increased expenses as a result thereof; the Fund's qualification as a real estate investment trust; risks associated with any recapitalization event, including the Transaction, including the ability to complete such transaction on terms satisfactory to the Board by the Target Recapitalization Date (as defined in the Declaration of Trust), if at all, or that Unitholders will approve such recapitalization event; risks related to the fees, costs and expenses of the Transaction not being recoverable, changes in operating costs; governmental regulations and taxation; fluctuations in commodity prices; the availability of financing; and other risks described in the Fund's current AIF posted under its profile on SEDAR at www.sedar.com. Although members of management of the Fund have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that could cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Except as specifically required by applicable Canadian law, the Fund assumes no obligation to update or revise publicly any forward-looking information to reflect new events or circumstances.

Presentation of Consideration Units

In this Circular, the number of Starlight Consideration Units, Class C Units issuable to each of the Galaxy Vendor and the TC Core Vendor, Redeemable Units and Special Voting Units issuable to the Vendors and the number of Carried Interest Units to be issued to CILP on completion of the Transaction, are presented on a pre-Consolidation (as defined below) basis, unless otherwise specified. The figures presented for the Class C Units, Redeemable Units and Starlight Consideration Units on a pre-Consolidation basis are also subject to closing adjustments. In addition, all Unit totals and percentages of post-closing ownership assume a closing date for the Transaction of August 9, 2023. See "Financing for the Transaction – Closing Adjustments to Units, Exchangeable Units, Redeemable Units and Special Voting Units".

Non-GAAP Financial Measures

In this Circular, the Fund uses certain financial measures that do not have a standardized meaning prescribed by GAAP and are not necessarily comparable to similar measures presented by other publicly traded entities. Northview uses such non-GAAP measures, including certain real estate industry metrics, to measure, compare and explain the operating results and financial performance of the Fund. These measures are commonly used by entities in the real estate industry as useful metrics for measuring performance. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS. See "Non-GAAP and Other Financial Measures" in the MD&A for the period ended March 31, 2023, for further disclosure concerning non-GAAP measures used by the Fund, including reconciliations to the most directly comparable GAAP financial measures, where applicable.

Non-GAAP Financial Measures

Funds from operations ("FFO"): FFO does not have any standardized meanings prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. FFO measures operating performance and is calculated in accordance with the REALPAC definition as set out in the REALPAC Guidance but may differ from other issuers' methods of calculating FFO and, accordingly, may not be comparable to FFO reported by other issuers. FFO is calculated by adjusting net and comprehensive income (loss) for depreciation of property, plant and equipment excluding depreciation of assets that are not uniquely significant to the real estate industry items (for example, depreciation related to computer and auto assets), gain on disposition of property, plant and equipment, and fair value loss (gain) on investment properties. Management considers FFO a useful measure of operating performance. The most comparable GAAP measure to FFO is net and comprehensive income (loss).

Capital Management Measures

Debt to Gross Book Value: Debt to Gross Book Value is defined under the Declaration of Trust (as defined herein) as a percentage measure calculated as “Debt” divided by “Gross Book Value”. Debt consists of borrowings on the credit facility and mortgages payable less cash and cash equivalents. Gross book value consists of the carrying value of investment properties and gross property, plant and equipment, plus a portfolio premium. Management considers it a useful measure to evaluate leverage.

Currency

All dollar amounts set forth in this Circular are in Canadian dollars, except where otherwise indicated.

PROXY SOLICITATION AND VOTING

Record Date

The Board has fixed June 30, 2023 as the record date (the “**Record Date**”). Unitholders of record at the close of business on that date will be entitled to receive notice of and vote at the Meeting. Accordingly, any Unitholder that has acquired Units after the Record Date will not be entitled to receive notice of or vote those Units at the Meeting.

Voting Securities

The Units are the only outstanding securities of the Fund that entitle holders to vote at meetings of Unitholders. Each Unit outstanding on the Record Date is entitled to one vote, with all Units voting together as a single class. Instructions on how registered and non-registered Unitholders may vote their Units are provided below under the headings “Voting Information for Registered Holders” and “Voting Information for Non-Registered Holders”.

Solicitation of Proxies

The solicitation of proxies for the Meeting will be made primarily by mail, but proxies may also be solicited personally, in writing or by telephone by representatives of the Fund without special compensation. The Fund may also engage a third party to provide proxy solicitation services on behalf of management in connection with the solicitation of proxies for the Meeting. The Fund will bear the cost in respect of the solicitation of proxies for the Meeting and will bear the legal, printing and other costs associated with the preparation of this Circular. The Fund will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”). The Fund is sending the proxy-related materials directly to “NOBOs” (as defined herein), through the services of its transfer agent and registrar, TSX Trust Company (the “**Transfer Agent**”). These costs are expected to be nominal.

Quorum

The quorum at the Meeting or any adjournment or postponement thereof (other than at an adjournment or postponement for lack of quorum) will be persons present in person or represented by proxy, not being less than two in number, representing in aggregate not less than 10% of the total outstanding number of Units on the Record Date.

ATTENDING THE MEETING

Virtual Only Format

The Meeting will be held in a virtual only format which will be conducted via live audio webcast available online. The format of the virtual meeting has been designed so that Unitholders have opportunities to vote and participate, substantially similar to those they would have at a physical meeting, remotely from any location around the world. The virtual format is also a more cost-efficient and environmentally friendly arrangement, and increases attendance and participation in important business decisions. The online format permits questions to be submitted by registered

and duly appointed Unitholders ahead of time, which produces a better platform for the Q&A session because questions can be considered in advance and addressed more fully.

A summary of the information Unitholders will need to attend the online Meeting is provided below. The Meeting will begin at 1:00 p.m. on August 4, 2023, and can be accessed online at <https://virtual-meetings.tsxtrust.com/1544>. Registered Unitholders and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting. Non-registered Unitholders (“**Beneficial Holders**”) who have not duly appointed themselves as proxyholder will be able to attend the Meeting, but can only attend as a guest and will not be able to vote or submit questions at the Meeting.

Please refer to the virtual meeting guide for instructions regarding the registration and participation of Unitholders at the Meeting, including a list of compatible web browsers and contact information for technical support. This guide was enclosed with the materials mailed to Unitholders and is also available under the Fund’s SEDAR profile at www.sedar.com.

It is recommended that Unitholders and proxyholders submit their questions and comments on any formal matters to be considered during the Meeting as soon as possible after joining the Meeting so they can be addressed at the right time. Submission may be made in writing by using the relevant dialog box in the function “Ask a question” during the Meeting. Only registered Unitholders and duly appointed and registered proxyholders may make submissions during the Meeting.

The Chair of the Meeting or members of management present at the Meeting will respond to submissions relating to a matter to be voted on before a vote is held on such matter, if applicable. General questions will be addressed by the Chair of the Meeting and other members of management following the end of the Meeting during the question period.

So that as many submissions as possible are addressed, Unitholders and proxyholders are asked to be brief and concise and to cover only one topic per submission. Submissions from multiple Unitholders on the same topic or that are otherwise related will be grouped, summarized and addressed together.

All Unitholder submissions are welcome. However, the Fund does not intend to address submissions that:

- are irrelevant to the Fund, its operations or to the business of the Meeting;
- are related to non-public information;
- are derogatory or otherwise offensive;
- are repetitive or have already been asked by other Unitholders;
- are in furtherance of a Unitholder’s personal or business interests; or
- are out of order or not otherwise appropriate as determined by the Chair or Secretary of the Meeting in their reasonable judgment.

For any submissions made but not addressed during the question period following the end of the Meeting, a member of the Fund’s management will attempt to contact such Unitholder to respond to the submission to the extent the Unitholder has provided an email address within their submission. Unitholders may also contact the Fund at investorrelations@northviewfund.com.

In the event of a technical malfunction or other significant problem that disrupts the Meeting, the Chair of the Meeting may adjourn, recess, or expedite the Meeting, or take such other action as the Chair of the Meeting determines is appropriate considering the circumstances.

Participation by Registered Unitholders and Duly Appointed Proxyholders

Registered Unitholders that have a 12-digit control number located on their Form of Proxy (as defined below), along with duly appointed proxyholders who were assigned a username by the Transfer Agent (see “Registering a Proxyholder” below), will be able to vote and submit questions during the Meeting. To do so, please go to <https://virtual-meetings.tsxtrust.com/1544> at least 15 minutes prior to the start of the Meeting to login. Click on “I have a control number” and enter your 12-digit control number or username along with the password “northview2023” (case sensitive).

If a Unitholder who has submitted a proxy attends the Meeting via webcast, any votes cast by such Unitholder on a ballot will be counted and the submitted Form of Proxy will be revoked and disregarded.

It is important that registered Unitholders and duly appointed proxyholders eligible to vote at the Meeting are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is the responsibility of each registered Unitholder and duly appointed proxyholder to ensure connectivity for the duration of the Meeting.

Participation by Non-Registered Holders

Beneficial Holders who have not appointed themselves as proxyholder to vote at the Meeting but who wish to attend the Meeting virtually will only be able to attend as a guest by going to <https://virtual-meetings.tsxtrust.com/1544> at least 15 minutes prior to the start of the Meeting, clicking on “I am a guest”. Such Beneficial Holders will be able to listen to the Meeting but will not be able to vote or submit questions.

VOTING INFORMATION FOR REGISTERED HOLDERS

A registered Unitholder (that is, a person who holds Units in his, her or its own name as of the Record Date) may vote at the Meeting or may appoint another person as proxyholder in accordance with the instructions below. Registered Unitholders are requested to vote their Units in advance of the proxy voting deadline of 1:00 p.m. (Toronto time) on August 2, 2023 or if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to such adjourned or postponed Meeting, whether or not they plan to virtually attend the Meeting. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

Registered Unitholders may vote their Units in two ways:

- Vote by proxy; or
- Attend the Meeting and vote online.

Voting by Proxy

Together with this Circular, registered Unitholders will also be sent a form of proxy (a “**Form of Proxy**”). To be valid, proxies or instructions must be deposited at the offices of TSX Trust Company at 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, so as not to arrive later than 1:00 p.m. (Toronto time) on August 2, 2023. If the Meeting is postponed or adjourned, proxies or instructions to the Transfer Agent must be deposited 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy or instructions are to be used. You may also vote online by going to www.voteproxyonline, entering your 12-digit control number and providing your voting instructions.

The persons named in such Form of Proxy are officers of the Fund. **A Unitholder who wishes to appoint some other person to represent him, her or it at the Meeting may do so by inserting another person’s name in the blank space provided in the Form of Proxy or by completing another proper form of proxy. Such other person need not be a Unitholder of the Fund.** Registered Unitholders who wish to appoint a third-party proxyholder to represent them at the Meeting must submit their Form of Proxy and follow the instructions set out under “Registering a Proxyholder” in order to register such proxyholder with the Transfer Agent in advance of the Meeting. Registering your proxyholder is an additional step to be completed AFTER you have submitted your Form of Proxy. Failure to register the proxyholder will result in the proxyholder not receiving a control number or username that is required to participate in and vote at the Meeting.

The Form of Proxy (or any other document appointing a proxy) must be in writing and completed and signed by a Unitholder or his or her attorney authorized in writing or, if the Unitholder is a corporation, by an officer or attorney thereof duly authorized. Persons signing as officers, attorneys, executors, administrators and trustees or similarly otherwise should so indicate and provide satisfactory evidence of such authority.

Revocation of Proxy

A Unitholder that has given a proxy may revoke the proxy or revoke or amend the voting instructions given to the proxyholder: (a) by completing and signing a proxy bearing a later date and depositing it as aforesaid; (b) by depositing an instrument in writing executed by the Unitholder or by his or her attorney authorized in writing confirming the revocation of the previously submitted proxy: (i) by email to Mr. Karl Bomhof, Vice President, General Counsel and Human Resources at investorrelations@northviewfund.com at any time up to and including the last business day preceding the day of the applicable Meeting, or any postponement or adjournment thereof, at which the proxy is to be used, or (ii) with the Chair of the Meeting prior to the commencement of such Meeting on the day of such Meeting or any postponement or adjournment thereof; or (c) in any other manner permitted by law.

If a Unitholder who has submitted a proxy attends the Meeting via webcast, any votes cast by such Unitholder on a ballot will be counted and the submitted Form of Proxy will be revoked and disregarded.

Voting at the Meeting

A registered Unitholder that wishes to vote his, her or its Units personally at the Meeting does not need to complete and return the Form of Proxy. To vote online during the Meeting:

- Log in at <https://virtual-meetings.tsxtrust.com/1544> at least 15 minutes before the Meeting starts;
- Click on “I have a control number”;
- Enter your 12-digit control number or username;
- Enter the password: “northview2023” (case sensitive); and
- Vote.

If you attend the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to log in to the Meeting online and complete the related procedures. The votes of registered Unitholders who elect to vote at the Meeting will be taken and counted at the Meeting.

VOTING INFORMATION FOR BENEFICIAL UNITHOLDERS

Information set forth in this section is very important to persons who hold Units otherwise than in their own names. A Beneficial Holder who beneficially owns Units, but such Units are registered in the name of an intermediary (such as a securities broker, financial institution, trustee, custodian or other nominee who holds securities on behalf of the Beneficial Holder or in the name of a clearing agency in which the intermediary is a participant) should note that only proxies or instructions deposited by securityholders whose names are on the records of the Fund as the registered holders of Units can be recognized and acted upon at the Meeting.

Units that are listed in an account statement provided to a Beneficial Holder by a broker are likely not registered in the Beneficial Holder’s own name on the records of the Fund and such Units are more likely registered in the name of CDS or its nominee.

Beneficial Holders may vote their Units in two ways:

- Vote by proxy; or
- Attend the Meeting and vote online.

Voting by Proxy

There are two kinds of Beneficial Holders – those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called “**NOBOs**” for Non-Objecting Beneficial Owners).

The Fund is relying upon the provisions of NI 54-101 that permit it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“VIF”) from the Transfer Agent. The VIF is to be completed and returned to TSX Trust Company as set out in the instructions provided on the VIF. TSX Trust Company will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Units represented by the VIFs they receive.

The proxy-related materials are being sent to both registered Unitholders and Beneficial Holders. If you are a Beneficial Holder, and the Fund or its agent has sent these materials directly to you, your name, address and information about your holdings of Units, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding Units on your behalf. By choosing to send these materials to you directly, the Fund (and not the intermediary holding Units on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

Beneficial Holders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Units are voted at the Meeting. The Fund has elected to pay for intermediaries to distribute these materials to Beneficial Holders who are OBOs under NI 54-101.

Applicable regulatory policy in Canada requires brokers and other intermediaries to seek voting instructions from Beneficial Holders in advance of securityholders’ meetings. Every broker or other intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Holders in order to ensure that their Units are voted at the Meeting. Often, the VIF supplied to a Beneficial Holder by its broker is identical to that provided to registered securityholders. However, its purpose is limited to instructing the registered securityholder how to vote on behalf of the Beneficial Holder. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically prepares a machine-readable VIF, mails those forms to the Beneficial Holders and asks Beneficial Holders to return the VIF to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions representing the voting of the securities to be represented at the Meeting. The VIF must be returned to Broadridge (or other intermediary) well in advance of the Meeting in order to have the Units voted. **A Beneficial Holder receiving a VIF cannot use that VIF to vote Units directly at the Meeting.** You may also vote using the following methods:

- Online – Go to www.proxyvote.com, enter your 16-digit control number and provide your voting instructions.
- Telephone – Call the toll-free number listed on your voting instruction form from a touch tone phone and follow the automatic voice recording instructions to vote. You will need your 16-digit control number to vote.

Revocation of Proxy

Each broker or intermediary has its own procedures for revoking a proxy or voting instructions. Accordingly, a Beneficial Holder that wishes to revoke his, her or its proxy or voting instructions should contact such broker or intermediary directly well in advance of the Meeting.

Voting at the Meeting

Although Beneficial Holders may not be recognized directly at the Meeting for the purposes of voting Units registered in the name of CDS or their broker or other intermediary, a Beneficial Holder may virtually attend the Meeting as proxyholder for the registered holder and vote their Units in that capacity. **Beneficial Holders who wish to virtually attend the Meeting and vote their own Units as proxyholder for the registered holder should enter their own names in the blank space on the VIF provided to them and return the same to their broker, intermediary or agent in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting and follow the instructions set out under “Registering a Proxyholder” for registering themselves as a proxyholder with the Transfer Agent in advance of the Meeting.** Registering your proxyholder is an additional step to be completed AFTER you have submitted your Form of Proxy. Failure to register the proxyholder will result in the proxyholder not receiving a control number or username that is required to participate in and vote at the Meeting.

Beneficial Holders who have appointed themselves as proxyholders and received a control number or username to join the Meeting, must follow the steps outlined below:

- Log in at <https://virtual-meetings.tsxtrust.com/1544> at least 15 minutes before the Meeting starts;
- Click on “I have a control number”;
- Enter your 12-digit control number or username;
- Enter the password: “northview2023” (case sensitive); and
- Vote.

If you have appointed yourself as a proxyholder to vote your Units at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to log in to the Meeting online and complete the related procedures.

Delivery of Proxy-Related Materials to Objecting Beneficial Holders

The Fund intends to pay for intermediaries to deliver proxy-related materials and Form 54-101F7 – *Request for Voting Instructions* to “objecting beneficial owners” in accordance with NI 54-101.

REGISTERING A PROXYHOLDER

Unitholders who wish to appoint a third-party proxyholder to represent them at the Meeting, including Beneficial Holders who wish to appoint themselves as proxyholder to attend and vote at the Meeting, must submit their Form of Proxy or VIF, as applicable, prior to registering a proxyholder. Registering a proxyholder is an additional step Unitholders will need to complete after submitting a Form of Proxy or VIF. Failure to register a proxyholder will result in the proxyholder not receiving a control number or username to participate in the Meeting. To register a proxyholder, Unitholders must complete the form to request a control number found at the following website: <https://tsxtrust.com/resource/en/75> and return the form according to the instructions included on the form via email to: TSXTrustProxyVoting@tmx.com **not later than 1:00 p.m. (Toronto time) on August 2, 2023 or if the Meeting is adjourned or postponed, not less 48 hours, excluding Saturdays, Sundays and holidays, prior to such adjourned or postponed Meeting**, and provide the Transfer Agent with their proxyholder’s contact information so that the Transfer Agent may provide the proxyholder with a control number or username via email. Without a control number or username, proxyholders will not be able to participate online at the Meeting.

VOTING OF UNITS

The Units represented by proxies will be voted or withheld from voting in accordance with the instructions of the Unitholder on any ballot that may be called for and, if the Unitholder specifies a choice with respect to any matter to be acted upon at the Meeting, Units represented by properly executed proxies will be voted or withheld from voting accordingly. **In the absence of such specification, such Units represented by the proxyholders specified by management of the Fund in the Form of Proxy will be voted at the Meeting as follows:**

- **IN FAVOUR of the Transaction Resolution;**
- **IN FAVOUR of the election of the six nominees specified in this Circular to the Board of Trustees;**
- **IN FAVOUR of the re-appointment of KPMG LLP, as auditors of the Fund and to authorize the Board of Trustees to fix their remuneration; and**
- **IN FAVOUR of the Equity Incentive Plan Resolution**

For more information on the Transaction Resolution, please see the sections entitled “The Transaction” and “Transaction Resolution” in this Circular. For more information on the other matters of business, please see the section entitled “Annual and Other Special Business to be Acted Upon at the Meeting”.

The persons appointed under the Form of Proxy or VIF provided by a broker or intermediary have discretionary authority with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting or any postponement or adjustment. At the time of printing this Circular, management and the trustees (the “Trustees”) of the Fund are not aware of any such amendments, variations or other matters to be presented for action at the Meeting. If any other matter should properly be presented at the Meeting or any postponement or adjustment, a proxyholder will have the discretion to vote the Units represented by such proxy in accordance with his or her best judgment.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Fund is authorized to issue an unlimited number of Units of each class. As of the Record Date and the date of this Circular, there were 6,261,556 Class A Units, 24,408,338 Class C Units and 3,774,887 Class F Units outstanding. At the Meeting, each Unitholder of record at the close of business on June 30, 2023, the Record Date for the Meeting, will be entitled to one vote for each Unit held on all matters proposed to come before the Meeting.

To the knowledge of the Trustees and executive officers of the Fund, except as set forth below, there are no persons that beneficially own or exercise control or direction, directly or indirectly, over Units of a class carrying 10% or more of the votes attached to the issued and outstanding Units of such class.

According to an alternative monthly report dated December 10, 2020, filed under the Fund’s profile on SEDAR at www.sedar.com, Hazelview Securities Inc., as investment fund manager on behalf of investment funds managed by Hazelview Securities Inc. held, as of November 2, 2020, 2,800,000 Class C Units, representing approximately 11.5% of the issued and outstanding Class C Units and 8.1% of all Units as at the Record Date.

Pursuant to a voting and support agreement dated June 12, 2023 and filed under the Fund’s profile on SEDAR at www.sedar.com, AIMCo Realty held, as of June 12, 2023, 3,207,935 Class C Units, representing approximately 13.1% of the issued and outstanding Class C Units and 9.3% of all Units as at the Record Date.

As of the Record Date and the date of this Circular, D.D. Galaxy High Yield Debt LP, a limited partnership controlled by Mr. Daniel Drimmer, holds 9,623,805 Class C Units, representing approximately 39.4% of the issued and outstanding Class C Units and 27.9% of all Units as at the Record Date. Mr. Drimmer also, through certain affiliates, owns or controls an additional 494,289 Class A Units, representing approximately 7.9% of the issued and outstanding Class A Units and, together with Mr. Drimmer’s Class C Units, 29.4% of all Units as at the Record Date.

As of the Record Date and the date of this Circular, KingSett holds an aggregate of 6,415,870 Class C Units, representing approximately 26.3% of the issued and outstanding Class C Units and 18.6% of all Units as at the Record Date.

See “Annual and Other Special Business to be Acted Upon at the Meeting – Current Starlight Nomination Right” and “Annual and Other Special Business to be Acted Upon at the Meeting – Current KingSett Nomination Right” for a description of the nomination rights provided to Starlight Group and KingSett, respectively.

THE TRANSACTION

Background to the Transaction

In May 2022, the Board commenced the process of advancing a Recapitalization Event as contemplated in the Declaration of Trust. The Board directed members of management to pursue and prepare a work plan and budget in support thereof. On May 2, 2022, CIBC World Markets Inc. (“CIBC”) began to provide financial advice to the Fund and the Board, to assist the Board in evaluating a Recapitalization Event.

From June 2022 to November 2022, the Board, with assistance from members of management, the Manager and its financial advisor CIBC, discussed and explored different iterations of transactions which could represent the Recapitalization Event or an Alternative Liquidity Event. Members of management, with the advice of counsel to the Fund, continued to develop and refine a work plan and budget. Members of management and Blake, Cassels & Graydon LLP, as counsel to the Fund, also began to prepare ancillary supporting documentation and a presentation in

support of the ongoing discussions among all interested parties and provided periodic updates to the Board and the independent Trustees of the Fund regarding a potential Recapitalization Event or an Alternative Liquidity Event.

At the quarterly meeting of the Board held on November 10, 2022, the Board received information from CIBC on the feasibility of undertaking a successful capital markets transaction in the current market conditions and from members of management on the Recapitalization Event workplan.

At a meeting of the Board on December 1, 2022, the Board determined to focus its pursuit of a Recapitalization Event on a transaction which would not require access to the capital markets, in light of the economic environment and state of the capital markets at such time, particularly in the real estate sector. CIBC presented to the Board on the state of the capital markets, the potential Recapitalization Events available to the Fund and potential portfolios for acquisition by the Fund. As the parameters of a potential transaction began to take shape, the Board concluded it was in the best interests of the Fund to establish a Special Committee of independent Trustees to oversee the process and any potential transaction.

On January 4, 2023, the Board formed the Special Committee of independent Trustees of the Fund, comprised of Harry Rosenbaum (Chair), Kelly Smith and Lawrence D. Wilder, to consider the potential transactions including the potential acquisition of properties that would ultimately be included in the Acquisition Properties, and potential alternatives thereto, including other Recapitalization Events or Alternative Liquidity Events.

During the period from January 2023 to June 2023, the Special Committee met with legal and financial advisors to the Fund, including independent legal counsel and the independent financial advisor retained by the Special Committee on a number of occasions to discuss the status of the proposed Transaction, review the terms of the draft Purchase Agreements and documents related to the Transaction, and to consider the various risks associated with the Transaction and potential alternatives thereto. Members of management of the Fund also engaged with the Special Committee regularly during this period to update and further discuss the Transaction and the proposed terms. The below is a summary of the meetings of the Special Committee wherein material discussions and decisions were made and is not intended to be an exhaustive list of the formal and informal meetings convened by the Special Committee, nor of the discussions that took place thereat.

On January 23, 2023, members of management presented to the Special Committee a proposed non-binding letter of intent for the acquisition of certain properties from the Galaxy Vendor, including properties ultimately forming part of the Galaxy Portfolio. Members of management, with the advice of counsel to the Fund, determined that a transaction with the Galaxy Vendor would constitute a “related party transaction” and would also be subject to the formal valuation requirements of MI 61-101 and advised the Special Committee of that determination. The Special Committee then discussed the engagement of independent legal counsel and financial advisors to the Special Committee to assist with the evaluation of the Galaxy Portfolio, the negotiation of the letter of intent with the Galaxy Vendor and matters relating to other anticipated letters of intent pertaining to other property portfolios. On January 31, 2023, the Fund entered into a non-binding letter of intent with the Galaxy Vendor with respect to the acquisition of such properties.

On January 31, 2023, management of the Fund delivered a non-binding letter of intent for the acquisition of certain properties from the Winnipeg Vendors, which included properties that did not ultimately form part of the Winnipeg Portfolio.

On February 3, 2023, the Special Committee met with Wildeboer Dellelce LLP and Origin to formally engage Wildeboer Dellelce LLP as independent legal counsel to the Special Committee and Origin as the independent financial advisor to the Special Committee. The Special Committee also reviewed and considered its formal mandate, as well as its expectations with respect to the requirements to obtain a formal valuation of properties to be acquired from related parties to the Fund.

Subsequent to February 3, 2023, members of management continued to perform due diligence on the Galaxy Portfolio, and continued to consider the acquisition of properties from the Winnipeg Vendors, by way of non-binding letters of intent. The Fund and its legal and financial advisors provided periodic updates to the Special Committee and its advisors with respect to developments regarding potential transactions. Between March 24, 2023 and June 12, 2023,

members of management of the Fund and the Winnipeg Vendors began to negotiate the Winnipeg Purchase Agreement.

In April 2023, CIBC provided management with a proposal for a purchase of a portfolio of properties from the Starlight Vendor. With the advice of counsel to the Fund, management of the Fund determined that a transaction with the Starlight Vendor would constitute a “related party transaction” and would also be subject to the formal valuation requirements of MI 61-101 and advised the Special Committee of that determination. It was determined that continuing to evaluate the purchase of a portfolio of properties from the Starlight Vendor was desirable, including due to the need for the Fund to further deleverage its portfolio and in light of the reduction to the number of properties that the Fund was negotiating to acquire from the Winnipeg Vendors.

Between February 28, 2023, and June 12, 2023, counsel to the Fund, with input from the Special Committee’s counsel, negotiated the Purchase Agreements in respect of the Galaxy Portfolio. Between April 13, 2023, and June 12, 2023, counsel to the Fund, with input from the Special Committee’s counsel, negotiated the Starlight Purchase Agreement.

On April 27, 2023, the independent Trustees of the Board met with Origin to discuss, among other things, the procedures to be implemented by Origin in connection with the preparation of its Valuation in respect of the Galaxy Portfolio and the Starlight Portfolio, and the Fairness Opinion in connection with the Transaction. Additionally, the Special Committee further considered and discussed potential or perceived conflicts of interest in connection with the Transaction.

On May 10, 2023, the Special Committee formally met, with members of management of the Fund and the legal and financial advisors to the Special Committee and the Fund in attendance, to discuss the status of ongoing due diligence with respect to the Galaxy Portfolio, the Winnipeg Portfolio and the Starlight Portfolio, and updates related to the Purchase Agreements and structure of the Winnipeg Transaction.

On May 18, 2023, the Special Committee met with members of management of the Fund and Origin, with the Special Committee’s legal counsel in attendance, to receive an update on the status of the Transaction. At the request of the Special Committee, members of management of the Fund provided the Special Committee with a summary of all material related party payments expected to be made in connection with the Transaction, including the Carried Interest.

On May 23, 2023, the Special Committee convened, with its legal advisor and CIBC in attendance, for the purpose of discussing the Fund’s monthly distribution to Unitholders and the impact of distributions on the Transaction generally.

On June 7, 2023, the Special Committee convened with its legal advisor to discuss, among other things, certain revisions to the draft Winnipeg Purchase Agreement to reflect the revised structure of the acquisition of the Winnipeg Portfolio related to the issuance of the Redeemable Units as partial consideration for the Winnipeg Portfolio and the risks associated therewith.

On June 8, 2023, the Special Committee convened, with members of management of the Fund and the legal and financial advisors to the Special Committee and the Fund in attendance, for the purpose of considering the revised structure of the Winnipeg Transaction and the Redeemable Units, as well as the risks associated therewith. CIBC presented its financial analysis of the Redeemable Units in respect of potential dilution to Unitholders as a result of the terms of the Redeemable Units and the impact on the calculation of the Carried Interest.

On June 12, 2023, the Special Committee met to review and consider the Transaction, with, among others, representatives of members of management of the Fund and the legal and financial advisors to the Special Committee and the Fund. Members of management of the Fund delivered a presentation summarizing the assets comprising the Galaxy Portfolio, Starlight Portfolio and Winnipeg Portfolio, and highlighting the benefits and potential risks of the Transaction. CIBC provided an update and comprehensive presentation of its financial analysis with respect to the Transaction. The Fund’s legal counsel provided a comprehensive presentation summarizing the terms of the Purchase Agreements and other transaction documents. Origin delivered a presentation regarding its Valuation of the Galaxy Portfolio and the Starlight Portfolio and orally delivered to the Special Committee its opinion (later confirmed by delivery of a written opinion) as to the fairness of the Transaction, from a financial point of view, to Unitholders of the Fund, other than the Interested Unitholders. The Special Committee further reviewed and considered the proposed

Transaction, including considering the interests of the Fund, the Unitholders and the Fund's other stakeholders. The Special Committee, having received the Fairness Opinion and Valuation and having received legal and financial advice, unanimously determined: (i) that the Transaction is in the best interests of the Fund and fair to the Unitholders (other than Interested Unitholders); and (ii) to recommend that the Board (a) approve the Transaction; (b) approve the entering into of the Purchase Agreements and other transaction documents in connection with the Transaction; and (c) recommend that Unitholders (other than Interested Unitholders) vote in favour of the Transaction Resolution.

Immediately following the Special Committee meeting, the Board (with Mr. Drimmer and Mr. Kumer each declaring their interests, recusing themselves from the discussion and refraining from voting on the matter) having received the Valuation, legal and financial advice and considering the recommendations of the Special Committee, **unanimously**: (a) determined that the Transaction is in the best interests of the Fund and fair to Unitholders (other than Interested Unitholders); (b) approved the Transaction, entering into the Purchase Agreements and related matters; and (c) determined to recommend that Unitholders vote **IN FAVOUR** of the Transaction Resolution.

The Purchase Agreements and related transaction documents were finalized and executed on the morning of June 12, 2023, following the meeting of the Special Committee and the Board. The Fund issued a news release announcing the Transaction on June 12, 2023.

Recommendation of the Special Committee

The Board constituted the Special Committee of independent Trustees, comprised of Mr. Harry Rosenbaum, Ms. Kelly Smith and Mr. Lawrence D. Wilder on January 4, 2023.

The process which resulted in the Transaction was conducted under the supervision of the Special Committee in accordance with its mandate, which authorized the Special Committee to, among other things: (i) examine, review and evaluate the merits and risks of a Recapitalization Event or Alternative Liquidity Event, which may include the conversion of the Fund into a traditional open-ended real estate investment trust, together with the acquisition of certain additional properties, including certain properties owned by related parties of the Fund and the asset manager (collectively, "**Potential Transactions**"); (ii) consider any alternatives to Potential Transactions as the Special Committee may determine, in its discretion, would be in the best interests of the Fund and reasonably expected to be capable of being completed; (iii) to supervise negotiations on behalf of the Fund of the terms of any Potential Transactions as well as the preparation of any documentation as is required or advisable in connection with Potential Transactions; (iv) consider and provide its recommendations to the Board as to whether Potential Transactions or any alternatives thereto are in the best interests of the Fund and whether such Potential Transactions should, if necessary or appropriate, be recommended for approval by the Unitholders; (v) commission, supervise and approve the preparation of any fairness opinions as may be desired or may be appropriate in the circumstances; (vi) retain, oversee and obtain advice and opinions from such legal counsel and financial and other advisors as the Special Committee deems necessary; and (vii) to do any other such things as the Special Committee may deem necessary or advisable so as to allow the Special Committee to properly perform its responsibilities and the Board to comply with all of its duties and obligations under the Fund's governing documents and applicable laws, including Securities Laws.

The Special Committee, having received the Fairness Opinion and Valuation and having received legal and financial advice, unanimously determined: (i) that the Transaction is in the best interests of the Fund and fair to the Unitholders (other than Interested Unitholders); and (ii) to recommend that the Board (a) approve the Transaction; (b) approve the entering into of the Purchase Agreements and other transaction documents in connection with the Transaction; and (c) recommend that Unitholders (other than Interested Unitholders) vote in favour of the Transaction Resolution.

Recommendation of the Board

The Board (with Mr. Drimmer and Mr. Kumer each declaring their interests, recusing themselves from the discussion and refraining from voting on the matter) having received the Valuation, legal and financial advice and considering the recommendations of the Special Committee, **unanimously**: (a) determined that the Transaction is in the best interests of the Fund and fair to Unitholders (other than Interested Unitholders); (b) approved the Transaction, entering into of the Purchase Agreements and related matters; and (c) determined to recommend that Unitholders vote **IN FAVOUR** of the Transaction Resolution.

Reasons for the Recommendation of the Board and the Special Committee

The Special Committee and the Board have carefully considered all aspects of the Transaction and have received the benefit of advice from their respective financial and legal advisors.

The Special Committee and the Board identified a number of factors set out below as being most relevant to their respective recommendations to the Unitholders to vote in favour of the Transaction Resolution. The Special Committee and the Board did not consider it practical to, and did not attempt to, assign relative weights to the various factors. In addition, the Special Committee and the Board and individual members of the Special Committee and the Board may have given different weight to different factors. The following discussion of the information and factors considered and evaluated by the Special Committee and the Board is not intended to be exhaustive of all factors considered and evaluated by the Special Committee and the Board. The conclusions and recommendations of the Special Committee and the Board were made after considering the totality of the information and factors considered.

- **Strategic Acquisitions:** The Acquisition Properties together comprise over 3,300 multi-family suites and 119,000 commercial square feet. The Transaction will offer investors exposure to new rental markets, supporting the Fund's growth objectives, including increased rental revenue and NOI, while also expecting to provide a strong foundation for future acquisition and development opportunities.
- **Diversified Portfolio of Significant Scale:** Following the Transaction, the Fund will include a portfolio of over 14,600 residential suites (including executives) and 1.25 million commercial square feet located across nine provinces and two territories of Canada. In addition to the exposure to new markets, the Fund will continue to enjoy a significant presence in its traditional northern Canadian markets, including Yellowknife, NT and Iqaluit, NU, which are expected to remain a source of strong, stable returns. The Fund's geographic diversity is also expected to mitigate volatility in performance, while providing Unitholders with meaningful exposure to the continuing recovery that the Fund has seen in its resource-oriented markets.
- **Balance Sheet and Liquidity Strengthening:** The Acquisitions are expected to deleverage and strengthen the Fund's balance sheet, with Debt to Gross Book Value expected to decrease by approximately 500 basis points. In connection with the Transaction, the Fund's existing bank facilities with a current maturity of October 30, 2023, are expected to be extended to December 31, 2024. The weighted average maturity of the Fund's mortgages is expected to increase from 2.6 years to 3.0 years. The Fund is also expected to benefit from an increased proportion of fixed rate debt, rising from approximately 67% to approximately 71%. In addition, the Fund is expected to obtain a new \$60.0 million secured credit facility secured by the Starlight Portfolio and Winnipeg Portfolio, providing further financial flexibility for the Fund.
- **Enhanced Access to Capital and Greater Unitholder Liquidity:** Upon closing of the Transaction, the Fund is expected to have an enterprise value in excess of \$2.7 billion, creating a strong platform from which it will broaden and deepen its access to capital, increase Unitholder liquidity and, over time, lead to a reduction in the Fund's cost of capital. These benefits are anticipated to provide greater financial stability and liquidity, and enhance the Fund's ability to grow. The new structure is also consistent with traditional, open-ended, publicly traded real estate investment trusts, which is expected to attract greater institutional investment and result in enhanced liquidity and marketability.
- **Strong Institutional Alignment:** The Fund will continue to benefit from strong institutional ownership. Each of Starlight Group, KingSett and AIMCo Realty will increase its ownership interest in the Fund by, directly or indirectly, receiving consideration for the Acquisitions primarily consisting of either Class C Units or Exchangeable Units. Additionally, entities managed by TDAM will become a significant investor in the Fund, through the Redeemable Units it receives for its ownership interest in the Winnipeg Portfolio. Following completion of the Transaction, Starlight Group through its affiliates will be the Fund's largest Unitholder with an approximate 29% effective interest; KingSett will own approximately 22% of the Fund, and AIMCo Realty will, directly or indirectly, own approximately 14% of the Fund. In addition, the affiliates of the TDAM Vendors and their affiliates will initially own 11% of the Fund

(on an as-converted basis, based on a market price of \$15.06 per unit for the Redeemable Units). The continued and increasing institutional ownership provides strong validation for the Fund's growth prospects, as well as support for the underlying value of its Units.

- **Strong Internal Management Team:** The Fund will benefit from the experience and continuity of the Fund's existing management team. The Fund's Chief Executive Officer, Mr. Todd Cook together with Chief Financial Officer, Ms. Sarah Walker; Vice President Operations, Ms. Linay Freda and Vice President, General Counsel and Human Resources, Mr. Karl Bomhof, will bring their combined experience of over 30 years, including with predecessors of the Fund. This experienced leadership group, together with the Fund's team of more than 350 employees, will continue to serve the Fund going forward.
- **Voting and Support Agreements:** Affiliates of Starlight Group and Mr. Daniel Drimmer, KingSett, AIMCo Realty, Four Quadrant, Mr. Cook and Mr. Lawrence D. Wilder, Trustee of the Fund, have entered into voting and support agreements in favour of the Transaction, representing approximately 64.5% of the votes attached to all of the Units of the Fund.
- **Minority Unitholder Approval:** The required Unitholder approvals are protective of the rights of minority Unitholders. Unitholders must approve the Transaction by at least (i) at least two-thirds of the votes cast by the Unitholders present virtually or represented by proxy and entitled to vote at the Meeting, as required by the Declaration of Trust for a Recapitalization Event; (ii) a majority vote of all Units as required under Toronto Stock Exchange rules, and (iii) a simple majority of the votes cast by the Unitholders present virtually or represented by proxy and entitled to vote at the Meeting, other than persons required to be excluded for the purpose of such vote under MI 61-101.
- **Role of the Special Committee:** The Special Committee took an active and independent role in supervising all strategic decisions with respect to the Transaction, and provided oversight and guidance with respect to the negotiations involving the Transaction. The Special Committee and the Board, after considering a number of factors, including the costs and complexities associated with the Transaction, the financial strength of the Fund and the Fairness Opinion, concluded that the Transaction was the preferred Recapitalization Event reasonably available to the Fund and its Unitholders (excluding the Interested Unitholders).
- **Formal Valuations:** The Special Committee retained Origin to prepare independent valuations of each of the Galaxy Portfolio and the Starlight Portfolio. The aggregate purchase price to be paid to each of the Vendors of the Galaxy Portfolio and the Starlight Portfolio is within the range of the estimated aggregate market value of each of the Galaxy Portfolio and the Starlight Portfolio, respectively, as at June 12, 2023, subject to the analyses, assumptions, qualifications and limitations set out in the Valuation. See "The Transaction – Independent Formal Valuation of Origin Merchant Partners".
- **Fairness Opinion:** The Special Committee received the Fairness Opinion from Origin to the effect that, as of the date of such opinion and based upon and subject to the limitations, qualifications, assumptions and other matters set out therein, the Transaction is fair, from a financial point of view, to the Fund and its Unitholders (other than the Interested Unitholders). See "The Transaction – Fairness Opinion of Origin Merchant Partners" and Appendix "I" to this Circular.

In addition to the foregoing, the Special Committee and the Board also considered a variety of uncertainties, risks and other potentially negative factors relevant to the Transaction, including the following and those matters described under the heading "Risk Factors".

- **Termination Fees:** The risk arising from provisions relating to the potential payment of a termination fee by the Fund to the Vendors under certain circumstances specified in the Purchase Agreements. See "The Transaction – The Purchase Agreements and Ancillary Agreements".

- **Change in Recommendation Fees:** The fact that the Fund may be liable to the Winnipeg Vendors (for an amount not to exceed \$1,000,000) in the event that the Winnipeg Purchase Agreement is terminated as a result of the Fund failing to obtain Unitholder approval subsequent to a change in the Board Recommendation. See “The Transaction – The Purchase Agreements and Ancillary Agreements – Winnipeg Purchase Agreement – Change in Recommendation”.
- **Restrictions on Conduct:** The restrictions on the conduct of the Fund’s business prior to the completion of the Transaction, which could delay or prevent the Fund from undertaking any potential business opportunities that may arise pending completion of the Transaction.
- **Transaction Costs and Expenses:** The fact that the Fund has incurred and will continue to incur significant transaction costs and expenses in connection with the Transaction, regardless of whether the Transaction is consummated.
- **Failure to Complete Transaction:** The risk that the Transaction may not be completed, despite the parties’ efforts, or that completion may be unduly delayed and the potential resulting disruptions to the Fund’s business and relationships.
- **Conditions Precedent:** The risks associated with satisfying certain conditions precedent of the Transaction including, without limitation, receipt of Unitholder approval at the Meeting, certain regulatory and third party consents, exemptions and approvals, and the possibility of delay.
- **Interests of Certain Persons:** Certain Trustees and executive officers of the Fund may have interests in the Transaction that differ from, or are in addition to, the interests of Unitholders generally, as discussed further under the section entitled “Interests of Certain Persons in the Transaction” .
- **Other:** The risks of the type and nature described under the sections entitled “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements”.

The Special Committee’s and the Board’s reasons contain forward-looking information, and are subject to various risks and assumptions. See “Cautionary Statement Regarding Forward-Looking Information”.

Independent Formal Valuation of Origin Merchant Partners

Valuation Requirements

As the Galaxy Transaction and the Starlight Transaction constitute “related party transactions” under MI 61-101, the Fund was required to obtain formal valuations of the Galaxy Portfolio and the Starlight Portfolio by an independent and qualified valuator.

In addition, the provisions of MI 61-101 would require the Fund to obtain a formal valuation of the Starlight Consideration Units to be acquired by the Starlight Vendor as partial consideration for the Starlight Transaction. However, the Fund was granted an exemption by the applicable Canadian securities regulatory authorities on the basis that the Starlight Consideration Units to be issued as part of the Starlight Transaction will be in all material respects, upon conversion of the underlying Class C Units, economically equivalent to the Class A Units, which are listed on the Toronto Stock Exchange.

As a condition of such exemption, the Fund represents that it has no knowledge of any material information concerning the Fund or the securities of the Fund, or concerning New Subsidiary LP or the Starlight Consideration Units, that has not been generally disclosed. Furthermore, the Starlight Vendor has confirmed to the Fund that the Starlight Vendor has no knowledge of any material information concerning the Fund or the securities of the Fund, or concerning New Subsidiary LP or the Starlight Consideration Units, that has not been generally disclosed.

Acquisition Properties Valuation

The Special Committee approved the engagement of Origin to prepare the formal valuation of the Galaxy Portfolio and the Starlight Portfolio (the “**Valuation**”). In retaining Origin, the Special Committee, based in part on representations made to it by Origin, concluded that Origin was independent and qualified to provide the Valuation. Origin and the Fund entered into an engagement letter dated February 7, 2023 (the “**Engagement Agreement**”) under which the Special Committee agreed that the Fund will pay Origin a fixed fee, which is not contingent upon the conclusions reached by Origin in the Valuation or the Fairness Opinion or on completion of the Transaction. In the Engagement Agreement, the Fund agreed to indemnify Origin in respect of certain liabilities that might arise out of its engagement and to reimburse it for its reasonable expenses.

Credentials of Origin

Origin is an investment bank providing a full range of corporate finance, merger and acquisitions advisory, financial restructuring and merchant banking services. The opinion expressed in the Valuation is the opinion of Origin and the form and content therein have been approved for release by a committee of its principals, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

Independence of Origin

Neither Origin nor any “affiliated entity” (as such term is defined in MI 61-101) of Origin (i) is an “issuer insider”, “associated entity” or “affiliated entity” (as those terms are defined in MI 61-101) of the Fund, the Vendors or any other “interested party” (as such term is defined in MI 61-101 for purposes of a “business combination” as defined in MI 61-101) in the Transaction; (ii) acts as an advisor to an interested party in respect of the Transaction; (iii) is the external auditor of the Fund or of an interested party; (iv) has a material financial interest in the completion of the Transaction; (v) has a material financial interest in future business under an agreement, commitment or understanding involving the Fund or the Acquisition Properties, an interested party or an associated or affiliated entity of the Fund or an interested party; (vi) during the 24 months before Origin was first contacted by the Fund in respect of the Transaction, has (a) had a material involvement in an evaluation, appraisal or review of the financial condition of an interested party or an associated or affiliated entity of an interested party, (b) had a material involvement in an evaluation, appraisal or review of the financial condition of the Fund or an associated or affiliated entity of the Fund, if the evaluation, appraisal or review was carried out at the direction or request of any interested party or paid for by an interested party, (c) acted as a lead or co-lead underwriter of a distribution of securities by an interested party, or acted as a lead or co-lead underwriter of a distribution of securities by the Fund if the retention of the underwriter was carried out at the direction or request of an interested party or paid for by an interested party, or (d) had a material financial interest in a transaction involving an interested party, or had a material financial interest in a transaction involving the Fund; or (vii) is (x) a lead or co-lead lender or manager of a lending syndicate in respect of the Transaction, or (y) a lender of a material amount of indebtedness in a situation where an interested party or the Fund is in financial difficulty and where the transaction would reasonably be expected to have the effect of materially enhancing the lender’s position.

As an investment bank, Origin and its affiliates may, in the ordinary course of its business, provide advice to its clients on various matters, which advice may include matters with respect to the Transaction, the Fund or any other Interested Party (as defined below). There are no understandings, agreements or commitments between Origin and the Fund or any other Interested Party with respect to any future financial advisory or investment banking business.

Origin represented to the Special Committee that it is an “independent valuator” (as such term is used in MI 61-101).

Definition of Fair Market Value

For the purpose of the Valuation, Origin defined fair market value as the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm’s length with the other and each under no compulsion to act.

Valuation Approach

In determining the fair market value for the Galaxy Portfolio and the Starlight Portfolio, Origin undertook a variety of analyses, including (i) reviewing the financial forecast models prepared by management of the Fund and performing a discounted cash flow analysis, (ii) reviewing relevant publicly available data on the prevailing capitalization rates for markets it considered relevant to the Acquisition Properties and applying such capitalization rates to the NOI of the Galaxy Portfolio and the Starlight Portfolio, and (iii) reviewing the appraisals provided by the Fund pertaining to each of the properties in the Galaxy Portfolio and Starlight Portfolio.

In preparing the Valuation, Origin considered comparable trading analysis and precedent transaction analysis; however, Origin concluded that real property portfolios of multi-family suites are valued on the basis of discounted cash flow analysis, capitalization of NOI and independent appraisals. In light of the Fund proposing to acquire the assets and assuming the existing mortgages and other indebtedness in the Galaxy Portfolio and the Starlight Portfolio, with the remaining equity value being funded by the issuance of Units or securities exchangeable or redeemable/retractable into Units, Origin valued the Galaxy Portfolio and the Starlight Portfolio on a gross asset value basis.

In arriving at its opinion of fair market value for the Galaxy Portfolio and Starlight Portfolio, Origin applied an equal weighting to each of the above analyses.

Summary of Galaxy Portfolio Valuation

Origin performed a discounted cash flow analysis on the Galaxy Portfolio. As part of the analysis, Origin reviewed the long-term forecasted cash flows provided by the Fund's management regarding expected rental revenues, income guarantees, costs, stabilized NOIs, capital expenditures and cash flows and then applied discount rates derived from its analysis of the Galaxy Portfolio's weighted average cost of capital. The resulting discount rate used by Origin was approximately 7.5% and the discount rate was sensitized as part of Origin's analysis.

Origin also utilized a NOI capitalization approach to assess the value of the Galaxy Portfolio. Capitalization rates for each property in the Galaxy Portfolio were selected based on independent market reports publicly available through leading Canadian real estate brokerage firms. The individual property capitalization rates varied based on the type of property and region in which such property is located. Origin utilized stabilized NOIs for each property in the Galaxy Portfolio. The stabilization adjustments largely related to adjustments including, but not limited to, occupancy, expected rents, lease incentives and operating expenses for certain properties and were provided to Origin by the Fund and their advisors. Origin calculated a consolidated NOI for the Galaxy Portfolio of \$22.6 million and an average capitalization rate of 4.47% to 4.97%.

Finally, Origin reviewed appraisals performed within the last six months by CBRE Limited for each property contained in the Galaxy Portfolio. The appraisals consisted of third party reports ascribing a value to each property, with the primary methodology consisting of a capitalization rate applied to the expected NOI of each property. Origin then applied a +/-10% adjustment factor to the appraisal values to obtain a range of potential values.

Based on the results of its analyses shown below, Origin is of the opinion that, as of June 12, 2023, the fair market value of the Galaxy Portfolio is within the range of \$439.4 million to \$504.6 million:

In C\$ millions, unless otherwise indicated

Galaxy Portfolio	Low	High	Weighting	Low	High
Discounted Cash Flow	436.3	486.0	33%	145.4	162.0
Average Cap-Rate Implied Value	454.7	505.6	33%	151.6	168.5
Appraised Value	427.3	522.2	33%	142.4	174.1
Implied Value based on Methodology Weighting			100%	439.4	504.6

Summary of Starlight Portfolio Valuation

Origin performed a discounted cash flow analysis on the Starlight Portfolio. As part of the analysis, Origin reviewed the long-term forecasted cash flows provided by the Fund’s management regarding expected rental revenues, income guarantees, costs, stabilized NOIs, capital expenditures and cash flows and then applied discount rates derived from its analysis of the Starlight Portfolio’s weighted average cost of capital. The resulting discount rate used by Origin was approximately 7.0% and the discount rate was sensitized as part of Origin’s analysis.

Origin also utilized a NOI capitalization approach to assess the value of the Starlight Portfolio. Capitalization rates for each property in the Starlight Portfolio were selected based on independent market reports publicly available through leading Canadian real estate brokerage firms. The individual property capitalization rates varied based on the type of property and region in which such property is located. Origin calculated a consolidated NOI for the Starlight Portfolio of \$4.7 million and an average capitalization rate of 4.15% to 4.65%.

Last, Origin reviewed appraisals performed within the last six months by CBRE Limited for each property contained in the Starlight Portfolio. The appraisals consisted of third party reports ascribing a value to each property, with the primary methodology consisting of a capitalization rate applied to the expected NOI of each property. Origin then applied a +/-10% adjustment factor to the appraisal values to obtain a range of potential values.

Based on the results of its analyses shown below, Origin is of the opinion that, as of June 12, 2023, the fair market value of the Starlight Portfolio is within the range of \$99.7 million to \$115.2 million.

In C\$ millions, unless otherwise indicated

Starlight Private Portfolio	Low	High	Weighting	Low	High
Discounted Cash Flow	98.8	111.2	33%	32.9	37.1
Average Cap-Rate Implied Value	101.1	113.2	33%	33.7	37.7
Appraised Value	99.2	121.2	33%	33.1	40.4
Implied Value based on Methodology Weighting			100%	99.7	115.2

Parties receiving the type of information set out in the Valuation are cautioned that a summary or reproduction in part may distort the findings of the Valuation and are advised to read the entire Valuation. Caution should be exercised in the evaluation and use of the Valuation. A valuation is an estimate of market value. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the comparable market for such assets. The Valuation is based on various assumptions of future expectations including management forecasts and while the forecasts of expected rental revenues, income guarantees, costs, stabilized NOIs, capital expenditures and cash flows are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

Origin considered if any material value accrued to any interested party in connection with the Valuation. In making its assessment, Origin considered both the Vendors and the Fund. The Carried Interest, which accrues to certain Vendors, is a contractual obligation of the Fund and would occur whether or not the Fund acquired the Galaxy Portfolio and Starlight Portfolio. Accordingly, Origin did not factor the Carried Interest into the Valuation of the Galaxy Portfolio and Starlight Portfolio. The Galaxy Portfolio and Starlight Portfolio have lower loan-to-value mortgage funding than the Fund, which is a benefit to the Fund. As well, the Fund is issuing Units or securities exchangeable or redeemable/retractable for Units to the Vendors at a reference price which is significantly higher than the current trading price which is a benefit to the Fund. As neither the lower loan-to-value mortgage funding nor the premium reference price have a direct impact on the Valuation, Origin did not factor the lower loan-to-value mortgage funding or the premium reference price into the Valuation of the Galaxy Portfolio and Starlight Portfolio.

The full text of the Valuation describes the assumptions made, procedures followed, matters considered and limitations and qualifications on the review in connection with the Valuation. The foregoing is a summary of the Valuation and Unitholders are hereby cautioned that such summary may distort the findings of the

Valuation and are advised to read the Valuation in its entirety. The the full text of the Valuation is attached as Appendix “J” to this Circular. Unitholders are encouraged to read the Valuation in its entirety. The Valuation does not constitute a recommendation of Origin to any Unitholder as to how such Unitholder should vote or act with respect to any matters relating to the Transaction. The Valuation is one of a number of factors taken into consideration by the Special Committee in making its unanimous determination to recommend that the Unitholders vote in favour of the Transaction at the Meeting.

Fairness Opinion

Pursuant to the Engagement Agreement, the Special Committee retained Origin as its financial advisor in connection with the Transaction. As part of this mandate, Origin was requested to provide the Special Committee an opinion (the “**Fairness Opinion**”) as to the fairness of the Transaction, from a financial point of view, to the Unitholders, other than the Vendor Related Parties. In connection with this mandate, Origin has prepared and delivered the Fairness Opinion dated June 12, 2023, to the Special Committee, stating that, in the opinion of Origin, as of the date thereof and based upon and subject to the assumptions, limitations, qualifications and other matters set out therein, the Transaction is fair, from a financial point of view, to the Unitholders, other than the Vendors that are Unitholders and the Vendor Related Parties. The full text of the written Fairness Opinion, dated June 12, 2023, setting out the assumptions made, procedures followed, matters considered and limitations and qualifications of the review undertaken by Origin is attached as Appendix “I” to this Circular and should be read carefully in its entirety. The summaries of the Fairness Opinion in this Circular are qualified in their entirety by reference to the full text of the Fairness Opinion. The Fairness Opinion is not a recommendation as to how any Unitholder should vote with respect to the Transaction or any other matter.

The Fairness Opinion was one of a number of factors taken into consideration by the Special Committee and the Board in making their respective unanimous (in the case of the Board, with Mr. Drimmer and Mr. Kumer each declaring their interests, recusing themselves from the discussion and refraining from voting on the matter) determinations that the Transaction: (a) is in the best interests of the Fund and fair to Unitholders (other than Interested Unitholders); (b) to approve the Transaction, entering into of the Purchase Agreements and related matters; and (c) to recommend that Unitholders vote **IN FAVOUR** of the Transaction Resolution.

Pursuant to the terms of Origin’s Engagement Agreement, Origin received fixed fees for the Fairness Opinion and each of the Valuations. In addition, the Fund has agreed to reimburse Origin for all reasonable legal and other out-of-pocket expenses and indemnify Origin and each of its subsidiaries and affiliates and each of their respective directors, officers, employees, partners, agents, shareholders, advisors and each partner and each principal of Origin from and against certain liabilities arising out of Origin’s engagement under the Engagement Agreement. The compensation to Origin under the Engagement Agreement does not depend, in whole or in part, on the conclusion reached in the Fairness Opinion or the Valuation or the successful completion of the Transaction. Origin provided the Fairness Opinion for the use of the Special Committee and the Board in connection with their evaluation of the Transaction, and the Fairness Opinion may not be used by any other person or relied upon by any other person other than the Special Committee and the Board without the express prior written consent of Origin.

In the ordinary course of its business and unrelated to the Transaction, Origin or its affiliates may provide financial advisory and other financial services to the Fund, the Manager and/or other interested parties in the Transaction in the future, for which Origin or its affiliates may receive compensation. In assessing the Fairness Opinion, the Special Committee considered and assessed the independence of Origin, taking into account that the fees payable to Origin are not contingent upon the completion of the Transaction.

Origin has not been engaged to provide any financial advisory services with respect to the Transaction, other than to the Special Committee pursuant to the Engagement Agreement.

The Board urges Unitholders to read the Fairness Opinion in its entirety. See Appendix “I” to this Circular.

Credentials of Origin

Origin is an investment bank providing a full range of corporate finance, merger and acquisitions advisory, financial restructuring and merchant banking services. The Fairness Opinion represents the opinion of Origin and the form and content thereof have been approved for release by a committee of its principals, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

Independence of Origin

Neither Origin nor any of its affiliates is an insider, associate or affiliate of the Fund nor, to its knowledge, of any Vendor or any of their respective associates or affiliates (collectively, the “**Interested Parties**”). Origin is not acting as an advisor to the Fund, or any other Interested Party, in connection with any matter, other than to provide the Fairness Opinion and Valuation under the Engagement Agreement.

Origin has not participated in any offering of securities of or had a material financial interest in a transaction involving the Fund or any other Interested Party during the 24-month period preceding the date Origin was first contacted in respect of the Fairness Opinion. Further, other than to provide the Fairness Opinion and the Valuations under the Engagement Agreement, Origin has not been engaged to provide any financial advisory services involving the Fund or any other Interested Party during such 24-month period.

As an investment bank, Origin and its affiliates may, in the ordinary course of its business, provide advice to its clients on various matters, which advice may include matters with respect to the Transaction, the Fund or any other Interested Party. There are no understandings, agreements or commitments between Origin and the Fund or any other Interested Party with respect to any future financial advisory or investment banking business.

Assumptions and Limitations

The full text of the Fairness Opinion, a copy of which is attached hereto as Appendix “I”, sets out the scope of review, assumptions made, matters considered and limitations on the review undertaken in connection with the Fairness Opinion. Unitholders are urged to read the Fairness Opinion carefully and in its entirety.

Fairness Considerations

In considering the fairness of the Transaction, from a financial point of view, to Unitholders (other than the Interested Unitholders), Origin carried out the following methodologies: (i) an evaluation of Fund management’s next 5-year forecast assumptions for the Acquisition Properties and a discounted cash flow analysis based on the forecasts provided (the discounted cash flow analysis); (ii) a review and comparison involving prevailing capitalization rates used in portfolio valuation to those published by multi-family and commercial real estate professionals and the application of these rates to the stabilized NOI of the Acquisition Properties (implied value from capitalization rate analysis); (iii) a review of third party appraisals for the Acquisition Properties (the independent appraisals); and Origin also considered such other factors and analyses as it considered appropriate.

As part of the analyses and investigations carried out in the preparation of the Fairness Opinion, Origin reviewed and considered the items outlined under “Scope of Review” in the Fairness Opinion, a copy of which is attached as Appendix “I”.

Prior Valuations

There are no “prior valuations” (as defined in MI 61-101) in respect of the Fund that relate to the subject matter of or are otherwise relevant to the Transaction, including with respect to the Acquisition Properties, that have been made in the 24 months before the date of the announcement of the Transaction and the existence of which is known, after reasonable inquiry, to the Fund or to any trustee or senior officer of the Fund, other than the formal valuations of the Galaxy Portfolio and Starlight Portfolio set out in the Valuation.

Transaction Overview

On June 12, 2023, the Fund entered into the Purchase Agreements pursuant to which it agreed to indirectly acquire, through various subsidiaries, three portfolios of properties comprising 20 properties (the “**Acquisition Properties**”) comprising approximately 3,300 multi-family suites and 119,000 commercial square feet for approximately \$742 million, to be satisfied by a combination of (in each case assuming a closing date of August 9, 2023): (A) the assumption of approximately \$339.1 million aggregate principal amount of existing mortgage debt relating to the Acquisition Properties (see “Financing for the Transaction – Acquisition Indebtedness”); (B) the assumption of approximately \$40 million in credit facilities relating to the Galaxy Portfolio, which will become part of the Fund’s existing syndicated credit facility and merge with its Tranche A-1 Facility (see “Financing for the Transaction – Acquisition Indebtedness”); (C) the issuance of 13,146,978 Class C units at the Transaction Issue Price to the Galaxy Vendor; (D) the issuance of (I) 257,710 Class C Units at the Transaction Issue Price to the TC Core Vendor, and (II) 7,212,139 Class B redeemable limited partnership units (the “**Redeemable Units**”) of NV LP at the Transaction Issue Price, accompanied by the same number of Special Voting Units to or as directed by the TDAM Vendors; and (E) the issuance of 3,469,416 Class C Units on exchange of Class B limited partnership units (the “**Starlight Consideration Units**”) of New Subsidiary LP (the Starlight Consideration Units will be issued in connection with Transaction at the Transaction Issue Price and will be economically equivalent to and exchangeable for Class C Units), and accompanied by the same number of Special Voting Units.

All of the foregoing numbers of Class C Units, Redeemable Units, Starlight Consideration Units and Special Voting Units are subject to closing adjustments. See “Financing for the Transaction – Closing Adjustments to Units, Exchangeable Units, Redeemable Units and Special Voting Units”.

For a description of the Starlight Consideration Units, see “Financing for the Transaction – Issue of Starlight Consideration Units” and for a description of the Redeemable Units, see “Financing for the Transaction – Issue of Carried Interest Units”.

Assuming a closing date of August 9, 2023, an aggregate of 13,404,688 Class C Units, 3,469,416 Starlight Consideration Units and 7,212,139 Redeemable Units, along with an aggregate of 10,681,555 Special Voting Units (which will provide the holders thereof with voting rights in respect of the Fund) will be issued as consideration for the Acquisition Properties pursuant to the Purchase Agreements, assuming in all cases the effectiveness of the Subdivision prior to such issuances. The remainder of the purchase price will be satisfied by a combination of the assumption of in-place mortgage financing and a \$40 million credit facility secured by the Galaxy Portfolio.

In addition, the “carried interest” represented by the existing class B limited partnership units of NV Holdings LP held by CILP (the “**Carried Interest Units**”), will become exchangeable for an aggregate of approximately 2.82 million Class C Units at a deemed issue price equal to the Transaction Issue Price accompanied by the same number of Special Voting Units (subject to closing adjustments in respect of the acquisition of the Acquisition Properties); For a description of the Carried Interest Units, see “Financing for the Transaction – Issue of Carried Interest Units”.

As a result of the foregoing, it is expected that Mr. Daniel Drimmer, through various affiliates, will initially hold an approximate 29% effective interest and voting interest in the Fund through his ownership of Units, the Starlight Consideration Units and the Carried Interest Units; KingSett, will hold an approximate 22% effective interest and voting interest in the Fund through its ownership of Units; AIMCo Realty Investors LP will hold an approximate 14% effective interest and voting interest in the Fund through its ownership of Units; and the TDAM Vendors and their affiliates will hold an approximate 11% effective interest and voting interest in the Fund through their ownership of Redeemable Units, assuming redemption/retraction at the Transaction Issue Price.

In connection with the acquisition of the Acquisition Properties, the Declaration of Trust is proposed to be amended. See “– Amendments to the Declaration of Trust” and the Fund will internalize its management at no additional cost. See “– Management Internalization”.

The Acquisition Properties consist of approximately 3,300 multi-family suites located primarily in secondary markets and in certain primary markets in the Provinces of Alberta, Manitoba, Ontario, Québec, Nova Scotia, as well as approximately 119,000 square feet of commercial space, of which approximately 370 square feet is in Jasper, Alberta, 10,234 square feet is in Edmonton, Alberta, 100,963 square feet is in Winnipeg, Manitoba, 1,298 square feet is in

Brantford, Ontario, 4,490 square feet is in Montréal, Québec and 2,288 square feet is in Lower Sackville, Nova Scotia. The Acquisition Properties represent a mix of geographic areas where the Fund already has an established presence, and new markets in which the Fund will begin to operate, including the Provinces of Manitoba, Ontario and Nova Scotia. See “Description of the Acquisition Properties”.

Upon closing of the Acquisitions, which is expected to occur in early August 2023, the Galaxy Portfolio and Winnipeg Portfolio will be indirectly owned by NV LP and the Starlight Portfolio will be owned by New Subsidiary LP.

The Acquisitions will be completed pursuant to the Purchase Agreements and will be conditional upon the receipt of all necessary consents and waivers from all third parties relating to the Acquisitions, completion of the DOT Amendments, and the satisfaction of certain other customary conditions. The Acquisitions will be conditional upon the acquisition of all, but not less than all, of the Acquisition Properties.

Amendments to the Declaration of Trust

In order to align itself with typical “real estate investment trusts”, the Declaration of Trust will be amended prior to the completion of the Acquisitions to, among other things, (i) change the name of the Fund to “Northview Residential REIT”; (ii) allow for the issuance of additional Units by the Fund; (iii) concurrently with a subdivision (the “**Subdivision**”) of the existing Class C Units and Class F Units in accordance with their exchange ratios and as permitted by the Declaration of Trust, amend the conversion ratios for the Units such that after the Subdivision the Units will be convertible on a 1:1 basis; (iv) create a class of Special Voting Units and provide for their terms; (v) provide for all future distributions to be made proportionately on the basis of the number of Units held; (vi) internalize the Fund’s management; and (vii) provide for certain other consequential amendments directly relating to the foregoing (collectively, the “**DOT Amendments**” and together with the Acquisitions, the “**Transaction**”). The Subdivision (as further described below) and the DOT Amendments (including in particular the amendments described in (iii) and (v) above) are intended to be financially neutral to Unitholders and will not result in any change to the relative economics of the different classes of Units.

Subdivision

If the DOT Amendments are approved by Unitholders at the Meeting, the Fund intends to subdivide each Class C Unit into 1.055408971 Class C Units and each Class F Unit into 1.031662269 Class F Units, being their respective current conversion ratios under the Declaration of Trust. As a consequence of the Subdivision, and to ensure the financial neutrality of such changes, as noted above, the DOT Amendments will include amendments to the conversion ratios such that after the Subdivision the Units will be convertible on a 1:1 basis, and all future distributions will be made proportionately on the basis of the number of Units held, such that all Units will have equal rights with respect to distributions from the Fund, redemptions of Units and on the termination, liquidation or dissolution of the Fund. Each Class A Unit will remain convertible into a Class F Unit, each Class C Unit will remain convertible into either a Class A Unit or a Class F Unit, and each Class F Unit will remain convertible into a Class A Unit, but the conversion ratio in each case will be 1:1. As a result of the Subdivision, each holder of a Class C Unit or Class F Unit will receive the same number of Class C Units or Class F Units (as the case may be) as the number of Class A Units the holder would have received if such Class C Unit or Class F Unit had been converted into Class A Units pursuant to the terms of the current Declaration of Trust.

Fractional interests resulting from the Subdivision will be not be rounded up or down in light of the Consolidation (see “ – Consolidation”).

Special Voting Units

The Special Voting Units will be non-participating special voting units of the Fund that have no economic entitlement in the Fund or in distributions or assets of the Fund but entitle the holders thereof to one vote per Special Voting Unit at meetings of the Unitholders. Special Voting Units may only be issued in connection with or in relation to securities exchangeable into Units, including the Starlight Consideration Units, Carried Interest Units and Redeemable Units, for the purpose of providing such voting rights with respect to the Fund to the holders of such securities. The Special Voting Units are evidenced only by the certificates representing the exchangeable securities to which they relate.

Special Voting Units will not be transferable separately from the exchangeable securities to which they are attached and will be automatically transferred upon the transfer of such exchangeable securities. Upon the exchange of Exchangeable Units for Units or the redemption/retraction of Redeemable Units, the corresponding Special Voting Units attached to such Exchangeable Units will automatically be redeemed and cancelled for no consideration without any further action of the Trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto.

In furtherance of the foregoing, the Board is seeking the approval of Unitholders for the DOT Amendments, as set out in the comparison of the proposed amended and restated Declaration of Trust against the current Declaration of Trust, attached as Appendix “K” hereto.

The Purchase Agreements and Ancillary Agreements

The following are summaries of the material attributes and characteristics of the Purchase Agreements. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Purchase Agreements, which have been filed with the Canadian securities regulatory authorities under the Fund’s profile at www.sedar.com.

Galaxy Purchase Agreement

The Fund has agreed to indirectly acquire the Galaxy Portfolio beneficially owned by the Galaxy Vendor pursuant to the Galaxy Purchase Agreement, for an aggregate purchase price of approximately \$452.8 million. The Fund will satisfy the purchase price through a combination of the indirect assumption of existing mortgage debt related to the Galaxy Portfolio in an amount equal to approximately \$214.8 million (assuming a closing on August 9, 2023), the assumption of \$40 million in existing credit facilities relating to the Galaxy Portfolio, which will become part of the Fund’s existing syndicated credit facility and merge with the Tranche A-1 Facility, and the delivery of Class C Units at the Transaction Issue Price.

Representations and Warranties

The Galaxy Purchase Agreement contains customary representations and warranties made by the Galaxy Vendor in favour of NV LP with respect to, among other things, the Galaxy Portfolio, and customary representations and warranties made by the Fund and NV LP to the Galaxy Vendor with respect to, among other things, the Fund and the Class C Units to be issued to the Galaxy Vendor. The Galaxy Purchase Agreement also contains a representation and warranty of the Fund that the Circular complies in all material respects with applicable securities laws, and that the Circular, other than information provided by the Galaxy Vendor in writing in respect of the Galaxy Vendor and the Galaxy Portfolio for inclusion in the Circular, does not contain an untrue statement of material fact or an omission to state a material fact required to be stated therein or necessary in order to make any statement in the Circular (other than such information relating to the Galaxy Vendor or the Galaxy Portfolio) not misleading in light of the circumstances in which it was made. **Those representations and warranties were made solely for the purposes of the Galaxy Purchase Agreement, were made as of specified dates and may be subject to contractual standards of materiality different from what may be viewed as material to Unitholders. For the foregoing reasons, Unitholders should not rely on the representations and warranties contained in the Galaxy Purchase Agreement as statements of factual information at the time they were made or otherwise.**

The representations and warranties provided in the Galaxy Purchase Agreement by the Galaxy Vendor with respect to itself and its nominees relate to, amongst other things: organization and status, authority, title to the Galaxy Portfolio, no bankruptcy, tax matters, pre-emptive rights and enforceability of obligations, rents, leases, existing indebtedness and outstanding liens, employment matters, insurance, absence of undisclosed liabilities, and compliance with anti-bribery and anti-corruption laws. In addition, the Galaxy Vendor provided certain representations and warranties with respect to certain entities that it is required to form prior to closing in connection with the structuring of the transaction. The Galaxy Purchase Agreement provides that except for the representations and warranties set forth therein and in any closing documents delivered in connection with the Galaxy Purchase Agreement, NV LP is acquiring the Galaxy Portfolio on an “as is, where is” basis. The representations and warranties of each party in the Galaxy Purchase Agreement survive for 12 months following completion of the Galaxy Purchase Agreement and are

subject to a cap on liability of \$22,500,000 (except in the case of certain representations and warranties for which there is no limitation on liability).

Conditions

The Galaxy Purchase Agreement contains certain conditions to the completion of the indirect sale of the Galaxy Portfolio to NV LP, including, among others, that: (i) approval of the TSX and all requisite approvals pursuant to applicable securities law have been obtained; (ii) required approvals under the *Competition Act* (Canada) have been obtained; (iii) the Transaction Resolution has been approved; (iv) all consents and approvals from the existing lenders in order to enable the assumption of the existing loans and all related security documents in respect thereof have been obtained; (v) the Transaction has been completed; (vi) all representations and warranties of each party are true and accurate in all respects (subject to de minimis inaccuracies) as of the closing date for the Galaxy Transaction; (vii) the parties having fulfilled or complied with, in all material respects, their respective covenants contained in the Galaxy Purchase Agreement; and (viii) the Investor Rights Agreement (as defined below) has been entered into. In addition, certain closing document deliverables include the entry into a clawback agreement between NV LP and the Galaxy Vendor providing for \$3.22 million in income support based on certain forecasted NOI targets, payable over 36 months.

Change in Recommendation

If at any time following the execution of the Galaxy Purchase Agreement and prior to obtaining Unitholder approval for the Transaction Resolution, the Board concludes in good faith, after consultation with its outside financial and outside legal advisors, that failure of the Board to withdraw, amend, modify or qualify the Board Recommendation would be inconsistent with its fiduciary duties under applicable laws, then the Fund shall deliver to the Galaxy Vendor a written notice of such determination of the Board and of its intention to make a change in the Board Recommendation, and an explanation in reasonable detail of the basis for such determination. During the five business day period following delivery of such notice, the Galaxy Vendor shall have the opportunity (but not the obligation) to offer to amend the Galaxy Purchase Agreement such that the Board is able to conclude in good faith that its fiduciary duties under applicable laws do not require it to withdraw, amend, modify or qualify the Board Recommendation. If after such five business day period, the Board concludes in good faith, after consultation with its outside financial and outside legal advisors, that failure of the Board to withdraw, amend, modify or qualify the Board Recommendation as set forth in the notice delivered to the Galaxy Vendor, would be inconsistent with its fiduciary duties under applicable laws, the Board may make such change in the Board Recommendation.

Covenants

Until closing, each of the parties have agreed to use commercially reasonable efforts to satisfy certain conditions precedent in the Galaxy Purchase Agreement. In addition, the parties have agreed to cooperate in ensuring all required consents and approvals (including the approval of the TSX and approvals under the *Competition Act* (Canada)) are obtained.

In addition, the Galaxy Vendor has made certain covenants in the Galaxy Purchase Agreement with respect to the Galaxy Portfolio, including that it will, in the period before closing: (i) pay for all work, labour, services and materials in connection with all work and improvements in respect of the Galaxy Portfolio that could become a lien or encumbrance against an Acquisition Property owned by the Galaxy Vendor that are commissioned prior to closing; (ii) operate each Acquisition Property in the Galaxy Portfolio as would a prudent and careful owner and consistent with past practice, and continue with the day-to-day management of the Galaxy Portfolio; and (iii) continue to lease residential suites at the Galaxy Portfolio at the market rents agreed to with NV LP.

The Fund has made certain covenants in the Galaxy Purchase Agreement with respect to the Meeting and Circular, including to (i) convene and conduct the Meeting in accordance with the Declaration of Trust and applicable law, and in any event no later than 60 days after entering into the Galaxy Purchase Agreement; (ii) provide the Galaxy Vendor and its legal counsel reasonable opportunity to review and comment on the Circular and other related documents; and (iii) unless consented to by the Galaxy Vendor in writing, not propose or submit for consideration at the Meeting any business other than those matters stipulated in the Galaxy Purchase Agreement.

Termination

The Galaxy Purchase Agreement may be terminated prior to the closing date for the Galaxy Transaction by (i) the mutual written agreement of the parties; (ii) either the Galaxy Vendor or NV LP if (a) the Transaction Resolution is voted on at the Meeting and is not approved by the requisite vote of the Unitholders, (b) any law is enacted that makes the consummation of the Galaxy Transaction illegal or otherwise prohibits or enjoins the Galaxy Vendor or NV LP from consummating the Galaxy Transaction, and such law has, if applicable, become final and non-appealable, (c) certain conditions are not satisfied on or prior to the Outside Date, or (d) the closing of the Galaxy Transaction does not occur on or prior to the Outside Date; (iii) the Galaxy Vendor, if (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of NV LP under the Galaxy Transaction has occurred that would cause certain conditions of the Galaxy Vendor for closing to not be satisfied, and such breach or failure is incapable of being cured, or (b) since the date of the Galaxy Purchase Agreement, there has occurred a material adverse effect of the Fund; (iv) NV LP, if (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Galaxy Vendor under the Galaxy Transaction has occurred that would cause certain conditions of NV LP for closing to not be satisfied, and such breach or failure is incapable of being cured, or (b) since the date of the Galaxy Purchase Agreement, there has occurred a material adverse effect of the Galaxy Vendor. The Outside Date may be extended for one or more periods not to exceed 120 days in the aggregate if approval for the Transaction under the *Competition Act* (Canada) has not been obtained at least five business days prior to the Outside Date.

Starlight Purchase Agreement

The Fund has agreed to indirectly acquire an interest in the Starlight Portfolio beneficially owned by the Starlight Vendor pursuant to the Starlight Purchase Agreement. The Starlight Vendor will form a new limited partnership (“**New Subsidiary LP**”), to which the Starlight Vendor will transfer the Starlight Portfolio at an aggregate agreed value of \$109.3 million. As partial consideration for such transfer, New Subsidiary LP will assume existing mortgage debt related to the Starlight Portfolio in an amount equal to approximately \$57.1 million, with the balance of the transferred value to be treated as a contribution of capital on the Starlight Consideration Units, which will be exchangeable in accordance with their terms for a number of Class C Units determined based on the amount of such contribution divided by the Transaction Issue Price. Following such contribution, the Fund will indirectly acquire the Class A limited partnership interests and the general partner interest in New Subsidiary LP and New Subsidiary LP will become a subsidiary of the Fund.

Representations and Warranties

The Starlight Purchase Agreement contains customary representations and warranties made by the Starlight Vendor in favour of NV Holdings LP with respect to, among other things, the Starlight Portfolio, and customary representations and warranties made by the Fund and NV Holdings LP to the Starlight Vendor with respect to, among other things, the Fund and the Starlight Consideration Units to be issued to the Starlight Vendor. The Starlight Purchase Agreement also contains a representation and warranty of the Fund that the Circular complies in all material respects with applicable securities laws, and that the Circular, other than information provided by the Starlight Vendor in writing in respect of the Starlight Vendor and the Starlight Portfolio for inclusion in the Circular, does not contain an untrue statement of material fact or an omission to state a material fact required to be stated therein or necessary in order to make any statement in the Circular (other than such information relating to the Starlight Vendor or the Starlight Portfolio) not misleading in light of the circumstances in which it was made. **Those representations and warranties were made solely for the purposes of the Starlight Purchase Agreement, were made as of specified dates and may be subject to contractual standards of materiality different from what may be viewed as material to Unitholders. For the foregoing reasons, Unitholders should not rely on the representations and warranties contained in the Starlight Purchase Agreement as statements of factual information at the time they were made or otherwise.**

The representations and warranties provided in the Starlight Purchase Agreement by the Starlight Vendor with respect to itself and its nominees relate to, amongst other things: organization and status, authority, title to the Starlight Portfolio, no bankruptcy, tax matters, pre-emptive rights and enforceability of obligations, rents, leases, existing indebtedness and outstanding liens, employment matters, insurance, absence of undisclosed liabilities, and compliance with anti-bribery and anti-corruption laws. In addition, the Starlight Vendor provided certain representations and

warranties with respect to certain entities that it is required to form prior to closing in connection with the structuring of the transaction. The Starlight Purchase Agreement provides that except for the representations and warranties set forth therein and in any closing documents delivered in connection with the Galaxy Purchase Agreement, NV Holdings LP is acquiring the Starlight Portfolio on an “as is, where is” basis. The representations and warranties of each party in the Starlight Purchase Agreement survive for 12 months following completion of the Starlight Purchase Agreement and are subject to a cap on liability of \$5,500,000 (except in the case of certain representations and warranties for which there is no limitation on liability).

Conditions

The Starlight Purchase Agreement contains certain conditions to the completion of the indirect sale of the Starlight Portfolio to NV Holdings LP, including, amongst others, that: (i) approval of the TSX and all requisite approvals pursuant to applicable securities law have been obtained; (ii) required approvals under the *Competition Act* (Canada) have been obtained; (iii) the Transaction Resolution has been approved; (iv) all consents and approvals from the existing lenders in order to enable the assumption of the existing loans and all related security documents in respect thereof have been obtained; (v) the Transaction has been completed; (vi) all representations and warranties of each party are true and correct in all respects (subject to de minimis inaccuracies) as of the closing date for the Starlight Transaction; (vii) the parties having fulfilled or complied with, in all material respects, their respective covenants contained in the Starlight Purchase Agreement; and (viii) the Investor Rights Agreement has been entered into. In addition, certain closing document deliverables include the entry into the limited partnership agreement for New Subsidiary LP providing for the Starlight Consideration Units and the related exchange agreement between the Fund and New Subsidiary LP, and entry into a clawback agreement between NV Holdings LP and the Starlight Vendor providing for \$0.6 million in income support as a result of vacancies, payable over 36 months.

Change in Recommendation

If at any time following the execution of the Starlight Purchase Agreement and prior to obtaining approval for the Transaction Resolution, the Board concludes in good faith, after consultation with its outside financial and outside legal advisors, that failure of the Board to withdraw, amend, modify or qualify the Board Recommendation would be inconsistent with its fiduciary duties under applicable laws, then the Fund shall deliver to the Starlight Vendor a written notice of such determination of the Board and of its intention to make a change in the Board Recommendation, and an explanation in reasonable detail of the basis for such determination. During the five business day period following delivery of such notice, the Starlight Vendor shall have the opportunity (but not the obligation) to offer to amend the Starlight Purchase Agreement such that the Board is able to conclude in good faith that its fiduciary duties under applicable laws do not require it to withdraw, amend, modify or qualify the Board Recommendation. If after such five business day period, the Board concludes in good faith, after consultation with its outside financial and outside legal advisors, that failure of the Board to withdraw, amend, modify or qualify the Board Recommendation as set forth in the notice delivered to the Starlight Vendor, would be inconsistent with its fiduciary duties under applicable laws, the Board may make such change in the Board Recommendation.

Covenants

Until closing, each of the parties have agreed to use commercially reasonable efforts to satisfy certain conditions precedent in the Starlight Purchase Agreement. In addition, the parties have agreed to cooperate in ensuring all required consents and approvals (including the approval of the TSX and approvals under the *Competition Act* (Canada)) are obtained.

In addition, the Starlight Vendor has made certain covenants in the Starlight Purchase Agreement with respect to the Starlight Portfolio, including that it will, in the period before closing: (i) pay for all work, labour, services and materials in connection with all work and improvements in respect of the Starlight Portfolio that could become a lien or encumbrance against an Acquisition Property owned by the Starlight Vendor that are commissioned prior to closing; (ii) operate each Acquisition Property in the Starlight Portfolio as would a prudent and careful owner and consistent with past practice, and continue with the day-to-day management of the Starlight Portfolio; and (iii) continue to lease residential suites at the Starlight Portfolio at the market rents agreed to with NV Holdings LP.

The Fund has made certain covenants in the Starlight Purchase Agreement with respect to the Meeting and Circular, including to (i) convene and conduct the Meeting in accordance with the Declaration of Trust and applicable laws, and in any event no later than 60 days after entering into the Starlight Purchase Agreement; (ii) provide the Starlight Vendor and its legal counsel reasonable opportunity to review and comment on the Circular and other related documents; and (iii) unless consented to by the Starlight Vendor in writing, not propose or submit for consideration at the Meeting any business other than those matters stipulated in the Starlight Purchase Agreement.

Termination

The Starlight Purchase Agreement may be terminated prior to the closing date for the Starlight Transaction by (i) the mutual written agreement of the parties; (ii) either the Starlight Vendor or NV Holdings LP if (a) the Transaction Resolution is voted on at the Meeting and is not approved by the requisite vote of the Unitholders, (b) any law is enacted that makes the consummation of the Starlight Transaction illegal or otherwise prohibits or enjoins the Starlight Vendor or NV LP from consummating the Galaxy Transaction, and such law has, if applicable, become final and non-appealable, (c) certain conditions are not satisfied on or prior to the Outside Date, or (d) the closing of the Starlight Transaction does not occur on or prior to the Outside Date; (iii) the Starlight Vendor, if (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of NV Holdings LP under the Starlight Transaction has occurred that would cause certain conditions of the Starlight Vendor for closing to not be satisfied, and such breach or failure is incapable of being cured, or (b) since the date of the Starlight Purchase Agreement, there has occurred a material adverse effect of the Fund; (iv) NV Holdings LP, if (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Starlight Vendor under the Starlight Transaction has occurred that would cause certain conditions of NV Holdings LP for closing to not be satisfied, and such breach or failure is incapable of being cured, or (b) since the date of the Starlight Purchase Agreement, there has occurred a material adverse effect of the Starlight Vendor. The Outside Date may be extended for one or more periods not to exceed 120 days in the aggregate if approval for the Transaction under the *Competition Act* (Canada) has not been obtained at least five business days prior to the Outside Date.

Winnipeg Purchase Agreement

The Fund has agreed to indirectly acquire the Winnipeg Portfolio beneficially owned by the Winnipeg Vendors pursuant to the Winnipeg Purchase Agreement, for an aggregate purchase price of approximately \$179.8 million. The Fund will satisfy the purchase price through a combination of the assumption by NV LP of the existing mortgage debt related to the Winnipeg Portfolio in an amount equal to \$67.3 million, with the balance to be satisfied (i) by the delivery to the TC Core Vendor of Class C Units at the Transaction Issue Price, and (ii) by the issuance to or as directed by the TDAM Vendors of Redeemable Units at the Transaction Issue Price.

Representations and Warranties

The Winnipeg Purchase Agreement contains customary representations and warranties made by the Winnipeg Vendors in favour of NV LP with respect to, among other things, the Winnipeg Portfolio, and customary representations and warranties made by the Fund and NV LP to the Winnipeg Vendors with respect to, among other things, the Fund, NV LP and the Class C Units and Redeemable Units to be issued to or as directed by the TC Core Vendor and TDAM Vendors, respectively. The Winnipeg Purchase Agreement also contains a representation and warranty of the Fund that the Circular complies in all material respects with applicable securities laws, and that the Circular, other than information provided by the Winnipeg Vendors in writing in respect of the Winnipeg Vendors and the Winnipeg Portfolio for inclusion in the Circular, does not contain an untrue statement of material fact or an omission to state a material fact required to be stated therein or necessary in order to make any statement in the Circular (other than such information relating to the Winnipeg Vendors or the Winnipeg Portfolio) not misleading in light of the circumstances in which it was made. **Those representations and warranties were made solely for the purposes of the Winnipeg Purchase Agreement, were made as of specified dates and may be subject to contractual standards of materiality different from what may be viewed as material to Unitholders. For the foregoing reasons, Unitholders should not rely on the representations and warranties contained in the Winnipeg Purchase Agreement as statements of factual information at the time they were made or otherwise.**

The representations and warranties provided in the Winnipeg Purchase Agreement by the Winnipeg Vendors with respect to itself and its nominees relate to, amongst other things: organization and status, authority, title to the

Winnipeg Portfolio, no bankruptcy, tax matters, pre-emptive rights, leases, employment matters, insurance, absence of undisclosed liabilities, and compliance with anti-bribery and anti-corruption laws. The Winnipeg Purchase Agreement provides that except for the representations and warranties set forth therein, the NV LP is acquiring the Winnipeg Portfolio on an “as is, where is” basis. The representations and warranties of each party in the Winnipeg Purchase Agreement survive for 12 months following completion of the Winnipeg Purchase Agreement subject to a cap on the Winnipeg Vendors’ liability, on a per property basis, of 5% of the portion of the purchase price allocated to such property. In addition, (i) the Winnipeg Vendors shall not be liable to NV LP and the Fund, and (ii) NV LP and the Fund shall not be liable to the Winnipeg Vendors, for more than 5% of the purchase price (except in the case of certain representations and warranties made by the parties for which there is no limitation on liability).

Conditions

The Winnipeg Purchase Agreement contains certain conditions to the completion of the sale of the Winnipeg Portfolio to NV LP, including, among others, that: (i) approval of the TSX and all requisite approvals pursuant to applicable securities law have been obtained; (ii) required approvals under the *Competition Act* (Canada) have been obtained; (iii) the Transaction Resolution has been approved; (iv) all consents and approvals from the existing lenders in order to enable the assumption of the existing loans and all related security documents in respect thereof have been obtained; (v) the Transaction has been completed; (vi) all representations and warranties of each party are true and correct in all material respects as of the closing date for the acquisition of the Winnipeg Portfolio; (vii) the parties having fulfilled or complied with, in all material respects, their respective covenants contained in the Winnipeg Purchase Agreement; and (viii) the Investor Rights Agreement has been entered into. In addition, certain closing document deliverables include the amended and restated limited partnership agreement of NV LP providing for the Redeemable Units and the related support agreement between the Fund and NV LP, and entry into a clawback agreement between NV LP and the Winnipeg Vendors providing for a total of \$6 million in forecasted income support for 5 years from the closing date, payable over 18 months.

Change in Recommendation

If at any time following the execution of the Winnipeg Purchase Agreement and prior to obtaining approval for the Transaction Resolution, the Board concludes in good faith, after consultation with its outside financial and outside legal advisors, that failure of the Board to withdraw, amend, modify or qualify the Board Recommendation would be inconsistent with its fiduciary duties under applicable laws, then the Fund shall deliver to the Winnipeg Vendors a written notice of such determination of the Board and of its intention to make a change in the Board Recommendation, and an explanation in reasonable detail of the basis for such determination. During the five business day period following delivery of such notice, the Vendor shall have the opportunity (but not the obligation) to offer to amend the Winnipeg Purchase Agreement such that the Board is able to conclude in good faith that its fiduciary duties under applicable laws do not require it to withdraw, amend, modify or qualify the Board Recommendation. If after such five business day period, the Board concludes in good faith, after consultation with its outside financial and outside legal advisors, that failure of the Board to withdraw, amend, modify or qualify the Board Recommendation as set forth in the notice delivered to the Winnipeg Vendors, would be inconsistent with its fiduciary duties under applicable laws, the Board may make such change in the Board Recommendation, provided that, in the event the Winnipeg Purchase Agreement is terminated as a result of the Fund failing to obtain approval of the Transaction Resolution after the Board has changed the Board Recommendation, the Fund or NV LP shall be liable to pay damages to the Winnipeg Vendors in the amount it would have had to pay (such amount not to exceed \$1,000,000) had the Winnipeg Purchase Agreement not been completed solely as a result of the default of NV LP or the Fund.

Covenants

Until closing, each of the parties have agreed to use commercially reasonable efforts to satisfy certain conditions precedent in the Winnipeg Purchase Agreement. In addition, the parties have agreed to cooperate in ensuring all required consents and approvals (including the approval of the TSX and approvals under the *Competition Act* (Canada)) are obtained.

In addition, each of the Winnipeg Vendors has made certain covenants in the Winnipeg Purchase Agreement with respect to itself and its respective Winnipeg Portfolio interest, including that the Winnipeg Vendors: (i) shall be responsible for all work, labour, services and materials in connection with all off-title compliance matters and certain

suite turnover improvements and capital work to the common areas of the Winnipeg Portfolio (as stipulated in the Winnipeg Purchase Agreement); (ii) shall operate each Acquisition Property in the Winnipeg Portfolio consistent with past practice, and continue with the day-to-day management of the Winnipeg Portfolio; and (iii) continue to lease residential suites at the Winnipeg Portfolio at market rents.

The Fund has made certain covenants in the Winnipeg Purchase Agreement with respect to the Meeting and Circular, including to (i) convene and conduct the Meeting in accordance with the Declaration of Trust and applicable laws, and in any event no later than 60 days after entering into the Winnipeg Purchase Agreement; (ii) provide the Winnipeg Vendors and their legal counsel reasonable opportunity to review and comment on the Circular and other related documents; and (iii) unless consented to by the Winnipeg Vendors in writing, not propose or submit for consideration at the Meeting any business other than those matters stipulated in the Winnipeg Purchase Agreement.

Termination

The Winnipeg Purchase Agreement may be terminated prior to the closing date for the Winnipeg Transaction by (i) the mutual written agreement of the parties; (ii) either the Winnipeg Vendors or NV LP if (a) the Transaction Resolution is voted on at the Meeting and is not approved by the requisite vote of the Unitholders, (b) any law is enacted that makes the consummation of the Winnipeg Transaction illegal or otherwise prohibits or enjoins the Winnipeg Vendors or NV LP from consummating the Winnipeg Transaction, and such law has, if applicable, become final and non-appealable, (c) certain conditions are not satisfied on or prior to the Outside Date, or (d) the closing of the Winnipeg Transaction does not occur on or prior to the Outside Date; (iii) the Winnipeg Vendors, if (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of NV LP under the Winnipeg Transaction has occurred that would cause certain conditions of the Winnipeg Vendors for closing to not be satisfied, and such breach or failure is incapable of being cured, or (b) since the date of the Winnipeg Purchase Agreement, there has occurred a material adverse effect of the Fund; (iv) NV LP, if (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Winnipeg Vendors under the Winnipeg Transaction has occurred that would cause certain conditions of NV LP for closing to not be satisfied, and such breach or failure is incapable of being cured, or (b) since the date of the Winnipeg Purchase Agreement, there has occurred a material adverse effect of the Winnipeg Vendors. The Outside Date may be extended for one or more periods not to exceed 120 days in the aggregate if approval for the Transaction under the *Competition Act* (Canada) has not been obtained at least five business days prior to the Outside Date.

Voting and Support Agreements

On June 12, 2023, (i) each Vendor that is a Unitholder, and each Vendor Related Party entered into irrevocable Voting and Support Agreements pursuant to which they agreed to vote their Units in favour of the Transaction Resolution; and (ii) each trustee and executive officer of the Fund that holds Units entered into Voting and Support Agreements pursuant to which they agreed to vote their Units in favour of the Transaction Resolution, subject to customary exceptions. The Units subject to voting and support agreements represent approximately 64.5% of the Units outstanding as of the Record Date on a fully diluted basis.

Investor Rights Agreement

Nomination Rights

In connection with the closing of the Transaction, the Fund intends to enter into an investor rights agreement (the “**Investor Rights Agreement**”) by and among DDAP, CILP, D.D. Galaxy High Yield Debt LP and Mustang DDAP Partnership (collectively, the “**Starlight Investors**”), CREIF and KingSett LP7, (for the purposes of this section, the “**KingSett Investors**”) AIMCo Realty, Four Quadrant, the TC Core Vendor, Prairie Mur Limited Partnership and TC Green Limited Partnership. The Current Investor Rights Agreement will terminate upon the effectiveness of the Investor Rights Agreement. See “Annual and Other Special Business to be Acted Upon at the Meeting – Current Starlight Nomination Right” and “Annual and Other Special Business to be Acted Upon at the Meeting – Current KingSett Nomination Right”.

The Investor Rights Agreement will provide the Starlight Investors with the right (the “**Starlight Nomination Right**”) to nominate one Trustee for election at each meeting of Unitholders at which Trustees are to be elected, provided the

Starlight Investors are a “Qualifying Holder” at such time. The Trustee nominated for election at the Meeting pursuant to the Current Starlight Nomination Right (as defined below) under the Current Investor Rights Agreement is Mr. Daniel Drimmer. For purposes of the foregoing, the Starlight Investors shall be a “**Qualifying Holder**” for so long as certain affiliates of Starlight Group and their respective affiliates own, control and direct, directly or indirectly, in the aggregate, 5% or more of the then-issued and outstanding Units and at all times since the date of the Investor Rights Agreement collectively own, control or direct, directly or indirectly, in the aggregate, 5% or more of the then-issued and outstanding Units.

The Investor Rights Agreement also grants the KingSett Investors the right (the “**KingSett Nomination Right**”), to nominate one Trustee for election at each meeting of Unitholders at which Trustees are to be elected, provided the KingSett Investors are a “Qualifying Holder” at such time. The Trustee nominated for election at the Meeting pursuant to the Current KingSett Nomination Right (as defined below) under the Current Investor Rights Agreement is Mr. Rob Kumer. For purposes of the foregoing, the KingSett Investors shall be a “**Qualifying Holder**” for so long as the KingSett Investors and their affiliates collectively own, control and direct, directly or indirectly, in the aggregate, 5% or more of the then-issued and outstanding Units and at all times since the date of the Investor Rights Agreement collectively own, control or direct, directly or indirectly, in the aggregate, 5% or more of the then-issued and outstanding Units.

The Fund shall (i) nominate for election and include in any management information circular relating to any meeting at which Trustees are to be elected (or submit to Unitholders by written consent, if applicable) each person designated as a nominee of the KingSett Investors and the Starlight Investors, respectively, (ii) recommend (and reflect such recommendation in any management information circular relating to any such meeting or in any written consent submitted to Unitholders of the Fund for the purpose of electing Trustees) that the Unitholders vote to elect such nominees as Trustees for a term of office expiring at the subsequent annual meeting of the Unitholders, (iii) use reasonable commercial efforts to solicit, obtain proxies in favour of and otherwise support the election of such nominees at the applicable meeting, each in a manner no less favourable than the manner in which the Fund supports its own nominees for election at the applicable meeting, and (iv) take all other reasonable steps which it considers in its sole discretion may be necessary or appropriate to recognize, enforce and comply with the nomination rights of the Starlight Investors and the KingSett Investors, respectively.

In the event that the Trustee(s) nominated for election pursuant to the Starlight Nomination Right or KingSett Nomination Right fails to be elected by the Unitholders or is required to tender their resignation pursuant to the Fund’s majority voting policy and such resignation is accepted, subject to the KingSett Investors’ right to appoint a replacement Trustee in accordance with the Investor Rights Agreement or the Starlight Investors’ right to appoint a replacement Trustee in accordance with the Investor Rights Agreement, as applicable and provided that the Starlight Investors or the KingSett Investors, as applicable, are Qualifying Holders, the Starlight Investors or the KingSett Investors, as applicable, will have the right to designate an individual to serve as an observer to the Board (each such individual, a “**Board Observer**”) to attend all meetings of the Board (except for any meetings at which only Trustees who are independent for purposes of NI 52-110 may attend or in respect of which the Starlight Investors, the KingSett Investors or the Board Observer, as applicable, has a material interest in the subject matter of the meeting). The Board Observer will be subject to all confidentiality requirements of any other Trustee and will not have any voting rights, but will be given notice of, and the right to attend, every meeting of the Board, except as noted above. The Board Observer, in such capacity, will not be entitled to any compensation from, or to benefit from any trustee or officer insurance coverage provided by, the Fund.

Registration Rights

The Investor Rights Agreement also, among other things, provides the Starlight Investors, the KingSett Investors, AIMCo Realty, Four Quadrant, the TDAM Vendors and the TC Core Vendor (collectively, the “**Investors**”) with the right (the “**Piggy-Back Registration Right**”) to require the Fund to include Units in any future offering undertaken by the Fund by way of prospectus that it may file with applicable Canadian securities regulatory authorities, including pursuant to a Demand Registration (a “**Piggy-Back Registration**”). The Fund will be required to use reasonable commercial efforts to cause to be included in the Piggy-Back Registration all of the Units the Investors request to be sold, provided that if the Piggy-Back Registration involves an underwriting and the lead underwriter determines that the total number of Units to be included in such Piggy-Back Registration should be limited for certain prescribed reasons, the Units to be included in the Piggy-Back Registration will be first allocated, if the offering is a Demand Registration, to the party that triggered the Demand Registration and thereafter in accordance with the priority sequence for a Demand Registration, and secondly, if the offering is initiated by the Fund, first the Units that the Fund proposes to sell,

secondly, on a pro rata basis, to any Investor exercising its Piggy-Back Registration Right and thereafter to any other securityholder of the Fund, if any, in each case that may be accommodated in such an offering based on the written advice of the lead underwriter or underwriters. The Fund shall not be required to effect a Piggy-Back Registration if the value of all Units included in the Piggy-Back Registration by the Investors is expected to be less than the lesser of (i) \$5 million in the aggregate (calculated using the midpoint of any estimated offering price per Unit for such proposed offering), or (ii) 50% of the proposed size of the offering.

The expenses in respect of a Piggy-Back Registration pursuant to which the Fund is distributing Units will be borne by the Fund, including the reasonable out-of-pocket legal expenses of the Investors electing to participate, up to a maximum of \$20,000 for each Investor, except that any underwriting fee on the sale of Units by the Investors will be borne by the Investors.

In addition, the Investor Rights Agreement also provides each of the Investors other than the TC Core Vendor, provided such Investor is a Qualifying Holder (as defined with respect to each such Investor in the Investor Rights Agreement), with the right (exercisable at any time, subject to the Lock-Up Agreements) to require the Fund to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory authorities, qualifying the Units held by the applicable party for distribution (a “**Demand Registration**”). The Fund will be entitled to defer any Demand Registration in certain typical circumstances, including, among others, that the Fund shall not be obliged to effect a Demand Registration (i) more than three times in a 12-month period, (ii) within 90 days after the completion of a distribution under a prospectus, and (iii) or if the Demand Registration would reasonably be expected to result in gross proceeds of less than \$20 million. The Fund may also distribute Units in connection with a Demand Registration provided that if the Demand Registration involves an underwriting and the lead underwriter determines that the total number of Units to be included in such Demand Registration should be limited for certain prescribed reasons, the Units to be included in the Demand Registration will be first allocated, on a pro rata basis, to the Investor that triggered the Demand Registration and any Investors participating in a Piggy-Back Registration, and secondly, to the Fund and any other securityholders of the Fund.

The expenses in respect of a Demand Registration, subject to certain exceptions, and the underwriters’ and agents’ fees in connection with a Demand Registration, will be borne by the Investors participating in the Demand Registration in proportion to the amount of Units sold.

Pursuant to the Investor Rights Agreement, the Fund will indemnify the Investors for any untrue statement or alleged untrue statement of a material fact in a prospectus under which the Investors’ Units are distributed (other than in respect of any prospectus disclosure provided by an Investor, in respect of such Investor, or the underwriters/agents, in respect of the underwriters/agents). Each Investor will indemnify the Fund for any untrue statement or alleged untrue statement of a material fact contained in any prospectus disclosure provided by such Investor, in respect of such Investor. The Investors participating in the Demand Registration or Piggy-Back Registration will also cross-indemnify each other in respect of information provided by each respective Investor.

The Fund has not and will not, pursuant to the Investor Rights Agreement or otherwise, have any obligation to register, nor will it register, Units under the U.S. Securities Act.

Drag/Tag Rights

The Investor Rights Agreement provides that if an Investor is a Qualifying Holder, and so requests, the Fund will cause, in respect of a subsidiary limited partnership of the Fund of which such Investor is a securityholder, a purchaser (other than the Fund or an affiliate of the Fund) of securities of such subsidiary limited partnership owned by the Fund (or any permitted assignee) to purchase a pro rata portion of the securities of such subsidiary limited partnership held by such Investor, on the same terms and subject to the same conditions as are applicable to the purchase of securities of such subsidiary limited partnership by the purchaser. Under the terms of the support agreement to be entered into with NV LP, in the case of the Redeemable Units, any such purchase and sale shall be effected at a price per Redeemable Unit no less than the Transaction Issue Price. The Fund is also entitled, in connection with the direct or indirect sale of all of its securities of a subsidiary limited partnership, to require an Investor that is a securityholder thereof or any permitted assignee to sell its securities in such subsidiary limited partnership on substantially the same terms and conditions as are applicable to the Fund’s direct or indirect sale of all other interests in such subsidiary limited partnership, and upon the Fund making such request and completing such sale, the Investor or any permitted assignee will have no further interest in such subsidiary limited partnership.

Lock-Up Agreements

In connection with the Purchase Agreements, on or before closing of the Transaction, the Galaxy Vendor, the Starlight Vendor and the Winnipeg Vendors will each enter into a lock-up agreement (the “**Lock-Up Agreements**”) under which they will agree, subject to certain exceptions, not to offer or sell any Units or securities convertible into or exchangeable or exercisable for Units during the lock-up period, without the prior written consent of the Fund. In addition, AIMCo Realty and KingSett LP7, which are each affiliates of the Galaxy Vendor, Four Quadrant and CILP (with respect to its Carried Interest Units) have also agreed to enter into Lock-Up Agreements. The lock-up periods vary in length from 18 to 21 months following the closing of the Transaction, with some of the Lock-Up agreements having a staggered lock-up structure, such that a specified percentage of the locked-up Units will be released on specified anniversaries of the closing of the Transaction.

Management Internalization

In accordance with its terms, the management agreement dated November 2, 2020 (the “**Management Agreement**”) by and among the Manager, the Fund and NV LP, will terminate upon completion of the Transaction. Following the termination of the Management Agreement, the Fund’s Chief Executive Officer, Mr. Todd Cook and its Chief Financial Officer, Ms. Sarah Walker will be employed directly by the Fund and will continue to manage the portfolio with the Fund’s employees. By internalizing property management activities, the Fund will recognize significant cost savings and benefit from liquidity improvements. The DOT Amendments will have the effect of removing certain elements in the Declaration of Trust relating to the Manager and the Management Agreement which will no longer be relevant or applicable following completion of the Transaction and the consequent termination of the Management Agreement.

Consolidation

Concurrently with the closing of the Transaction, the Fund also intends to complete a 1.75 to 1 consolidation of all classes of Units (the “**Consolidation**”), in accordance with the terms of the Declaration of Trust. The Consolidation will also include the Units issued in connection with the Transaction. No Unitholder approval is required in connection with the Consolidation. No fractional Units will be issued. Where the Consolidation results in a fractional Unit, the number of post-Consolidation Units will be rounded down to the nearest whole Unit, in the case of a fractional interest that is less than 0.5, or rounded up to the nearest whole number, in the case of a fractional interest that is 0.5 or greater.

Procedures Relevant for Holders of Units

Assuming the Transaction (including the DOT Amendments) is approved and the Board implements the Consolidation concurrently with closing of the Transaction, a letter of transmittal is expected to be delivered to registered holders of Units in connection with the Consolidation.

Registered Unitholders will be asked to complete and return the letter of transmittal, together with the certificate(s) or DRS Advice representing their Units, to the Transfer Agent in accordance with the instructions set forth in the letter of transmittal. Any use of the mail to transmit a certificate for Units and the related letter of transmittal is at the risk of the Unitholder. If these documents are mailed, it is recommended that registered mail, with return receipt requested, properly insured, be used. Whether or not a Unitholder forwards the certificate representing their Units, each Unit will be consolidated in accordance with the terms of the Consolidation as described above. Where a certificate for Units has been destroyed, lost or misplaced, the registered holder of that certificate should immediately contact the Transfer Agent regarding the issuance of a replacement certificate upon the holder satisfying such requirements as may be imposed by the Fund in connection with the issuance of the replacement certificate.

FINANCING FOR THE TRANSACTION

Issue of Class C Units

As partial consideration for the Acquisition Properties, the Fund intends to issue an aggregate of up to 13,404,688 Class C Units (after giving effect to the Subdivision but before giving effect to the Consolidation and assuming a closing date of August 9, 2023) at the Transaction Issue Price, consisting of 13,146,978 Class C Units to be issued to the Galaxy Vendor, and 257,710 Class C Units to be issued to the TC Core Vendor. The Class C Units will be, following the DOT Amendments, convertible into Class A Units on a 1:1 basis.

Issue of Starlight Consideration Units

The Starlight Vendor will receive Starlight Consideration Units exchangeable for 3,469,416 Class C Units (after giving effect to the Subdivision but before giving effect to the Consolidation and assuming a closing date of August 9, 2023) and accompanying Special Voting Units of the Fund (which will provide the holder thereof with voting rights in respect of the Fund). New Subsidiary LP's limited partnership agreement will provide for terms generally consistent with those of NV Holdings LP and NV LP, as amended to reflect the terms of the Starlight Consideration Units.

Following completion of the Transaction, but before giving effect to the Consolidation, a total of 3,469,416 Class C Units will be issuable upon exchange of the Starlight Consideration Units and 3,469,416 Special Voting Units will be issued by the Fund.

The Starlight Consideration Units and the Special Voting Units associated therewith are intended to be, to the greatest extent practicable, the economic equivalent of Class C Units. Holders of Starlight Consideration Units will be entitled to receive distributions paid by New Subsidiary LP, which distributions or advances will be equal on a per Class C Unit as-exchanged basis, to the greatest extent practicable, to the amount of distributions paid by the Fund to Unitholders. In the case of a distribution declared on the Class C Units in property (other than (i) cash, or (ii) a distribution of Class C Units and immediate consolidation thereafter such that the number of outstanding Class C Units both immediately prior to and following such transaction remains the same), holders of Starlight Consideration Units will generally be entitled to receive, subject to applicable law, distributions in such type and amount of property as is the same as, or economically equivalent to (as determined by the board of directors of the general partner of New Subsidiary LP, in good faith and in its sole discretion), the type and amount of property declared as a distribution on each Class C Unit. The Starlight Consideration Units will be exchangeable for a specified number of Class C Units, subject to the customary anti-dilution adjustments set out in the exchange agreement to be entered into between, among others, the Fund and New Subsidiary LP. Starlight Consideration Units may not be transferred except in connection with an exchange for Class C Units or those certain limited exceptions to be set out in the limited partnership agreement of New Subsidiary LP. The Starlight Consideration Units will not be listed on the TSX or on any other stock exchange or quotation system.

Issue of Redeemable Units

The TDAM Vendors will receive 7,212,139 Redeemable Units and accompanying Special Voting Units of the Fund (which will provide the holders thereof with voting rights in respect of the Fund), which Redeemable Units will be issued by NV LP at the Transaction Issue Price. NV LP's limited partnership agreement will be amended and restated in connection with the closing of the Transaction and will provide for terms generally consistent with those of NV Holdings LP and New Subsidiary LP, as amended to reflect the terms of the Redeemable Units.

Each Redeemable Unit will be entitled to receive distributions paid by NV LP, in an amount equivalent to the distributions paid on one Class A Unit. In the case of a distribution declared on the Class A Units in property (other than (i) cash, or (ii) a distribution of Class A Units and immediate consolidation thereafter such that the number of outstanding Class A Units both immediately prior to and following such transaction remains the same), holders of Redeemable Units will generally be entitled to receive, subject to applicable law, distributions in such type and amount of property as is the same as, or economically equivalent to (as determined by the board of directors of the general partner of NV LP, in good faith and in its sole discretion), the type and amount of property declared as a distribution on each Class A Unit.

The support agreement to be entered into with NV LP will also require that in the event that income is allocated to a holder of Redeemable Units for purposes of the Tax Act, NV LP shall be required to make additional payments annually to such holder of the Redeemable Units such that the net after-tax amount received by such holder in respect of distributions on the Redeemable Units for each year will be equivalent to the net after-tax amount that would have been received by such holder in respect of distributions if the holder were exempt from tax under Part I of the Tax Act.

Redeemable Units may not be transferred except to affiliates of the TDAM Vendors or in connection with a redemption/retraction for Class A Units. Redeemable Units may only be held by an entity that is either a taxable Canadian corporation for purposes of the Tax Act, or a partnership, all the members of which are taxable Canadian corporations for purposes of the Tax Act. The Redeemable Units will not be listed on the TSX or on any other stock exchange or quotation system.

The Redeemable Units will become redeemable and retractable at the Transaction Issue Price in four equal installments after the 12 month, 15 month, 18 month and 21 month anniversaries of closing (each, a “**Redemption/Retraction Date**”). The Fund will have the right to satisfy the redemption/retraction price of \$15.06 per Redeemable Unit either with cash or by the issuance of that number of new Class A Units having a fair market value at the applicable Redemption/Retraction Date equal to the aggregate redemption price of the Redeemable Units being redeemed (based on a ten day volume weighted average trading price (“**VWAP**”) of the Class A Units on the TSX). Upon a change of control of the Fund or NV LP, the Redeemable Units shall become immediately redeemable at the option of the Fund in accordance with the foregoing mechanics.

Following completion of the Transaction (assuming a closing date of August 9, 2023), but before giving effect to the Consolidation, assuming a redemption/retraction of the Redeemable Units at the Transaction Issue Price, a total of up to 7,212,139 Class A Units would be issuable upon redemption/retraction of the Redeemable Units, and 7,212,139 Special Voting Units will be issued by the Fund relating to such Redeemable Units. The Special Voting Units to be issued in connection with the Redeemable Units will provide a number of votes equal to the number of Redeemable Units issued to or as directed by the TDAM Vendors in the Winnipeg Transaction, rather than a number of votes equal to the number of Class A Units issuable in connection with a redemption/retraction of the Redeemable Units, which will fluctuate depending on the VWAP of the Class A Units on the applicable Redemption/Retraction Date. Up to an additional 7,229,711 Class A Units (before giving effect to the Consolidation) will be reserved for issuance upon redemption/retraction of the Redeemable Units if the Transaction Resolution is approved at the Meeting in order to account for any difference between the VWAP of the Class A Units and the Transaction Issue Price (after adjusting such price for the Consolidation) on a Redemption/Retraction Date, only in the event that the Fund determines it is in the Fund’s interest to satisfy the redemption/retraction of such Redeemable Units in Class A Units rather than a cash payment. See “Closing Adjustments to Units, Exchangeable Units, Redeemable Units and Special Voting Units”.

Determination of Carried Interest

In accordance with the terms of the Carried Interest Units, on the occurrence of a Recapitalization Event, the Carried Interest represented thereby shall be determined and the Carried Interest Units will become exchangeable for Class C Units. As a result of the completion of the Transaction, which will constitute the Recapitalization Event of the Fund, the Carried Interest Units will become exchangeable for an aggregate of approximately 2.82 million Class C Units (subject to closing adjustments), and accompanied by the same number of Special Voting Units.

In the event that closing happens on August 9, 2023, it is expected that the Carried Interest Units will become exchangeable for 2,820,701 Class C Units. In the event that closing is delayed through either August 31, 2023 or September 30, 2023, it is expected that the number of Class C Units into which the Carried Interest Units will become exchangeable will increase by 24,994 Class C Units or 49,988 Class C Units, respectively. The changes in the number of Class C Units issuable upon exchange of the Carried Interest Units results primarily from additional distributions paid or declared payable by the Fund to Unitholders through to the closing date for the Transaction.

The Carried Interest Units, following the determination of the Carried Interest, and the Special Voting Units associated therewith are intended to be, to the greatest extent practicable, the economic equivalent of Class C Units. Holders of Carried Interest Units will be entitled to receive distributions paid by NV Holdings LP, which distributions will be equal on a per Class C Unit as-exchanged basis, to the greatest extent practicable, to the amount of distributions paid by the Fund to Unitholders. In the case of a distribution declared on the Class C Units in property (other than (i) cash, or (ii) a distribution of Class C Units and immediate consolidation thereafter such that the number of outstanding Class C Units both immediately prior to and following such transaction remains the same), holders of Carried Interest Units will generally be entitled to receive, subject to applicable law, distributions in such type and amount of property as is the same as, or economically equivalent to (as determined by the board of directors of the general partner of NV Holdings LP, in good faith and in its sole discretion), the type and amount of property declared as a distribution on each Class C Unit. The Carried Interest Units will be exchangeable for that number of Class C Units representing the crystallization of the Carried Interest, subject to the customary anti-dilution adjustments set out in the exchange agreement to be entered into between, among others, the Fund and NV Holdings LP. Carried Interest Units may not be transferred except in connection with an exchange for Class C Units or those certain limited exceptions to be set out in the limited partnership agreement of NV Holdings LP. The Carried Interest Units will not be listed on the TSX or on any other stock exchange or quotation system.

Acquisition Indebtedness

As part of the Acquisitions, the Fund will indirectly assume an aggregate of approximately \$339.1 million of in-place mortgage financing on the Acquisition Properties, comprising approximately \$214.8 million on the Galaxy Portfolio, \$57.1 million on the Starlight Portfolio and \$67.3 million on the Winnipeg Portfolio, in each case assuming closing of the Transaction in August 2023. The mortgages have varying maturities ranging from 2023 through to 2031 and have an effective weighted average interest rate of 3.08% per annum and an expected weighted average term to maturity of 3.8 years. The Fund will generally be liable, whether as a primary obligor or otherwise, for the mortgages. In addition, certain loan documents relating to secured debt to be assumed by the Fund upon completion of the Acquisitions may contain restrictions concerning the change of control of the Fund and/or its subsidiaries, and the change of management of the Acquisition Properties subject to such secured debt, and covenants and events of default relating to the Fund and its subsidiaries. All costs and expenses relating to the assumption by the Fund will be the responsibility of the Fund. The assumed debt also assumes certain certificates of insurance (“COIs”) from the Canada Mortgage and Housing Corporation are obtained, and may fluctuate depending on the final terms of these COIs. In addition the Fund expects to buydown the interest rates of certain of the mortgages associated with the Acquisition Properties.

The Fund will also indirectly assume \$40 million in credit facilities relating to the Galaxy Portfolio. The indebtedness will become part of the Fund’s existing syndicated credit facility and merge with the Tranche A-1 Facility. The Acquisition Properties in the Galaxy Portfolio will be added as security for the syndicated credit facility. Refer to “Syndicated Credit Facility” for a description of terms.

The Fund is also expected to obtain a new \$60 million secured credit facility secured by the Starlight Portfolio and the Winnipeg Portfolio, which will provide further financial flexibility for the Fund.

The Acquisitions are expected to deleverage and strengthen the Fund’s balance sheet, with the Fund’s Debt to Gross Book Value expected to decrease by approximately 500 basis points. In connection with the Transaction, the existing bank facilities with a current maturity of October 30, 2023 are expected to be extended to December 31, 2024. The weighted average maturity of the Fund’s mortgages is expected to increase from 2.6 years to 3.0 years. It is anticipated that the Fund will benefit from an increased proportion of fixed rate debt, increasing from approximately 67% to approximately 71%.

Syndicated Credit Facility

The Fund has in place a syndicated credit facility with a borrowing limit of approximately \$460.5 million as at March 31, 2023, maturing on October 30, 2023. In connection with the Transaction, the maturity date of the credit facility is expected to be extended to December 31, 2024. The credit facility includes multiple tranches that each bears interest at the prime rate plus 2.65% or the bankers’ acceptance rate plus 3.65%. The Tranche A-1 Facility and the Tranche A-2 Facility are non-revolving term loan facilities. The Tranche B Facility is a non-revolving capital expenditure loan facility on which draws may occur no more than once per fiscal quarter in an amount of up to 75% of allowable capital expenditure costs incurred. The Tranche B-2 Revolving Facility is a facility available for general corporate, trust, or operating purposes. The Tranche B-3 Term Facility is a non-revolving facility on which draws may occur no more than once per fiscal quarter for mortgage principal repayments. As the Tranche A-1 Facility and the Tranche A-2 Facility are non-revolving term loan facilities, payments on the facilities reduce the credit limit available.

In connection with the Transaction, the syndicated credit facility is expected to be amended to reflect the DOT Amendments and the conversion of the Fund into a more typical open-ended “real estate investment trust”, along with the inclusion of an additional \$40 million in the Tranche A-1 Facility secured by the Acquisition Properties in the Galaxy Portfolio.

Pro Forma Debt to Gross Book Value Ratio

The Declaration of Trust provides that the Fund may not incur or assume any “indebtedness” (as defined in the Declaration of Trust) if, after incurring or assuming such indebtedness, the total indebtedness of the Fund would be more than 70% of Gross Book Value. As at March 31, 2023, Debt to Gross Book Value was approximately 67.3%.

After giving effect to the Transaction, management estimates that *pro forma* Debt to Gross Book Value will be approximately 64.7%, excluding a portfolio premium.

Closing Adjustments to Units, Exchangeable Units, Redeemable Units and Special Voting Units

The purchase price payable for each of the Galaxy Portfolio, Starlight Portfolio and Winnipeg Portfolio includes the assumption of debt, primarily consisting of mortgage debt, with the balance to be paid in Units, Exchangeable Units and Redeemable Units of the Fund and its subsidiaries. Depending on the closing date for the Transaction, the number of Units, Exchangeable Units and Redeemable Units that may be issued as partial consideration for the Acquisitions is expected to increase as mortgage debt on the Acquisition Properties is amortized and/or interest buydowns are effected. Set out below is a table indicating the estimate of Units, Exchangeable Units, Redeemable Units and Special Voting Units to be issued by the Fund and its subsidiaries assuming a closing date of August 9, 2023, August 31, 2023 and September 30, 2023 (the Outside Date), respectively. In addition, to the extent that the Fund is unable to assume the mortgage debt relating to a specific Acquisition Property, the Fund is expected to satisfy the balance of the purchase price in respect of such Acquisition Property with additional Units, Exchangeable Units or Redeemable Units and Special Voting Units, as applicable.

	August 9, 2023	August 31, 2023	September 30, 2023
Class C Units issuable to the Galaxy Vendor	13,146,978	13,162,016	13,175,605
Starlight Consideration Units	3,469,416	3,473,868	3,477,610
Class C Units issuable to the TC Core Vendor	257,710	257,909	258,338
Redeemable Units	7,212,139	7,217,715	7,229,711
Special Voting Units ⁽¹⁾	13,502,255	13,537,278	13,578,010
Total Units Outstanding⁽²⁾	62,823,687	62,874,997	62,929,746

Notes:

- (1) Consists of Special Voting Units attached to the Starlight Consideration Units, Redeemable Units and Carried Interest Units.
- (2) After giving effect to the Transaction, including the Subdivision, but before giving effect to the Consolidation, and assuming redemption/retraction of 100% of the Redeemable Units at the Transaction Issue Price.

At the Meeting, pursuant to the Transaction Resolution, Unitholders will be asked to approve the maximum estimated number of Units, Exchangeable Units and Redeemable Units issuable pursuant to the Transaction, provided that in the case of the Redeemable Units, Unitholders will be asked to approve the reservation of an additional 7,229,711 Class A Units (before giving effect to the Consolidation) for issuance upon redemption/retraction of the Redeemable Units, in order to account for any difference between the VWAP of the Class A Units and the Transaction Issue Price (after adjusting such price for the Consolidation) on a Redemption/Retraction Date, only in the event that the Fund determines it is in the Fund's interest to satisfy the redemption/retraction of such Redeemable Units in Class A Units rather than a cash payment. In addition, Unitholders will be asked to approve the reservation of an additional 2,000,000 Units for issuance pursuant to the Transaction, to address any further delays in closing, amortizations or maturities of mortgages, statements of adjustments under the Purchase Agreements, and/or the effects of interest rate buydowns on assumed mortgages. See "Determination of Carried Interest" for the discussion of adjustments to the Carried Interest Units.

DESCRIPTION OF THE ACQUISITION PROPERTIES

Overview of Acquisition Properties

Upon completion of the Acquisitions, pursuant to the Purchase Agreements, the Fund will indirectly acquire 20 real estate properties comprising an aggregate of approximately 3,300 multi-family suites as well as approximately 119,000 square feet of commercial space, of which approximately 370 square feet is in Jasper, Alberta, 10,234 square feet is in Edmonton, Alberta, 100,963 square feet is in Winnipeg, Manitoba, 1,298 square feet is in Brantford, Ontario, 4,490 square feet is in Montréal, Québec and 2,288 square feet is in Lower Sackville, Nova Scotia. The Acquisition Properties represent a mix of geographic areas where the Fund already has an established presence, and new markets in which the Fund will begin to operate, including the Provinces of Manitoba and Ontario. The tables below provide a geographic overview of the Acquisition Properties:

Total Acquisition Properties by Province		
Province	Multi-Residential Suites	Commercial Square Footage
Alberta	920	10,604
Manitoba	845	100,963
Ontario	272	1,298
Québec	420	4,490
Nova Scotia	844	2,288
Total	3,301	119,643

Total Acquisition Properties by City		
Province	Multi-Residential Suites	Commercial Square Footage
Alberta		
Airdrie	140	–
Calgary	454	–
Edmonton	96	10,234
Jasper	230	370
Subtotal – Alberta	920	10,604
Manitoba		
Winnipeg	845	100,963
Subtotal – Manitoba	845	100,963
Ontario		
Brantford	250	1,298
Guelph	22	–
Subtotal – Ontario	272	1,298
Québec		
Montréal	420	4,490
Subtotal – Québec	420	4,490
Nova Scotia		
Dartmouth	722	–
Halifax	50	–
Lower Sackville	72	2,288
Subtotal – Nova Scotia	844	2,288
Total Acquisition Properties by City	3,301	119,643

Galaxy Portfolio

Twelve properties beneficially owned by the Galaxy Vendor will be indirectly purchased by the Fund for approximately \$453 million with approximately \$215 million in mortgages and \$40 million in credit facilities assumed and the balance of the purchase price satisfied in Class C Units.

Address	Location	Number of Suites / Commercial Square Feet
6 Kingsview Road SE	Airdrie, Alberta	140
20, 40, 60, 80 & 100 Skyview Ranch Landing NE	Calgary, Alberta	419
915 44 Street SE	Calgary, Alberta	35
78, 80, 90 & 92 Geikie Street	Jasper, Alberta	230 / 370 square feet
1415-1800 rue Crevier, 1655-1675 rue Tasse, 1650-1670 rue Deguire & 1660-1684 rue Poirier	Montréal, Québec	420 / 4,490 square feet
1, 6, 7 & 10 Crystal Drive	Dartmouth, Nova Scotia	114
1 & 3 Farthington Place	Dartmouth, Nova Scotia	94
31 & 35 Highfield Park Drive & 11 Joseph Young Drive	Dartmouth, Nova Scotia	111
15, 25 & 35 Leaman Drive & 81 Jackson Road	Dartmouth, Nova Scotia	161
36, 60, 65 & 81 Primrose Street	Dartmouth, Nova Scotia	242
211-221 Glenforest Drive, 185-199 Willet Street and 13, 17-43 & 57 Willowbend Court	Halifax, Nova Scotia	50
9-54 Paige Plaza & 11-15 Downsview Drive	Lower Sackville, Nova Scotia	72 / 2,288 square feet
Total		2,088 / 7,148 square feet

Starlight Portfolio

Four properties beneficially owned by the Starlight Vendor will be indirectly purchased by the Fund for approximately \$109 million with approximately \$57 million in mortgages assumed and the balance of the purchase price satisfied in exchangeable units that are exchangeable into Class C Units.

Address	Location	Number of Suites / Commercial Square Feet
129 Wellington Street	Brantford, Ontario	129 / 470 square feet
150 Darling Street	Brantford, Ontario	121 / 828 square feet
253 & 263 Exhibition Street	Guelph, Ontario	22
10049 103 Street NW	Edmonton, Alberta	96 / 10,234 square feet
Total		368 / 11,532 square feet

Winnipeg Portfolio

Four properties (one of which is comprised of a residential component and a separate commercial component), beneficially owned by the Winnipeg Vendors will be indirectly purchased by the Fund for approximately \$180 million with approximately \$67 million in mortgages satisfaction of approximately \$109 million of the purchase price satisfied by issuance of Redeemable Units to or as directed by the TDAM Vendors and the balance of the purchase price by issuance of Class C Units to the TC Core Vendor.

Address	Location	Number of Suites / Commercial Square Feet
160 Smith Street	Winnipeg, Manitoba	185 / 16,751 square feet
26 & 45 Hargrave Street	Winnipeg, Manitoba	34
525 & 555 St. Mary Avenue (Colony Square – Residential)	Winnipeg, Manitoba	428
500 Portage Avenue (Colony Square – Commercial)	Winnipeg, Manitoba	84,212 square feet
70 Garry Street	Winnipeg, Manitoba	198
Total		845 / 100,963 square feet

Overview of Real Estate Markets

Overview of Alberta – General Overview

Pursuant to the Transaction, the Fund will acquire five assets in: (i) Airdrie, (ii) Calgary, (iii) Edmonton, (iv) Jasper, which will complement the Fund's existing assets in (i) Bonnyville, (ii) Calgary, (iii) Fort McMurray, (iv) Grande Prairie, (v) Lethbridge, (vi) Lloydminster, (vii) Saint Paul, and (viii) Slave Lake. Additional details regarding the Alberta real estate property market can be found in the Fund's AIF for the year ended December 31, 2022.

Overview of Montréal, Québec – General Overview

Pursuant to the Transaction, the Fund will acquire one asset in Montréal, which will complement the Fund's existing assets in Sept-Îles. Montréal is the second largest city in Canada and is the most populous city in Québec, with a population of over 4.2 million. The city's economy has benefitted from the Port of Montréal and a diverse range of industries, from technology, retail, to pharmaceuticals. As a result, the city's labor market is largely supported by many international organizations with their global headquarters, such as Metro Inc., Air Canada, Bell Canada, and Rio Tinto Alcan.

Real Estate Property Market

The real estate market in Montréal has historically been supported by strong population growth through international immigration and economic stability driven by its essential trade location and the diverse range of economic drivers. Housing and rental demand has consistently remained strong, and supply has been relatively limited given the rising cost environment.

Overview of Nova Scotia – General Overview

Pursuant to the Transaction, the Fund will acquire seven assets in: (i) Dartmouth, (ii) Halifax, (iii) Lower Sackville, representing the Fund's entry into the Nova Scotia real estate market. The economy of Nova Scotia is historically supported by its rich natural resources – fueling the growth of forestry, fishing, and energy. The services sector has also seen rapid growth in the recent decade, ranking the Government of Nova Scotia, Nova Scotia Health Authority, and Dalhousie University serving as the leading employers of the province.

Real Estate Property Market

The real estate market in Nova Scotia has historically been supported by both the natural resources sector, including forestry, fishing, and energy. Public administration and services employment has also provided stability over the real estate demand.

Overview of Winnipeg, Manitoba – General Overview

Pursuant to the Transaction, the Fund will acquire five assets in downtown Winnipeg, Manitoba, representing the Fund's entry into the Manitoba real estate market. Winnipeg, with a population over 700,000, is a global agricultural powerhouse, being home to many of Canada's leading international agribusiness companies. Winnipeg is also Western Canada's hub for advanced manufacturing and has the largest centre for transportation manufacturing in North America. Other major industries include Aerospace, Finance, Food and Hospitality, and Healthcare. Notable employers in Winnipeg include Cangene Corporation, Canada Life Assurance Company, Cargill, Ceridian Canada, Investors Group, James Richardson and Sons, Limited and many others.

Real Estate Property Market

The real estate market in Winnipeg has historically been supported by steady population growth and healthy employment from agriculture, manufacturing, and food processing companies.

Overview of Ontario – General Overview

Pursuant to the Transaction, the Fund will acquire three assets in (i) Brantford, (ii) Guelph, representing the Fund's entry into the Ontario real estate market. Both Brantford and Guelph are within close proximity to the Greater Toronto Area, each with over 100,000 population and strong foundations of manufacturing employment base.

Real Estate Property Market

The real estate market in Brantford and Guelph benefits from the rapid population growth of Ontario and the employment from the manufacturing sector.

Overview of Rent Control Regulation

A description of rent regulation in Alberta and Québec can be found in the Fund's AIF for the year ended December 31, 2022. Set out below is additional information relating to the new markets being entered into by the Fund, namely, Manitoba, Ontario and Nova Scotia.

Manitoba

In Manitoba, a landlord's ability to increase rents is subject to both the *Residential Tenancy Act* (“**MB RTA**”) and the *Residential Rent Regulation, M.R. 156/92* (“**MB Regulation**”). Both the MB RTA and MB Regulation provide that the annual increase of rents of the same premises are subject to the published guideline limit, which is currently set at zero percent for 2023 (the “**2023 Limit**”). The rent increase guideline is set using a transparent method, outlined in the MB Regulation. The guideline is determined based on the percentage change in the average annual “All-Items” *Consumer Price Index* (Manitoba only) data, which is published by Statistics Canada.

The 2023 Limit, however, does not apply to (i) rental units that currently charges rent above \$1,570 per month, (ii) approved rehabilitated rental units, or (iii) new buildings less than 20 years old where an occupancy permit was first issued or a unit was first occupied after March 7, 2005.

A landlord can usually increase rent only once every 12 months, upon at least three months prior written notice of a proposed rent increase. Tenants can object to an increase in rent if it is above the guideline. Landlords can apply for a larger increase if they can demonstrate that the guideline amount will not cover cost increases they have incurred.

Ontario

In Ontario, the *Residential Tenancies Act, 2006* (Ontario) (the “**RTA**”), which came into force January 31, 2007, provides restrictions upon the ability of a landlord to increase rents above an annually prescribed guideline, and requires that the landlord give tenants ninety days' prior written notice of an increase in rent. Unless the landlord and tenant mutually agree that the landlord will add a parking space or an additional “prescribed” service, facility, privilege, accommodation or thing, rent cannot be increased more than once in any twelve-month period, or at least twelve months after a new tenant has taken occupancy of a unit.

Schedule 36 of the *Restoring Trust, Transparency and Accountability Act, 2018* (“**RTTA**”), which received royal assent on December 6, 2018, amended the RTA to exclude certain rental units from the restrictions on rental increases in Ontario. As a result of the changes contained in the RTTA, the restrictions on rental increases found in the RTA will not apply: (i) if the rental unit is located in a building, mobile home park or land lease community and no part of the building, mobile home park or land lease community was occupied for residential purposes on or before November 15, 2018; or (ii) the rental unit is entirely located in an addition to a building, mobile home park or land lease community and no part of the addition was occupied for residential purposes on or before November 15, 2018. A similar exemption exists for detached, semidetached or row houses that meet certain prescribed criteria.

The Ontario guideline for 2023 is 2.5% for rent increases between January 1 and December 31, 2023. The guideline applies to most private residential units covered by the RTA. In addition to the exclusions set out in Section 36 of the RTTA, this guideline does not apply to vacant residential units, community housing units, social housing units, long-

term care homes and commercial properties. Pursuant to the RTA, this guideline also does not apply to new buildings, additions to existing buildings and most new basement apartments that are occupied for the first time for residential purposes after November 15, 2018. Effective June 19, 2012, the Ontario provincial government amended the RTA so that the guideline for any calendar year shall not be more than 2.5%.

A landlord and tenant may mutually agree to increase the rent charged to the tenant for a rental unit above the guideline if the landlord has carried out or undertakes to carry out a specified capital expenditure in exchange for the rent increase; or the landlord has provided or undertakes to provide a new or additional service in exchange for the rent increase. As a result of the changes to the RTA by the *Rental Fairness Act, 2017* (Ontario), a landlord shall not increase rent in this situation by more than the guideline plus 3% of the previous lawful rent charged and a tenant who enters into such agreement may cancel the agreement by giving written notice to the landlord within five days after signing it.

Absent a mutual agreement to increase rent, in order to increase rents above the guideline, a landlord must make an application to the Landlord and Tenant Board (the “**Tenant Board**”) based on an extraordinary increase in the cost for municipal taxes and charges, certain eligible capital expenditures incurred with respect to a residential complex or rental unit therein, or operating costs related to third-party security services provided in respect of a residential complex or building in which rental units are located. A rent increase based on capital expenditures or security services may not be more than 3% above the prescribed guideline for each year, provided that if a landlord can justify a larger increase, such increase may be taken over three years. Similarly, a tenant can make an application to the Tenant Board on the grounds that the residential complex or units in it do not comply with health, safety, housing and maintenance standards, and in such event, the Tenant Board can order, among other things, that the landlord complete related items in work orders. As a result, the Fund may, in the future, incur capital or other expenditures which may not be fully recoverable from tenants. The RTA also permits tenants to bring proceedings to reduce rent due to reductions or discontinuances in services or facilities or due to a reduction in the applicable municipal taxes. The RTA also provides for automatic rental reductions upon expiry of prescribed periods where rent has been increased in connection with eligible capital expenditures or upon reductions in municipal taxes.

Nova Scotia

On November 5, 2021, the *Interim Residential Rental Increase Cap Act* (“**IRRICA**”) came into force allowing for the temporary 2% cap on rent increases to continue in Nova Scotia. On March 22, 2023, the Province of Nova Scotia announced that the existing cap on rent increases will be extended to December 31, 2025. The Province of Nova Scotia also announced their intention to set the cap on rent increases to 5% starting January 1, 2024. The IRRICA also provides for a tenant, who believes that a landlord has imposed a rental increase in contravention of the IRRICA, to make an application with the Director of Residential Tenancies for an order requiring the landlord reimburse the tenant for any amount collected in contravention of the IRRICA. Applications can be made until December 31, 2026.

On December 13, 2022, the Governor in Council proclaimed multiple amendments to the *Residential Tenancies Act* (Nova Scotia) and to the *Residential Tenancies Regulation 190/1989*, all of which came into force on February 3, 2023. These amendments largely deal with technical issues and add additional protections for tenants in relation to noncompliance by landlords. Amendments were made to the tenant’s ability to change the term of or terminate a lease. Upon receiving notice of a rent increase a tenant can either change the term of the lease from year-to-year to month-to-month or terminate the tenancy. In either case, a “Notice to Quit” must be provided in writing to the landlord at least three months before the effective date of the rent increase. When a tenant exercises this right, the landlord shall not charge a higher rent amount on a month-to-month lease than the rent payable on a year-to-year lease.

Assessment of the Acquisition Properties

Independent Appraisals of the Acquisition Properties

The Fund retained CBRE Limited to provide an independent appraisal of the fair market value of each of the Acquisition Properties comprising the Galaxy Portfolio and the Starlight Portfolio (each, an “**Appraisal**”). The Fund also obtained reliance letters from CBRE Limited and Cushman & Wakefield LLC with respect to independent Appraisals of the fair market value of each of the Acquisition Properties comprising the Winnipeg Portfolio previously prepared for the Winnipeg Vendors. CBRE Limited appraised the Acquisition Properties located at 26 & 45 Hargrave

Street in Winnipeg, Manitoba, while Cushman & Wakefield LLC appraised the Acquisition Properties located at 50 & 70 Garry Street, 160 Smith Street, and 555 & 525 St. Mary Avenue (Colony Square – Residential), 500 Portage Avenue (Colony Square – Commercial) in Winnipeg, Manitoba.

The Appraisals were prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and Standards of Professional Appraisal Practice, each as adopted by the Appraisal Institute of Canada. The Appraisal Institute of Canada defines “market value” as used in the Appraisal as “the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus”. Implicit in this definition of market value is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (i) buyer and seller are typically motivated; (ii) both parties are well informed or well advised, and acting in what they consider their own best interests; (iii) a reasonable time is allowed for exposure in the open market; (iv) payment is made in terms of cash or in terms of financial arrangements comparable thereto; and (v) the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale (the foregoing collectively referred to as, the “**Canadian Appraisal Standards**”).

Based on the Appraisals, the estimated market value of each of the Acquisition Properties is as follows:

Property	Estimated Value
<i>Galaxy Portfolio</i>	
6 Kingsview Road SE.....	\$47,300,000
20, 40, 60, 80 & 100 Skyview Ranch Landing NE.....	\$139,500,000
915 44 Street SE.....	\$7,960,000
78, 80, 90 & 92 Geikie Street.....	\$61,000,000
1415-1800 rue Crevier, 1655-1675 rue Tasse, 1650-1670 rue Deguire & 1660-1684 rue Poirier.....	\$85,200,000
1, 6, 7 & 10 Crystal Drive.....	\$16,900,000
1 & 3 Farthington Place.....	\$14,400,000
31 & 35 Highfield Park Drive & 11 Joseph Young Drive.....	\$16,500,000
15, 25 & 35 Leaman Drive & 81 Jackson Road.....	\$22,700,000
36, 60, 65 & 81 Primrose Street.....	\$37,400,000
211-221 Glenforest Drive, 185-199 Willet Street and 13, 17-43 & 57 Willowbend Court.....	\$10,400,000
9-54 Paige Plaza & 11-15 Downsview Drive.....	\$15,500,000
<i>Starlight Portfolio</i>	
129 Wellington Street.....	\$42,900,000
150 Darling Street.....	\$36,700,000
253 & 263 Exhibition Street.....	\$11,800,000
10049 103 Street NW.....	\$18,800,000
<i>Winnipeg Portfolio</i>	
160 Smith Street.....	\$46,100,000
26 & 45 Hargrave Street.....	\$3,910,000
525 & 555 St. Mary Avenue and 500 Portage Avenue (Colony Square).....	\$92,790,000
70 Garry Street.....	\$37,050,000
Total	\$764,810,000

The estimated market value of each of the Acquisition Properties was determined by the respective appraiser using the income approach (direct capitalization method or approach) and/or the direct comparison approach. These are traditional valuation methods that are used widely by investors when acquiring properties of this nature. The Appraisals state that the appraisals and analyses were performed in accordance with Canadian Appraisal Standards. The Appraisals are subject to a number of assumptions and limiting conditions, including, among others and as applicable that: title to the Acquisition Properties was clear and marketable and that there were no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value; existing improvements on the Acquisition Properties conform to applicable local, provincial, and national federal building codes and ordinances,

are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices; and the Acquisition Properties were not affected by any hazardous materials that may be present or near the Acquisition Properties. The appraisers did not conduct any interior inspections of the subject assets and only conducted a sample of exterior inspections of the subject assets in preparing their Appraisals.

In determining the approximate market value of the Acquisition Properties, the appraisers relied on operating and financial data provided by the Fund or the current owners, comprised of rent rolls, operating income and operating expense budgets. The appraisers further assumed that all factual data furnished by the Fund, the current owners of the Acquisition Properties, the owners' representatives, or persons designated by the Fund or the owners to supply such data was accurate and correct, unless otherwise specifically noted in the respective Appraisal. The appraisers gave appropriate consideration to a forecast of NOI and cash flow for each Acquisition Property based on contract and market rental rates, growth levels, vacancy rates, tenant roll-overs and operating expenses.

In general, appraisals such as the Appraisals represent only the analysis and opinion of qualified experts as of the effective date of such appraisal and are not guarantees of present or future value. There is no assurance that the assumptions employed in determining the appraised value of the Acquisition Properties is correct as of the date of the Circular or that such valuations actually reflect an amount that would be realized upon a current or future sale of any of the Acquisition Properties or that any projections included in the Appraisals will be attainable. In addition, the Appraisals in respect of the Galaxy Portfolio and the Starlight Portfolio each have an effective date of May 31, 2023 and the Appraisals in respect of the Winnipeg Portfolio range from November 30, 2022 to December 31, 2022. As prices in the real estate market fluctuate over time in response to numerous factors, the estimate of the aggregate value of the Acquisition Properties shown on the Appraisals may be an unreliable indication of the current market value of the Acquisition Properties.

Caution should be exercised in the evaluation and use of appraisal results. An appraisal is an estimate of market value. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The Appraisals are based on various assumptions of future expectations and while the respective appraisers' internal forecasts of NOI for the Acquisition Properties are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

Building Condition Assessments

Building condition assessment reports (the "BCA Reports") were prepared for each of the Acquisition Properties to determine and document the existing condition of each building. The assessments included the major building operating components and systems of the Acquisition Properties and also identified and quantified any major defects in materials or systems which would likely affect significantly the value of any of the Acquisition Properties or the continued operation thereof. The BCA Reports were completed between February 2023 and March 2023 in respect of the Galaxy Portfolio, in April 2023 in respect of the Starlight Portfolio and in June 2022 in respect of the Winnipeg Portfolio. The Fund obtained a reliance letter in April 2023 with respect to the BCA Reports for the Winnipeg Portfolio. In addition to required regular maintenance on the various components of the buildings, each of the BCA Reports assessed both work required to be completed immediately (i.e., within 90 days of the assessment), if necessary, and work recommended to be completed during the subsequent ten years in order to maintain the building in an appropriate condition. The BCA Reports identified ongoing capital expenditures for the Acquisition Properties in the amount of approximately \$14.3 million (in current dollars) over the next ten years. Based on the BCA Reports, each of the Acquisition Properties were determined to be in a satisfactory condition commensurate with their age and, according to management, are comparable to other similar properties in their respective markets.

Environmental Site Assessments

Each of the Acquisition Properties has been the subject of a Phase I environmental site assessment report or update thereto, conducted by an independent environmental consultant between January 2023 and March 2023 in respect of the Galaxy Portfolio, in April 2023 in respect of the Starlight Portfolio and between February 2022 and June 2022 in respect of the Winnipeg Portfolio. The Fund obtained a reliance letter in April 2023 with respect to the Phase I

environmental site assessment reports for the Winnipeg Portfolio. Intrusive sampling and analysis were not part of these Phase I environmental site assessments. In almost all cases, the independent environmental consultant concluded that no further investigation or work was required at such time. A Phase II environmental site assessment was recommended for the property at 160 Smith Street, Winnipeg, Manitoba.

Management is not aware of any material non-compliance with environmental laws at any of the Acquisition Properties that management believes would have a material adverse effect on the Fund. Management is not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of the Acquisition Properties that would materially adversely affect the Fund.

PRINCIPAL LEGAL MATTERS RELATED TO THE TRANSACTION

Competition Law Matters

Pursuant to the Purchase Agreements, on June 21, 2023, the Fund filed with the Commissioner of Competition (the “**Commissioner**”) a submission requesting an advance ruling certificate pursuant to section 102 of the *Competition Act* (Canada) or, in the alternative, written confirmation that the Commissioner does not, at that time, intend to make an application under section 92 of the *Competition Act* in connection with the transactions contemplated by the Purchase Agreements and a waiver of the parties’ obligation to comply with the notification requirements of Part IX of the *Competition Act* (Canada), pursuant to s.113(c) of the *Competition Act* (Canada). The Fund expects to receive *Competition Act* (Canada) clearance in early August.

Securities Law Matters

Multilateral Instrument 61-101

The Fund is a reporting issuer (or its equivalent) in all of the provinces and territories of Canada and, accordingly, is subject to applicable securities laws of such provinces and territories. The securities regulatory authorities in the Provinces of Alberta, Saskatchewan, Manitoba, Ontario, Québec and New Brunswick have adopted MI 61-101.

MI 61-101 is intended to regulate certain transactions to ensure the protection and fair treatment of securityholders by requiring enhanced disclosure, approval by a majority of securityholders (excluding interested or related parties) and, in certain circumstances, a formal valuation. Each of the Galaxy Transaction and the Starlight Transaction constitute a “related party transaction” under MI 61-101. The Galaxy Transaction constitutes a “related party transaction” under MI 61-101 because an affiliated entity of the Galaxy Vendor is a significant Unitholder, holding more than 10% of the voting rights attributed to all of the outstanding Units. The Starlight Transaction constitutes a “related party transaction” under MI 61-101 as the Starlight Vendor is an entity owned and controlled by Mr. Daniel Drimmer, a Trustee, and the Starlight Vendor, through its affiliates, is also a significant Unitholder, holding more than 10% of the voting rights attributed to all of the outstanding Units.

MI 61-101 also provides that, in addition to any other required securityholder approval, a “related party transaction” is subject to “minority approval” (as defined in MI 61-101) of every class of affected securities of the issuer, in each case voting separately as a class. The Fund has received discretionary exemptive relief from the applicable provincial securities regulators from this requirement, such that minority Unitholder approval will be required, but only from the Unitholders voting together as a single class. The relief was granted, among other reasons, because: (i) the Declaration of Trust provides that Unitholders vote as a single class unless the nature of the business to be transacted at the meeting affects holders of one class of Units in a manner materially different from its effect on holders of another class of Units, and the Manager, the Fund and the Special Committee have each determined that the Transaction does not affect holders of one class of Units in a manner materially different from its effect on holders of another class of Units; (ii) holders of one class of Units are not affected in a manner materially different from the effect on holders of any other class of Units; (iii) evaluation and negotiation of the Transaction and alternatives was overseen by the Special Committee; (iv) the Special Committee and Board have received a fairness opinion with respect to the fairness, from a financial point of view, to Unitholders (excluding Interested Unitholders) of the Transaction; (v) a class vote would provide disproportionate voting power to a potentially small number of Unitholders which is unnecessary in view of the equal treatment of each class of Units; and (vi) to the best of the knowledge of Fund, the Manager and the Special

Committee, there is no reason to believe that Unitholders of any particular class would be less inclined to approve the Transaction than Unitholders of any other class.

As a result, under MI 61-101, in addition to the approval of the Transaction Resolution by at least 66 $\frac{2}{3}$ % of the votes cast by Unitholders, voting together as a single class, at the Meeting, the Transaction Resolution must also be approved by the affirmative vote of a simple majority of the votes cast by the Unitholders voting together as a single class other than Units held by each “interested party” (as defined in MI 61-101), any “related party” of an “interested party”, unless the related party meets that description solely in its capacity as a director or senior officer of one or more persons that are neither “interested parties” nor “issuer insiders” (in each case within the meaning of MI 61-101), and any “joint actor” (as defined in MI 61-101) with any of the foregoing persons.

To the knowledge of the Fund, after reasonable inquiry, the only Unitholders who may be considered to be “interested parties” whose votes are required to be excluded for purposes of “minority approval” in accordance with MI 61-101, as described above, are Units beneficially owned or controlled by the Interested Unitholders. The Units that are beneficially owned, or over which control or direction is exercised, by the Interested Unitholders, which will be excluded for purposes of the minority approval requirement for the purposes of MI 61-101 are set out below:

Beneficial or Registered Unitholder	Number and Class of Units	% of Votes⁽¹⁾
Daniel Drimmer ⁽²⁾⁽³⁾	494,289 Class A Units 9,623,805 Class C Units	29.37%
KingSett ⁽⁴⁾	6,415,870 Class C Units	18.63%
AIMCo Realty	3,207,935 Class C Units	9.31%
Todd Cook	82,532 Class A Units	0.24%
David Hanick	3,735 Class C Units	0.01%
Leslie Veiner	20,983 Class A Units	0.06%
David Chalmers	38,079 Class C Units	0.11%
Martin Liddell	9,939 Class C Units	0.03%

Notes:

- (1) Based on the 34,444,781 Units outstanding in the aggregate as of the Record Date (comprising 6,261,556 Class A Units, 24,408,338 Class C Units and 3,774,887 Class F Units).
- (2) Includes 281,582 Class A Units held by DDAP and 212,707 Class A Units held by Mustang DDAP Partnership.
- (3) Includes 9,623,805 Class C Units held by D.D. Galaxy High Yield Debt LP.
- (4) Includes 3,207,935 Class C Units held by CREIF and 3,207,935 Class C Units held by KingSett LP7

Stock Exchange Matters

The Fund’s Class A Units are currently listed on the TSX under the symbols “NHF.UN”. On completion of the Transaction, the Fund will change its name to “Northview Residential REIT”. In connection with this name change, the Class A Units are expected to cease trading under “NHF.UN” and to begin trading under the ticker “NRR.UN”. The Fund’s Class C Units, and Class F Units are not listed on any exchange.

Pursuant to the Purchase Agreements, an aggregate of approximately 24,086,242 Class A Units will become issuable under the terms of the Transaction, assuming (i) the conversion, exchange or redemption/retraction of all Units and securities exchangeable or redeemable/retractable for Units into Class A Units (assuming in the case of the Redeemable Units the redemption is at the Transaction Issue Price and without giving effect to the Consolidation), and (ii) a closing date for the Transaction on August 9, 2023 (see “Financing for the Transaction – Closing Adjustments to Units, Exchangeable Units, Redeemable Units and Special Voting Units”). In addition, approximately 2.82 million Class C Units (subject to closing adjustments) will be issuable in connection with an exchange of the Carried Interest Units. Accordingly, the Transaction is subject to the approval of Unitholders, on a disinterested basis, pursuant to Section 604(a)(i) of the TSX Company Manual regarding the issuances of securities because the

consideration to be provided to funds managed by affiliates of KingSett Capital will result in funds managed by affiliates of KingSett Capital owning, in the aggregate, more than 20% of the voting securities of the Fund, and pursuant to Section 604(a)(ii), Section 611(b) and Section 611(c) of the TSX Company Manual regarding issuances of securities because the consideration to be provided to the Starlight Vendor and funds managed by affiliates of KingSett Capital (each an insider of the Fund) pursuant to the Transaction exceeds 10% of the Fund's market capitalization and/or Units issued and outstanding on a non-diluted basis, and the dilution resulting from the Transaction exceeds 25% of the Fund's market capitalization and/or Units issued and outstanding on a non-diluted basis. The TSX has conditionally approved the issuance of the Class A Units underlying the Class C Units to be issued pursuant to the Galaxy Transaction, the Class A Units underlying the Class C Units issuable on exchange of the Starlight Consideration Units, the Class A Units underlying the Class C Units issuable on exchange of the Carried Interest Units, and the Class A Units issuable upon redemption/retraction of the Redeemable Units at the Transaction Issue Price, being an aggregate of 26,906,943 Units, representing approximately 75% of the Units issued and outstanding as of the date of this Circular (after giving effect to the Subdivision, the issuance of the foregoing and without giving effect to the Consolidation).

Because the consideration to be provided by the Fund to the Starlight Vendor and to funds managed by affiliates of KingSett Capital (each an insider of the Fund) pursuant to the Purchase Agreements will (i) result in funds managed by affiliates of KingSett Capital holding more than 20% of the Units, after giving effect to the Transaction, and (ii) exceeds 10% of the Fund's market capitalization and/or Units issued and outstanding on a non-diluted basis, it is a condition of the TSX conditional approval letter dated June 30, 2023, pursuant to each of Section 604(a)(i), Section 604(a)(ii), Section 611(b) and Section 611(c) of the TSX Company Manual, that the Transaction Resolution be approved by a majority of the votes cast at the Meeting by Disinterested Unitholders either present in person or represented by proxy.

A “**Disinterested Unitholder**” for purposes of the disinterested Unitholder vote required under the rules of the TSX Company Manual means a Unitholder, other than the Starlight Vendor or KingSett and their respective associates and affiliates within the meaning of the *Securities Act* (Ontario). Accordingly, the Starlight Vendor and its affiliates will not be entitled to vote their 10,118,094 Units, and KingSett and its affiliates will not be entitled to vote their 6,415,870 Units representing approximately 29.4% and 18.6% respectively, of the issued and outstanding Units as at the date of this Circular, in respect of the disinterested vote on the Transaction Resolution conducted in accordance with the TSX Company Manual. Management of the Fund and the Trustees are not aware of any other Units that will be excluded from voting in respect of the Transaction Resolution in accordance with the TSX Company Manual.

TRANSACTION RESOLUTION

Required Unitholder Approval

At the Meeting, Unitholders will be asked to consider and, if deemed advisable, approve the Transaction Resolution. The Transaction Resolution is attached as Appendix “H” hereto. The Transaction Resolution must be passed by:

- (a) the affirmative vote of not less than 66 $\frac{2}{3}$ % of the votes cast upon such resolution by Unitholders present in person or represented by proxy at the Meeting in accordance with the Declaration of Trust's approval requirements for a Recapitalization Event (as defined in the Declaration of Trust);
- (b) in accordance with MI 61-101, the affirmative vote of a majority of the votes cast upon such resolution by Minority Unitholders present in person or represented by proxy at the Meeting (see “Principal Legal Matters Related to the Transaction – Securities Law Matters”); and
- (c) in accordance with the TSX Company Manual, the affirmative vote of a majority of the votes cast, excluding Disinterested Unitholders (see “Principal Legal Matters Related to the Transaction – Stock Exchange Matters”).

The Board of Trustees recommends that Unitholders vote IN FAVOUR of the Transaction Resolution. In the absence of a contrary instruction, persons named in the accompanying form of proxy intend to vote IN FAVOUR of the Transaction Resolution.

Interests of Certain Persons in the Transaction

In considering the recommendation of the Special Committee and the Board, Unitholders should be aware that certain Trustees and executive officers of the Fund may have interests in the Transaction that differ from, or are in addition to, the interests of Unitholders generally. Other than the interests and benefits described elsewhere in this Circular, none of the Trustees or executive officers of the Fund or, to the knowledge of the Trustees and executive officers of the Fund, any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon in connection with the Transaction or that would materially affect the Transaction.

See also “Interest of Informed Persons in Material Transactions”.

Ownership of Units

In addition to the holdings of Units disclosed above under “Principal Legal Matters Related to the Transaction – Securities Law Matters”, the following table sets out, to the knowledge of the Fund, the number of Units beneficially owned, or over which control or direction is exercised, by the Trustees and officers of the Fund, insiders of the Fund, associates and affiliates of the Fund or insiders of the Fund, and each person or company acting jointly or in concert with the Fund, if any, as well as the percentage of outstanding Units so owned:

Name	Relationship to the Fund	Number of Units of each Class	Percentage of each Class of Unit Beneficially Owned	Fund Voting Interest
Daniel Drimmer ⁽¹⁾	Chairman of the Board	494,289 Class A Units 9,623,805 Class C Units	7.89% of Class A Units 27.94% of Class C Units	29.37%
Rob Kumer	Trustee	Nil	0%	0%
Harry Rosenbaum	Trustee	Nil	0%	0%
Kelly Smith	Trustee	Nil	0%	0%
Lawrence D. Wilder	Trustee	16,000 Class C Units	0.07% of Class C Units	0.05%
Todd Cook	Chief Executive Officer	82,532 Class A Units	1.32% of Class A Units	0.24%
Sarah Walker	Chief Financial Officer	Nil	0%	0%
Karl Bomhof	Vice President, General Counsel and Human Resources	Nil	0%	0%
Linay Freda	Vice President, Operations	Nil	0%	0%
KingSett ⁽²⁾	Insider	6,415,870 Class C Units	26.29% of Class C Units	18.63%

Notes:

- (1) Includes 281,582 Class A Units held by DDAP, 212,707 Class A Units held by Mustang DDAP Partnership and 9,623,805 Class C Units held by D.D. Galaxy High Yield Debt LP.
- (2) Includes 3,207,935 Class C Units held by CREIF and 3,207,935 Class C Units held by KingSett LP7.

Management Internalization

In accordance with its terms, the Management Agreement, will terminate upon completion of the Transaction. Following the termination of the Management Agreement, the Fund’s Chief Executive Officer, Mr. Todd Cook and its Chief Financial Officer, Ms. Sarah Walker will be employed directly by the Fund and will continue to manage the portfolio with the Fund’s employees. It is expected that Mr. Cook and Ms. Walker will enter into new employment agreements directly with the Fund at such time. See “The Transaction – Management Internalization” and “Compensation Discussion and Analysis – Employment Agreements with the Fund”.

Carried Interest Units

Following completion of the Transaction, a portion of the Carried Interest Units will be exchanged by CILP for Class C Units and transferred to KingSett and AIMCo Realty to satisfy their indirect interest in the Carried Interest, and the remaining Carried Interest Units will subject to the arrangement set forth under “Post-Transaction Interests in the Fund”. See “Financing for the Transaction – Determination of Carried Interest.”

POST-TRANSACTION INTERESTS IN THE FUND

Immediately following completion of the Transaction, certain Trustees, officers and significant unitholders will beneficially own or exercise control or direction, directly or indirectly, over Units of the Fund, as outlined below (assuming a closing date of August 9, 2023):

Beneficial or Registered Unitholder	Expected Interest in the Fund Following Completion of the Transaction
Daniel Drimmer	28.54% ⁽¹⁾
KingSett	21.59% ⁽²⁾⁽³⁾
AIMCo Realty	13.93% ⁽³⁾
TDAM Vendors	11.48% ⁽⁴⁾
Todd Cook	0.13% ⁽⁵⁾
Sarah Walker	0% ⁽⁵⁾
Linay Freda	0% ⁽⁵⁾
Karl Bomhof	0% ⁽⁵⁾
Lawrence D. Wilder	0.03%

Notes:

- (1) Includes interests to be held by affiliates of Mr. Daniel Drimmer, including 8.08% to be held by the Starlight Vendor directly and through the Starlight Consideration Units and associated Special Voting Units, 16.03% to be held by D.D. Galaxy High Yield Debt LP, 0.34% to be held by Mustang DDAP Partnership and 3.93% to be held by CILP through the Carried Interest Units and associated Special Voting Units.
- (2) Includes interests to be held, directly or indirectly, by CREIF and KingSett LP7.
- (3) Inclusive of the Class C Units to be transferred to each of KingSett and AIMCo Realty by CILP in satisfaction of their interests in the Carried Interest.
- (4) Through the ownership of the Redeemable Units and associated Special Voting Units.
- (5) Todd Cook, Sarah Walker, Linay Freda and Karl Bomhof have economic exposure to Class C Units representing up to an additional 0.38%, 0.04%, 0.08% and 0.04%, respectively, of the outstanding Units and Special Voting Units post-Transaction, by virtue of a contractual arrangement between CILP and an entity of which such named executive officers of the Fund are shareholders. CILP remains the owner of all securities of the Fund and its subsidiaries held by it, which in turn, remain subject to contractual obligations entered into by CILP.

Insider Support of the Transaction

Each of the Trustees, officers and insiders of the Fund listed in the table above under “Transaction Resolution – Interests of Certain Persons in the Transaction – Ownership of Units” intends to vote the Units held by such person in favour of the Transaction Resolution.

In addition, certain persons have entered into Voting and Support Agreements in favour of the Transaction Resolution. See “The Transaction – The Purchase Agreements and Ancillary Agreements – Voting and Support Agreements”.

PRO FORMA CAPITALIZATION OF THE FUND

The following table sets forth the capitalization of the Fund as at March 31, 2023 and the *pro forma* capitalization of the Fund as at March 31, 2023 after giving effect to the Transaction. The table should be read in conjunction with the Fund’s pro forma financial statements and the Acquisition Properties’ financial statements and notes thereto included in this Circular.

<u>(000’s)</u>	<u>As at March 31, 2023</u>	<u>As at March 31, 2023</u>
	(unaudited)	(unaudited — <i>pro forma</i> after giving effect to the Transaction) ⁽¹⁾
Indebtedness		
Mortgages ⁽¹⁾	\$909,997	\$1,229,418
Credit Facilities.....	449,043	506,043
Redeemable Units ⁽²⁾	—	99,390
Exchangeable Units ⁽³⁾	—	71,657
Units ⁽⁴⁾	555,415	—
Unitholders’ Equity		
Units ⁽⁴⁾	—	748,207 ⁽⁵⁾
Redeemable Units.....	—	8,590
Special Voting Units ⁽⁶⁾	—	—
Total Capitalization	<u>\$1,914,455</u>	<u>\$2,663,305</u>

Notes:

- (1) Includes an estimated fair value adjustment at March 31, 2023.
- (2) Reflects an estimated 7.2 million Redeemable Units. For IFRS accounting purposes, the indebtedness represents the liability portion measured at the net present value of the redemption value and the equity portion represents the residual.
- (3) Reflects an estimated 3.5 million Starlight Consideration Units and 2.82 million Class C Units underlying the Carried Interest Units, which were measured at the prevailing TSX price for IFRS accounting purposes.
- (4) Includes Class A Units, Class C Units, and Class F Units, after giving effect of the Subdivision.
- (5) Includes an estimated expense for the Carried Interest of \$32.2 million and an estimated fair value gain on investment properties of approximately \$76.47 million.
- (6) Special Voting Units are issued with each Exchangeable Unit and Redeemable Unit to provide voting rights. The Special Voting Units have no economic entitlement and may not be transferred separately from the Exchangeable Units or Redeemable Units to which they relate.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the Transaction for a holder of Units who, at all relevant times and for purposes of the Tax Act, (i) deals at arm’s length with the Fund; (ii) is not affiliated with the Fund; and (iii) holds Units as capital property (a “**Holder**”). Provided a Holder does not hold Units in the course of carrying on a business or as an adventure or concern in the nature of trade, such Units generally will be considered to be capital property to such Holder. A holder who is a resident of Canada for purposes of the Tax Act whose Units might not otherwise be considered to be capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) to have such Units, and any other “Canadian security”, as defined in the Tax Act, owned by such holder in the taxation year in which the election is made or any subsequent taxation year deemed to be capital property. Holders who do not hold their Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Holder (i) that is a “financial institution” as defined in the Tax Act for the purposes of the mark-to-market rules; (ii) an interest in which is a “tax shelter investment” (as defined in the Tax Act); (iii) that reports its “Canadian tax results” (as defined in the Tax Act), in a currency other than Canadian currency; (iv) that has entered or will enter into a “derivative forward agreement” (as defined in the Tax Act) with respect to Units or (v) that holds more than one class of Units at the time of the Transaction. Such Holders are urged to consult their own tax advisors.

In addition, this summary does not address the deductibility of interest expense or other expenses incurred by a Holder in connection with debt incurred in respect of the acquisition or holding of Units.

This summary is limited to the Canadian federal income tax considerations under the Tax Act associated with the Transaction. This summary does not otherwise describe the Canadian federal income tax considerations generally associated with the holding and disposition of Units. The principal Canadian federal income tax considerations associated with the holding and disposition of Units are generally described in the prospectus dated September 29, 2020 which was filed by the Fund in connection with its initial public offering in the section titled “Certain Canadian Federal Income Tax Considerations”, subject to the limitations, qualifications, and assumptions therein (the “**IPO Disclosure**”).

This summary is of a general nature only and is based upon the facts and assumptions set out in this Circular. This summary is based upon the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency made publicly available prior to the date hereof. This summary assumes that the Tax Proposals will be enacted as proposed, but no assurance can be given that this will be the case. Modification or amendment of the Tax Act or the Tax Proposals could significantly alter the tax status of the Fund, or the tax consequences of the Transaction. This summary is not exhaustive of all possible Canadian federal income tax consequences and, except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental, administrative or judicial action, nor does it take into account other federal or any provincial or foreign tax legislation or considerations, which may differ from the Canadian federal income tax considerations described herein.

THIS SUMMARY IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR UNITHOLDER. ACCORDINGLY, UNITHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES OF THE TRANSACTION TO THEM HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES.

Qualification as a Mutual Fund Trust and SIFT Rules

This summary assumes that the Fund will qualify at all relevant times as a “mutual fund trust” within the meaning of the Tax Act. This summary further assumes that the Fund will qualify at all relevant times as a “real estate investment trust” (and therefore will not be considered to be a “SIFT trust”), and that no subsidiary partnership of the Fund will at any relevant time be a “SIFT partnership”, in each case for the purposes of the SIFT Rules. If any of such assumptions is not accurate, certain income tax consequences described below would, in some respects, be materially and adversely different.

The definition of a “mutual fund trust” and the SIFT Rules are discussed in more detail in the IPO Disclosure.

The Subdivision and the DOT Amendments

Taxation of the Fund

The implementation of the Subdivision and the DOT Amendments will not result in a disposition by the Fund of any of its property or in a resettlement of the Fund for purposes of the Tax Act.

Taxation of Holders

The implementation of the Subdivision and the DOT Amendments will not, in and by themselves, result in a disposition by any Holder of all or part of its Units. The aggregate adjusted cost base of a Holder's Class C Units or Class F Units immediately after the Subdivision will be equal to the aggregate adjusted cost base of the Holder's Units of such class immediately prior to the Subdivision. However, the adjusted cost base of a Holder's Class C Units or Class F Units on a per unit basis immediately following Subdivision will be reduced to an amount per Unit equal to the aggregate adjusted cost base to the Holder of such units of that class held immediately prior to the Subdivision, divided by the number of Units of that class (including fractional Units) held immediately after the Subdivision.

The Acquisitions

Taxation of the Fund

Pursuant to the Starlight Purchase Agreement, NV Holdings LP will acquire all of the Class A limited partnership units of New Subsidiary LP (the "**New Subsidiary LP Units**"), which will beneficially hold the Starlight Portfolio. The Starlight Purchase Agreement contemplates that New Subsidiary LP will acquire the Starlight Portfolio on a tax-deferred basis pursuant to subsection 97(2) of the Tax Act, such that the tax cost of such properties to New Subsidiary LP (including for purposes of New Subsidiary LP's ability to claim deductions for "capital cost allowance" in respect of such properties) will be less than their fair market value at the time of acquisition by New Subsidiary LP. The adjusted cost base to NV Holdings LP of the New Subsidiary LP Units is expected to be nominal. This may result in NV Holdings LP being required to recognize capital gains in respect of distributions received on the New Subsidiary LP Units. See the discussion under the heading "Taxation of the Partnerships" in the IPO Disclosure.

Pursuant to the Galaxy Purchase Agreement, NV Properties LP will acquire a 100% limited partnership interest in the partnerships that will beneficially hold the Galaxy Portfolio (collectively, the "**Galaxy LPs**"). The Galaxy Purchase Agreement contemplates that each of the Galaxy LPs will acquire its respective properties in the Galaxy Portfolio on a tax-deferred basis pursuant to subsection 97(2) of the Tax Act, such that the tax cost of these properties to the respective Galaxy LP (including for purposes of such Galaxy LP's ability to claim deductions for "capital cost allowance" in respect of such properties) will be less than their fair market value at the time of acquisition by the respective Galaxy LP. The adjusted cost base to NV Properties LP of the limited partnership units of the Galaxy LPs will be equal to the fair market value of the consideration paid by NV Properties LP to acquire such limited partnership units of the Galaxy LPs.

Pursuant to the Winnipeg Purchase Agreement, NV Properties LP will acquire the beneficial interest in the Winnipeg Portfolio. The Winnipeg Purchase Agreement does not contemplate a tax-deferred transfer and accordingly, the tax cost to NV Properties LP of the Winnipeg Portfolio will be equal to the fair market value of the consideration paid by NV Properties LP for the Winnipeg Portfolio.

In connection with the Galaxy Transaction and the Winnipeg Transaction, the Fund will acquire additional units of NV Holdings LP, and NV Holdings LP will acquire additional units of NV Properties LP. Accordingly, the adjusted cost base to the Fund of its interest in NV Holdings LP, and the adjusted cost base to NV Holdings LP of its interest in NV Properties LP, will be increased by an amount equal to the fair market value of the consideration paid by the Fund and by NV Holdings LP, respectively, for such additional units.

Taxation of Holders

The Acquisitions will not, in and of themselves, give rise to any tax consequences to Holders. However as noted above, the Purchase Agreements contemplate that certain of the properties acquired in the Acquisitions will be acquired on a tax-deferred basis which may result in New Subsidiary LP and/or the Galaxy LPs (as owners of such properties) recognizing income or gains in excess of the income or gains which would have been recognized had such properties been acquired at a tax cost equal to fair market value at the time of the Acquisitions. In the case of a Holder that is a resident of Canada for the purposes of the Tax Act (a "**Resident Holder**"), any such additional income or taxable capital gains which are allocated to the Fund and paid or made payable by the Fund to a Resident Holder in a

taxation year will generally be required to be included in computing such Resident Holder's income for purposes of the Tax Act. See the discussion under the heading "Taxation of Holders – Fund Distributions" in the IPO Disclosure.

In the case of a Holder that is not a resident of Canada for purposes of the Tax Act (a "**Non-resident Holder**"), such amounts which are paid or made payable by the Fund to such Non-resident Holder will generally be subject to non-resident withholding tax to the same extent and in the same manner as other income and capital gains paid or made payable by the Fund to such Non-resident Holder.

The Consolidation

Taxation of the Fund

The Consolidation will not have any tax consequences to the Fund or its subsidiaries.

Taxation of Holders

Except for any disposition of a fractional interest in the Units arising from the rounding described under the heading "The Transaction – Consolidation", the Consolidation will not in and by itself result in a disposition by any Holder of all or part of their Units for purposes of the Tax Act.

To the extent that such rounding results in the cancellation of a fractional Unit held by a Holder, such Holder will generally realize a capital loss on the cancellation of such fractional Unit equal to the portion of such Holder's adjusted cost base in the Units immediately before the Consolidation attributable (on a *pro rata* basis) to such cancelled post-Consolidation fractional Unit.

For a general description of the taxation of capital gains and losses for a Resident Holder, see the discussion under the heading "Taxation of Holders – Taxation of Capital Gains and Capital Losses" in the IPO Disclosure. In the case of a Non-resident Holder, any capital loss as described above will generally have the same treatment as a capital loss on the disposition of a Unit.

The aggregate adjusted cost base of a Holder's Units immediately after the Consolidation will be equal to the aggregate adjusted cost base of such Holder's Units immediately prior to the Consolidation, subject to the disposition of any fractional Units, as discussed above. The adjusted cost base of a Holder's Units on a per unit basis immediately following the Consolidation will generally be equal to an amount per Unit equal to the aggregate adjusted cost base to the Holder of their Units held immediately prior to the Consolidation, divided by the number of Units (including any fractional Units which would have been issued on the Consolidation but for the number of such Units being rounded down as discussed above) held immediately after the Consolidation.

RISK FACTORS

Unitholders should carefully consider the risks described below, the risk factors described in the Fund's AIF dated March 29, 2023, in the Fund's MD&A for the three months ended March 31, 2023 and the Fund's MD&A for the year ended December 31, 2022, and other information elsewhere in this Circular before determining whether or not to vote in favour of the Transaction Resolution. If any of such or other risks occur, the Fund's business, financial condition, results of operations and cash flows could be materially adversely impacted. In that case, the trading price of the Units could decline and investors could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of such risks or other unforeseen risks. Additional risk factors not presently known or that are currently believed to be immaterial could also materially adversely affect the Fund and adversely affect the value of the Units.

Risks Related to the Transaction

Unitholders should carefully consider the following risks related to the Transaction in evaluating whether to approve the Transaction Resolution. Additional risks and uncertainties, including those currently unknown to or considered immaterial by the Fund may also adversely affect the Transaction. The following risk factors are not a definitive list of all risk factors associated with the Transaction.

Risk of Non-Completion of the Transaction

There are risks to the Fund if the Transaction is not completed, including the costs to the Fund incurred in pursuing the Transaction, the consequences and opportunity costs of the suspension of strategic pursuits of the Fund and the risks associated with the temporary diversion of management's attention away from the conduct of the Fund's business in the ordinary course. If the Transaction is not completed, the market price of the Units may be materially adversely affected. In addition, if the Transaction is not completed for any reason, there are risks that the announcement of the Transaction and the dedication of substantial resources of the Fund to the completion thereof could have a negative impact on the Fund's current business relationships and could have a material and adverse effect on the current and future operations, financial conditions and prospects of the Fund.

Requirement that each Related Party Transaction be Approved by a Majority of Votes Cast by Minority Unitholders Entitled to Vote

As the Galaxy Transaction and the Starlight Transaction are each "related party transactions" under MI 61-101, they are each subject to the requirement of MI 61-101 relating to the approval by a majority of the votes cast by disinterested holders of Units entitled to vote, as specified in subsection 8.1(2) of MI 61-101. The Transaction will be presented to unitholders of the Fund on an aggregate basis for approval, with a single vote conducted in respect of the Transaction. There can be no certainty, nor can the Fund provide any assurance, that the requisite Unitholder approval will be obtained. If such approval is not obtained and the Transaction is not completed, the market price of the Units may decline.

Conditions Precedent and Consents, Exemptions and Approvals

The completion of the Transaction in the form contemplated by the Purchase Agreements is subject to a number of conditions precedent, some of which are outside the control of the Fund, including, without limitation, receipt of Unitholder approval at the Meeting, certain regulatory and third party consents, exemptions and approvals. There can be no certainty, nor can the Fund provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. If any consents, exemptions or approvals cannot be obtained on terms satisfactory to the Board or at all, any one of the Purchase Agreements may have to be amended in order to mitigate against the negative consequence of the failure to obtain any such consent, exemption or approval, and accordingly, the anticipated benefits available to Unitholders resulting from the Transaction may be reduced. Accordingly, there is no assurance that the Galaxy Transaction, Starlight Transaction or Winnipeg Transaction will be completed or, if completed, will be on terms that are exactly the same as disclosed in this Circular. If the Transaction is not completed, the benefits of the Transaction herein will not be realized by the Fund and may result in a decline in the trading price of the Units and a requirement to pay certain costs related to the Transaction, including legal, accounting and consulting fees and loss of investor confidence.

Possible Failure to Realize Expected Returns on the Transaction

Acquisitions involve risks that could materially and adversely affect the Fund's business plan, including the failure of the Transaction to realize the results the Fund expects. If the Transaction fails to realize the results that the Fund expects, the Transaction could materially and adversely affect the Fund's business plan and could have a material adverse effect on the Fund and its financial results.

Potential Undisclosed Liabilities Associated with the Acquisitions

There may be liabilities, including under applicable environmental laws, that the Fund has failed to discover or is unable to quantify in the due diligence review prior to the closing of the Transaction. The subsequent discovery or quantification of any material liabilities could have a material adverse effect on the Fund's business, financial condition or future prospects, which may include diminution in the value of the affected properties or the inability to finance or dispose of the affected properties on acceptable terms.

Potential Dilution Resulting from the Transaction

The Fund intends to satisfy the purchase price for the Acquisitions through the assumption of debt and the issuance of Units or securities exchangeable or redeemable/retractable for Units. As a result, to the extent that in-place mortgage financing amortizes or matures prior to the closing date for the Transaction, the number of Units to be issued by the Fund is expected to increase. As a result, at the Meeting, Unitholders are being asked to approve a number of Units for issuance that assumes a delay in the closing date.

Another Attractive Asset Purchase, Take-Over, Merger or Business Combination May Not be Available

If the Galaxy Transaction, Starlight Transaction, Winnipeg Transaction or the Transaction is not completed, there can be no assurance that the Fund will be able to find a party or parties willing to sell equivalent or more attractive assets than that to be provided by the Vendors to the Fund under the Transaction, or willing to proceed at all with a similar transaction or any alternative transaction.

Occurrence of a Material Adverse Effect

The completion of each of the Galaxy Transaction, Starlight Transaction and Winnipeg Transaction, as applicable, are subject to the condition that, among other things, on or after the date of the applicable Purchase Agreements, there shall not have occurred a material adverse effect. Although a material adverse effect excludes certain events, including events in some cases that are beyond the control of the Fund, there can be no assurance that a material adverse effect will not occur prior to the closing. If such a material adverse effect occurs, the Galaxy Transaction, Starlight Transaction and Winnipeg Transaction, as applicable may not proceed.

Termination of the Purchase Agreements

Each of the Fund and the Vendors has the right, in certain circumstances, in addition to termination rights relating to the failure to satisfy the conditions precedent, to terminate the Purchase Agreements. Accordingly, there can be no certainty, nor can the Fund provide any assurance, that the Purchase Agreements will not be terminated by either of the Fund or the applicable Vendors prior to the completion of the Transaction.

Fees, Costs and Expenses of the Transaction Not Recoverable

Subject to certain exceptions provided for in the Purchase Agreements, if the Galaxy Transaction, Starlight Transaction or Winnipeg Transaction, as applicable, is not completed, the Fund will not receive any reimbursement for most of the fees, costs and expenses incurred. Such fees, costs and expenses include, without limitation, legal fees, financial advisor fees, depositary fees and printing and mailing costs, which will be payable whether or not the Transaction is completed and may cause harm to the financial condition of the Fund.

Use of Property Appraisals

Caution should be exercised in the evaluation and use of the Appraisals. A property appraisal is an estimate of market value applying the appropriate judgment. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The Appraisals are based on various assumptions of future expectations, and while the appraisers' internal forecasts for the applicable properties are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

Use of Valuations

Caution should be exercised in the evaluation and use of the Valuation. A valuation is an estimate of market value. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The Valuation is based on various assumptions of future expectations, and while Origin's internal forecasts for the applicable properties are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets.

Use of Fairness Opinion

The Fairness Opinion is directed only to the fairness, from a financial point of view, of the Transaction to the Fund and its Unitholders (other than the Interested Unitholders). The Fairness Opinion does not address the relative merits of the Transaction as compared to other business strategies or transactions that might be available to the Fund or the underlying business decision of the Fund to effect the Transaction. The Fairness Opinion does not constitute a recommendation by Origin to any Unitholder as to how such Unitholder should vote or act with respect to any matters relating to the Transaction.

Historical Financial Information and Pro Forma Financial Information

The historical financial information relating to the Acquisition Properties included in this Circular has been derived from the Vendors, and other third party, historical accounting records. The Fund believes that the assumptions underlying the combined and consolidated financial statements are reasonable. However, the combined and consolidated financial statements may not reflect what the Fund's financial position, results of operations or cash flows would have been had the Fund been a standalone entity owning Acquisition Properties during the historical periods presented or what the Fund's financial position, results of operations or cash flows will be in the future.

In particular, the historical costs and expenses reflected in the consolidated financial statements include an allocation for certain corporate functions historically provided by the Vendors and as applicable, by other third parties. These expense allocations were based on what the Vendors considered to be reasonable allocations of the utilization of services provided or the benefit received by the owners of such Acquisition Properties. As a standalone public entity, the Fund will incur a significantly higher level of legal, accounting and other related expenses than the Acquisition Properties did as a business segment of Vendors. The Fund expects current and future applicable Canadian securities laws and TSX requirements to increase the Fund's legal, financial and regulatory compliance costs and to make some activities more time-consuming and costly.

In preparing the pro forma financial information in this Circular, the Fund has given effect to, among other items, the Subdivision, the Consolidation and the completion of the Transaction. The estimates used in the pro forma financial information may not be similar to the Fund's actual experience going forward.

Assumption of Liabilities

The Fund will assume liabilities arising out of or related to the Acquisition Properties. The Fund may assume unknown liabilities that could be significant.

Tax-Related Risks

The Purchase Agreements contemplate that certain of the properties to be acquired by the Fund in the Acquisitions will be acquired on a tax-deferred basis, whereby the cost of such properties for purposes of the Tax Act will be less than fair market value at the time of acquisition. Accordingly, the Fund may recognize income or, if one of such properties is disposed of, gain for purposes of the Tax Act in excess of the income or gain that would have been realized if such properties had been acquired at a tax cost equal to fair market value. Any such incremental income or gains may affect a unitholder's after-tax return on their investment in the Units. See "Certain Canadian Federal Income Tax Considerations".

INFORMATION CONCERNING THE FUND

Market Price and Trading Volume Data

The Fund has three classes of Units. The Units include the Class A Units which are listed on the TSX under the symbol “NHF.UN”, and the Class C Units and Class F Units, which are each convertible into Class A Units. The following table sets forth the high and low trading prices per outstanding Class A Unit and the trading volumes for the outstanding Class A Units on the TSX for the period indicated (source: TMX Datalinx):

Period	Price per Class A Unit (\$)		Trading Volume
	High	Low	
2022			
June	15.23	12.77	128,941
July	13.45	12.11	109,538
August	14.11	12.25	113,105
September	13.41	11.82	156,341
October	13.28	12.04	91,028
November	13.22	10.92	167,240
December	11.28	8.98	268,652
2023			
January	12.49	10.19	148,088
February	12.74	11.07	134,499
March	12.65	10.51	261,120
April	11.50	10.50	139,134
May	10.90	7.11	531,213
June (1-30)	9.98	7.72	157,861

The closing price of the Class A Units on the TSX on June 9, 2023, the last full day on which the Class A Units traded prior to the announcement of the Transaction and entering into of the Purchase Agreements, was \$9.13.

Commitments to Acquire Units

As at the date hereof, the Fund has no agreements, commitments or understandings to acquire Units. To the knowledge of the Fund, after reasonable enquiry, no person named under the heading “ Transaction Resolution – Interests of Certain Persons in the Transaction – Ownership of Units ” has any agreements, commitments or understandings to purchase Units, other than pursuant to the Purchase Agreements. See “The Transaction”.

Previous Distributions of Securities by the Fund

From the inception of the Fund to the date hereof, the Fund has distributed the following securities:

On April 14, 2020, the Fund issued an initial Class C Unit to Starlight Group upon formation of the Fund, which initial Class C Unit was subsequently transferred to Northview Apartment Real Estate Investment Trust and dealt with in accordance with the plan of arrangement among, *inter alia*, the Fund, Northview Apartment Real Estate Investment Trust and NPR GP Inc. (the “**Northview Plan of Arrangement**”).

On November 2, 2020, the Fund completed its initial public offering and the Northview Plan of Arrangement, pursuant to which an aggregate of \$430,000,000 of Units, comprised of 5,309,025 Class A Units (at a price of \$12.50 per Class A Unit), 25,090,411 Class C Units (at a price or deemed price of \$12.50 per Class C Unit) and 4,000,564 Class F Units (at a price of \$12.50 per Class F Unit) were issued.

The Class A Units are convertible into Class F Units, the Class C Units are convertible into Class A Units and Class F Units and the Class F Units are convertible into Class A Units. From time to time, the Fund has distributed Units of one class upon the conversion of Units of another class.

Except for the applicable issuances of securities described above, the Fund has not purchased or sold any of its securities during the twelve months preceding the date of this Circular.

Distributions

Pursuant to the Declaration of Trust, the Trustees have full discretion respecting the timing and amounts of distributions including the adoption, amendment or revocation of any distribution policy.

The distribution amount per Unit is determined in accordance with the Declaration of Trust. The Fund currently intends to declare monthly cash distributions no later than five business days prior to the end of each month, payable within 15 days following the end of the month (or the next business day if not a business day) in which the distribution is declared to Unitholders as at month-end. In the event that any day on which any distribution amount is to be determined is not a business day, then such amount shall be determined on the next succeeding day that is a business day. Notwithstanding the foregoing, the Trustees retain full discretion with respect to the timing and quantum of distributions. If the Trustees determine that the Fund does not have cash in an amount sufficient to make payment of the full amount of any distribution, the payment may include or consist entirely of the issuance of additional Units, or fractions of Units, having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution. Such additional Units will be issued based on the proportionate interest of each class and with respect to such class, pro rata in proportion to the number of Units held as of record by such Unitholder on such date. Immediately after a pro rata distribution of such Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Unitholder will hold, after the consolidation, the same number of Units as the Unitholder held before the non-cash distribution.

The table below sets out the distributions per each Class A Unit, Class C Unit, and Class F Unit on a monthly and annualized basis for the previous two years preceding the date of this Circular and the current fiscal year:

Year	Unit Class	Monthly Distribution (\$/Unit)	Annualized Basis
2023			
January through May	Class A	\$0.10476	\$1.26
	Class C	\$0.11056	\$1.33
	Class F	\$0.10807	\$1.30
2022			
January through December	Class A	\$0.10476	\$1.26
	Class C	\$0.11056	\$1.33
	Class F	\$0.10807	\$1.30
2021			
January through December	Class A	\$0.10476	\$1.26
	Class C	\$0.11056	\$1.33
	Class F	\$0.10807	\$1.30

In anticipation of the completion of the Transaction and the conversion of the Fund into a more traditional real estate investment trust, the Fund has announced a distribution payable on July 17, 2023 to holders of Units of record at June 30, 2023, as set forth below:

2023			
June	Class A	\$0.05208	\$0.63
	Class C	\$0.05497	\$0.66
	Class F	\$0.05373	\$0.64

Financial Statements

The Fund's most recently available financial statements, consisting of its audited consolidated financial statements as at and for the financial year ended December 31, 2022 and unaudited interim consolidated financial statements as at and for the three months ended March 31, 2023, have been publicly filed and are available under the Fund's profile on SEDAR at www.sedar.com. Copies of this Circular and the annual consolidated financial statements of the Fund as at and for the year ended December 31, 2022, and related management's discussion and analysis, and the unaudited interim consolidated financial statements of the Fund as at and for the three months ended March 31, 2023, and related management's discussion and analysis may be obtained without charge by writing to the Karl Bomhof, Vice President, General Counsel and Human Resources of the Fund at #200, 6131 - 6th Street, S.E., Calgary, Alberta, T2H 1L9.

EXPENSES OF THE FUND IN CONNECTION WITH THE TRANSACTION

The aggregate fees and expenses expected to be incurred by the Fund in connection with the Transaction are estimated to be approximately \$14.7 million, including legal, financial advisory, accounting, filing and printing costs, the costs of preparing and mailing this Circular and fees in respect of the Fairness Opinion and the Valuation, stock exchange, regulatory filing fees and land transfer tax. The Fund will pay the expenses of the Transaction out of cash on hand or draws on its credit facilities.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Fund does not currently have an equity incentive plan pursuant to which cash or non-cash compensation has been paid or distributed to any executive officer. The Fund does not have any stock appreciation rights or incentive plans, and the Fund has not issued any stock options. The Fund has proposed adopting an Equity Incentive Plan for Unitholders to consider and if deemed advisable authorize and approve at the Meeting. See "Annual and Other Special Business to be Acted Upon at the Meeting – 3. Approval of Equity Incentive Plan".

INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

No Trustee, executive officer or Trustee nominee proposed for election at the Meeting (or any associates thereof) are indebted to the Fund or any of its subsidiaries and none of the Fund or any of its subsidiaries has guaranteed or otherwise agreed to provide assistance in the maintenance or servicing of any indebtedness of any Trustee, executive officer or Trustee nominee proposed for election at the Meeting (or any associates thereof).

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Fund, after due inquiry, except as noted below and as may be described elsewhere in this Circular, no informed person (as defined in National Instrument 51-102 — *Continuous Disclosure Obligations*) of the Fund, no proposed Trustee of the Fund and no known associate or affiliate of any such informed person or proposed Trustee, has or had any material interest, direct or indirect, in any transaction since the commencement of the Fund's most recently completed financial year, or in any proposed transaction that has materially affected or would materially affect the Fund or any of its subsidiaries. As disclosed herein:

- (a) in connection with the Transaction, securities of the Fund and its subsidiaries will be issued to certain informed persons, proposed Trustees and associates or affiliates of any such informed person or proposed Trustee. "Transaction Resolution – Interests of Certain Persons in the Transaction – Post-Transaction Interests in the Fund";
- (b) the Fund is currently managed by the Manager pursuant to the Management Agreement and Mr. Daniel Drimmer, the Chairman of the Board, has an ongoing relationship with the Manager of the Fund (see "Management Agreement"). In accordance with its terms, the Management Agreement will terminate upon completion of the Transaction;
- (c) pursuant to the Current Investor Rights Agreement, provided that KingSett is a Qualifying Holder, KingSett is entitled to certain "demand" registration rights to require the Fund to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory

authorities, qualifying the Class A Units issuable on conversion of the Class C Units held by KingSett. Upon completion of the Transaction, the Current Investor Rights Agreement will terminate and the Investor Rights Agreement will be effective. See “The Transaction – The Purchase Agreements and Ancillary Agreements – Investor Rights Agreement”;

- (d) pursuant to the Current Investor Rights Agreement, provided that AIMCo Realty is a Qualifying Holder, AIMCo Realty is entitled to certain “demand” registration rights to require the Fund to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory authorities, qualifying the Class A Units issuable on conversion of the Class C Units held by AIMCO Realty. Upon completion of the Transaction, the Current Investor Rights Agreement will terminate and the Investor Rights Agreement will be effective. See “The Transaction – The Purchase Agreements and Ancillary Agreements – Investor Rights Agreement”; and
- (e) the holders of the Carried Interest, being entities controlled by Mr. Drimmer through CILP’s direct interest in NV Holdings LP, are entitled to the Carried Interest, being 20% of the amounts calculated as being distributable above the Minimum Return (as defined in the Fund’s AIF for the year ended December 31, 2022) in respect of each class of Units, subject to a catch-up wherein the relative amounts calculated as being distributable in excess of the Minimum Return will be split 50/50 as between Unitholders and the Carried Interest holders until the relative amounts calculated as being distributable in excess of the Investors Capital Return Base (as defined in the Fund’s AIF for the year ended December 31, 2022) are 80% as to Unitholders of such class and 20% as to the Carried Interest holders. Upon completion of the Transaction, the Carried Interest represented by the Carried Interest Units will become exchangeable into approximately 2.82 million Class C Units of the Fund (subject to closing adjustments). See “Financing for the Transaction – Issue of Carried Interest Units”.

MANAGEMENT AGREEMENT

The Manager is the external asset manager of the Fund, as further described below. The Manager’s head office is located at 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario, M8X 2X3.

The Manager is a wholly-owned subsidiary of Starlight Group. Mr. Daniel Drimmer, the Chairman of the Board is Starlight Group’s sole beneficial shareholder and director as at the date hereof. To the best of the Fund’s knowledge, the following persons act as executive officers of Starlight Group as of the date hereof: (a) Mr. Daniel Drimmer, a resident of Toronto, Ontario, is the Founder and Chief Executive Officer of Starlight Group; (b) Mr. Chris Bell, a resident of Toronto, Ontario is the President and Chief Investment Officer of Starlight Group; (c) Mr. Leslie Veiner, a resident of Thornhill, Ontario is the COO, Canadian Multi-Family of Starlight Group; (d) Mr. Glen Hirsh, a resident of Toronto, Ontario is the Chief Operating Officer of Starlight Group; (e) Mr. David Hanick, a resident of Toronto, Ontario, is the Chief Legal Officer of Starlight Group; (f) Mr. Martin Liddell, a resident of Toronto, Ontario, is the Chief Financial Officer of Starlight Group; (g) Mr. David Chalmers, a resident of Toronto, Ontario, is the President, Canadian Multi-Family of Starlight Group; and (h) Ms. Lauren Kenney, a resident of Toronto, Ontario, is the Chief People Officer of Starlight Group.

Neither Starlight Group nor any director or executive officer of Starlight Group, nor any of their respective affiliates or associates, is, or has at any time since January 1, 2021, been indebted to the Fund or its subsidiaries or been engaged in any significant transaction or arrangement with the Fund, except otherwise disclosed in this Circular.

Pursuant to the terms of the Management Agreement, the Manager is appointed as the sole and exclusive manager of the affairs of the Fund. The Manager provides the Fund with specified management services, including providing the services of the Chief Executive Officer and the Chief Financial Officer. The Chief Executive Officer and the Chief Financial Officer are compensated by the Manager and are not employees of the Fund. The Fund and NV LP collectively pay for all ordinary expenses incurred in connection with their operation and administration and are responsible for reimbursing the Manager for all reasonable travel expenses related to performance of the Manager’s obligations under the Management Agreement. In carrying out its obligations under the Management Agreement, the Manager is required to exercise its powers and discharge its duties diligently, honestly, in good faith and in the best interests of the Fund, including exercising the standard of care, diligence and skill that a reasonably prudent manager would exercise in similar circumstances.

The services provided by the Manager under the terms of the Management Agreement include, without limitation: (i) the structuring of the initial public offering of the Fund which closed on November 2, 2020 and the Fund, (ii) liaising with legal and tax counsel, (iii) maintaining ongoing relationships with the lenders in respect of the mortgages loans entered into by the Fund (if any) for the Fund's properties, (iv) conducting continuous analysis of market conditions to monitor NV LP's investment in the Fund's properties, (iv) advising the Fund and/or NV LP with respect to the Recapitalization Event or any Alternative Liquidity Event; (vi) providing investor communication and reporting services to the Fund as required, and (vii) doing all such other acts or things and entering into agreements or documents on behalf of the Fund and/or NV LP to seek to achieve the investment objectives of the Fund.

The term of the Management Agreement will continue, subject to earlier termination in certain circumstances, including the completion of a Recapitalization Event, until the winding-up or dissolution of the Fund. The Management Agreement can be terminated early in certain circumstances, including (i) upon the dissolution, liquidation, bankruptcy, insolvency or winding-up of the Manager, and (ii) upon an event of default by the Manager, and (iii) in the event that Mr. Drimmer no longer controls the Manager. The Management Agreement will be terminated in accordance with its terms upon completion of the Transaction.

The Management Agreement contains indemnification provisions whereby the Fund has indemnified the Manager against any loss, expense, damage or injury suffered in the scope of its authority under the Management Agreement, provided the same does not result from unlawful acts, acts outside the Manager's scope of authority, wilful misconduct, bad faith, negligence or material breach of the Manager's obligations under the Management Agreement (including a breach of the standard of care owed under the Management Agreement). In addition, under the Management Agreement, the Manager has indemnified the Fund against any loss, expense, damage or injury suffered as a result of the Manager's unlawful acts, acts outside its scope of authority, wilful misconduct, bad faith, negligence or material breach of its obligations under the Management Agreement (including a breach of the standard of care owed under the Management Agreement).

In consideration for providing specified management services, including providing the services of the Chief Executive Officer and the Chief Financial Officer, the Fund and NV LP pays the Manager the Asset Management Fee equal to 0.35% of the greater of: (A) the value of the assets of the Fund and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet prepared in accordance with IFRS; and (B) the historical cost of the investment properties, plus (i) the carrying value of cash and cash equivalents; (ii) the carrying value of mortgages receivable; and (iii) the historical cost of other assets and investments used in operations, calculated and payable on a monthly basis in arrears in cash on the first day of each month.

The Manager earned an Asset Management Fee of approximately \$6.6 million pursuant to the Management Agreement for the fiscal year ended December 31, 2022 and was paid \$nil in other expenses.

In accordance with its terms, the Management Agreement will terminate upon completion of the Transaction and no termination fee will be payable by the Fund.

2022 VOTING RESULTS

Voting results of the Meeting will be filed on SEDAR at www.sedar.com following the Meeting. Voting results from the Fund's annual meeting of Unitholders held on June 21, 2022 were as follows:

1. Election of Trustees

Nominee	# of Votes For	% of Votes For	# of Votes Withheld	% of Votes Withheld	Total # of Votes
Daniel Drimmer	23,940,139	99.955%	10,678	0.045%	23,950,817
Rob Kumer	23,760,300	99.205%	190,517	0.795%	23,950,817
Harry Rosenbaum	23,764,260	99.221%	186,557	0.779%	23,950,817
Kelly Smith	23,892,782	99.758%	58,035	0.242%	23,950,817
Lawrence D. Wilder	23,443,392	97.881%	507,425	2.119%	23,950,817

2. Appointment of KPMG LLP, Chartered Professional Accountants, as Auditor of the Fund

On a vote conducted by ballot, KPMG LLP was re-appointed as auditors of the Fund until the next annual meeting of Unitholders or until a successor is appointed, and the Board of Trustees were authorized to fix the remuneration of the auditors. The voting results were as follows:

# of Votes For	% of Votes For	# of Votes Withheld	% of Votes Withheld	Total # of Votes
23,950,817	100%	0	0	23,950,817

ANNUAL AND OTHER SPECIAL BUSINESS TO BE ACTED UPON AT THE MEETING

1. Election of Trustees

The proxyholders specified by management of the Fund in the enclosed Form of Proxy, if not expressly directed to the contrary in such Form of Proxy, intend to vote **IN FAVOUR OF** the election, as Trustees, of the six proposed nominees whose names are set out below.

The Declaration of Trust provides that the Fund must have a minimum of three and a maximum of ten Trustees and the number of Trustees is currently set at five. The Fund has also agreed, pursuant to the Current Investor Rights Agreement, that for so long as KingSett is a Qualifying Holder, that the size of the Board shall be fixed at five Trustees. KingSett has agreed to conditionally waive this restriction in connection with the Transaction and following the Meeting, the size of the Board shall be fixed at six Trustees. In the event that Mr. Cook is elected as a Trustee but the Transaction does not close and the Purchase Agreements are terminated in accordance with their terms, Mr. Cook has agreed to tender his resignation as a Trustee at such time and the number of Trustees will be reduced to five at such time.

At the Meeting, six Trustees will be considered for election to the Board of Trustees. It is not contemplated that any of the proposed nominees will be unable to serve as a Trustee but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee at their discretion. Each nominee elected as a Trustee will hold office until the earlier of the close of the next annual meeting of the Unitholders or until his or her successor is elected or appointed or he or she is properly removed from office.

The Declaration of Trust includes certain advance notice provisions (the “**Advance Notice Provisions**”), which: (i) facilitate orderly and efficient annual general or, where the need arises, special meetings; (ii) ensure that all Unitholders receive adequate notice of the Trustee nominations and sufficient information with respect to all nominees; and (iii) allow Unitholders to register an informed vote. The Advance Notice Provisions provide a clear and transparent process for all Unitholders to follow if they intend to nominate Trustees. In that regard, the Advance Notice Provisions provide a reasonable timeframe for Unitholders to notify the Fund of their intention to nominate Trustees and require Unitholders to disclose information concerning the proposed nominees that is mandated by applicable securities laws. The Board will be able to evaluate the proposed nominees’ qualifications and suitability as Trustees and respond as appropriate in the best interests of the Fund. The Advance Notice Provisions are also intended to facilitate an orderly and efficient meeting process.

In the case of an annual meeting of Unitholders, notice to the Trustees must be made, in writing in accordance with the Declaration of Trust, not less than 30 nor more than 60 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the meeting was made, notice by a nominating Unitholder may be made not later than the close of business on the 10th day following the Notice Date. In the case of a special meeting of Unitholders (which is not also an annual meeting called for the purpose of electing Trustees (whether or not called for other purposes)), notice to the Trustees must be made, in writing in accordance with the Declaration of Trust, not later than the close of business on the 15th day following the day that is the earlier of the Notice Date.

Except as otherwise provided in the Declaration of Trust (see “Corporate Governance Disclosure – Board of Trustees”), only persons who are nominated by Unitholders in accordance with the Advance Notice Provisions (or the Current Starlight Nomination Right or Current KingSett Nomination Right, respectively) shall be eligible for election as Trustees.

The Board has adopted a majority voting policy in Trustee elections that will apply at any meeting of Unitholders where an uncontested election of Trustees is held. Pursuant to this policy, if the number of votes in favour of a particular Trustee nominee is not greater than the votes withheld from such Trustee nominee, the Trustee nominee will be required to submit his or her resignation to the Board promptly following the Fund's Unitholder meeting. Following receipt of resignation, the Fund's Governance and Nominating Committee will consider whether or not to accept the offer of resignation. Absent exceptional circumstances that would warrant the continued service of the applicable Trustee, the Governance and Nominating Committee will be expected to recommend that the Board accept the resignation. Within 90 days following the Fund's Unitholder meeting, the Board will make its decision and disclose it by a press release, such press release to include the exceptional reasons for rejecting the resignation, if applicable. A Trustee who tenders his or her resignation pursuant to the Fund's majority voting policy will not be permitted to participate in any meeting of the Board or the Governance and Nominating Committee at which the resignation is considered.

Current Starlight Nomination Right

The Declaration of Trust grants Starlight Group and its affiliates the exclusive right (the "**Current Starlight Nomination Right**") to nominate one Trustee for election at each meeting of Unitholders at which Trustees are to be elected, for so long as the Manager or another subsidiary of Mr. Daniel Drimmer is the external manager of the Fund. The Trustee nominated for election at the Meeting pursuant to the Current Starlight Nomination Right is Mr. Daniel Drimmer.

The Current Starlight Nomination Right is expected to be amended in connection with the Transaction. For additional details see "The Transaction – The Purchase Agreements and Ancillary Agreements – Investor Rights Agreement".

Current KingSett Nomination Right

The Declaration of Trust and the amended and restated investor rights agreement dated as of December 29, 2020 (the "**Current Investor Rights Agreement**") grants KingSett the exclusive right (the "**Current KingSett Nomination Right**"), to nominate one Trustee for election at each meeting of Unitholders at which Trustees are to be elected, provided KingSett is a "Qualifying Holder" at such time. The Trustee nominated for election at the Meeting pursuant to the Current KingSett Nomination Right is Mr. Rob Kumer. For purposes of the foregoing, KingSett shall be a "**Qualifying Holder**" for so long as the members of KingSett collectively own, control and direct, directly or indirectly, in the aggregate, 5% or more of the then-issued and outstanding Units and at all times since the date of the original Current Investor Rights Agreement collectively owned, controlled or directed, directly or indirectly, in the aggregate, 5% or more of the then-issued and outstanding Units.

In the event that the Trustee nominated for election pursuant to the Current KingSett Nomination Right fails to be elected by the Unitholders or is required to tender their resignation pursuant to the Fund's majority voting policy, subject to KingSett's right to appoint a replacement Trustee in accordance with the Current Investor Rights Agreement, KingSett, provided it is a Qualifying Holder, will have the Board Observer attend all meetings of the Board (except for any meetings at which only Trustees who are independent for purposes of NI 52-110 may attend or in respect of which KingSett has a material interest in the subject matter of the meeting). The Board Observer will be subject to all confidentiality requirements of any other Trustee and will not have any voting rights, but will be given notice of, and the right to attend, every meeting of the Board, except as noted above. The Board Observer, in such capacity, will not be entitled to any compensation from, or to benefit from any trustee or officer insurance coverage provided by, the Fund.

The Current KingSett Nomination Right is expected to be amended in connection with the Transaction. For additional details see "The Transaction – The Purchase Agreements and Ancillary Agreements – Investor Rights Agreement".

Trustee Nominees

The following table sets forth the names of, and certain information for the six individuals proposed to be nominated for election as Trustees. Biographies for each nominee are set out below. Except for Mr. Daniel Drimmer, who has been a Trustee since formation of the Fund, Ms. Kelly Smith, who was elected to the Board at its June 21, 2022 Annual General Meeting, and Mr. Todd Cook, who is being nominated for election for the first time at the Meeting, each of the other nominees has been a Trustee of the Fund since September 29, 2020. Mr. Todd Cook has committed to resigning as a Trustee, assuming that he is elected to the Board, in the event that the Transaction is not completed.

Name and Place of Residence	Office with the Fund	Present Principal Occupation	Class A Units Beneficially Owned, or Controlled, or Directed, Directly or Indirectly as of June 30, 2023		Class C Units Beneficially Owned, or Controlled, or Directed, Directly or Indirectly as of June 30, 2023		Class F Units Beneficially Owned, or Controlled, or Directed, Directly or Indirectly as of June 30, 2023	
			(#)	(\$) ⁽¹⁾	(#)	(\$) ⁽²⁾	(#)	(\$) ⁽³⁾
Todd Cook <i>Alberta, Canada</i>	Chief Executive Officer of the Fund	Chief Executive Officer of the Fund	82,532	\$672,636	Nil	N/A	Nil	N/A
Daniel Drimmer ⁽⁴⁾ <i>Ontario, Canada</i>	Trustee, Chairman of the Board	President and Chief Executive Officer of Starlight Group and the general partner of the Manager, President and Chief Executive Officer of Starlight U.S. Multi-Family (No. 2) Core Plus Fund; Chief Executive Officer of Starlight U.S. Residential Fund; Chief Executive Officer of True North Commercial REIT; Chief Executive Officer of Starlight Western Canada Multi-Family (No. 2) Fund	494,289	\$4,028,455	9,623,805 ⁽¹¹⁾	\$82,779,959	Nil	N/A
Rob Kumer ⁽⁷⁾ <i>Ontario, Canada</i>	Independent Trustee ⁽¹⁰⁾	President and Chief Investment Officer of KingSett Capital Inc.	Nil	N/A	Nil	N/A	Nil	N/A
Harry Rosenbaum ⁽⁶⁾⁽⁹⁾ <i>Ontario, Canada</i>	Independent Trustee ⁽¹⁰⁾	Principal of Ashton Woods Homes and the Great Gulf Group of Companies	Nil	N/A	Nil	N/A	Nil	N/A
Kelly Smith ⁽⁹⁾ <i>Ontario, Canada</i>	Independent Trustee ⁽¹⁰⁾	Corporate Director	Nil	N/A	Nil	N/A	Nil	N/A
Lawrence D. Wilder ⁽⁵⁾⁽⁷⁾⁽⁸⁾ <i>Ontario, Canada</i>	Lead Trustee ⁽¹⁰⁾	Partner, Miller Thomson LLP	Nil	N/A	16,000	\$137,625	Nil	N/A

Notes:

- (1) Market value determined by multiplying the number of Class A Units by the closing price of the Class A Units on the Toronto Stock Exchange on June 30, 2023 of \$8.15.
- (2) Market value determined by multiplying the number of Class A Units held assuming all such Class C Units were converted into Class A Units in accordance with their terms by the closing price of the Class A Units on the Toronto Stock Exchange on June 30, 2023 of \$8.15.
- (3) Market value determined by multiplying the number of Class A Units held assuming all such Class F Units were converted into Class A Units in accordance with their terms by the closing price of the Class A Units on the Toronto Stock Exchange on June 30, 2023 of \$8.15.
- (4) Chairman of the Board.
- (5) Lead Trustee.
- (6) Chair of the Audit Committee.
- (7) Member of the Audit Committee.
- (8) Chair of the Governance and Nominating Committee.
- (9) Member of the Governance and Nominating Committee.
- (10) Independent for purposes of NI 52-110.
- (11) Includes 9,623,805 held by D.D. Galaxy High Yield Debt LP, a limited partnership under control of Mr. Drimmer. Mr. Drimmer has economic exposure to 85.89% of such Class C Units.

Biographical Information

Set out below is a biography of each of the proposed nominees for Trustee of the Fund for the past five years or more.

Todd Cook – Chief Executive Officer, Proposed Nominee for Trustee

Todd Cook has been Chief Executive Officer of the Fund since 2020. Mr. Cook is currently employed by Starlight Group, which he joined in November 2020. Prior to taking on the role of Chief Executive Officer of the Fund, Mr. Cook was President and CEO of the formerly TSX-listed Northview Apartment REIT (formerly Northern Property REIT) which owned approximately 27,000 multi-family suites and 1.2 million square feet of commercial properties across Canada. In 2015, Mr. Cook led Northern Property REIT's strategic acquisition of True North Apartment REIT and an institutional portfolio of multi-family apartments in the creation of Northview Apartment REIT. Mr. Cook joined Northern Property REIT in 2006 as Chief Financial Officer, holding various senior executive positions before being appointed President & Chief Executive Officer in 2014. Previously, he was Chief Financial Officer of Calgary-based TGS North American REIT which was purchased by a subsidiary of The Great-

West Life Assurance Company in June 2006. Mr. Cook possesses a Bachelor of Administration from the University of Regina and received his Chartered Accountant designation in 1993.

Daniel Drimmer – Trustee, Chairman of the Board

Daniel Drimmer is the Founder and Chief Executive Officer of Starlight Group, a Canadian real estate asset management company focused on the acquisition, ownership and management of multi-family and commercial properties across Canada and the U.S., with a portfolio of approximately 77,000 multi-family suites and over 9,000,000 square feet in commercial properties. In addition to the formation of Starlight Group, Mr. Drimmer is currently a director and Chief Executive Officer of the general partner of TSX-V listed Starlight U.S. Multi-Family (No. 2) Core Plus Fund, a trustee and Chief Executive Officer of Starlight U.S. Residential Fund, Chief Executive Officer of Starlight Western Canada Multi-Family (No. 2) Fund, and Chief Executive Officer and Chairman of the Board of TSX-listed True North Commercial REIT. Mr. Drimmer was previously a director and Chief Executive Officer of the general partner of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 1) Core Plus Fund, a director and Chief Executive Officer of the general partner of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 1) Value-Add Fund and a director and the Chief Executive Officer of the general partner of the formerly TSX-V-listed Starlight U.S. Multi-Family (No. 5) Core Fund. Mr. Drimmer also established TSX-listed True North Apartment REIT and was the creator and sponsor of TSX-listed TransGlobe Apartment REIT. Over the last ten years, Mr. Drimmer has completed more than \$50 billion worth of acquisitions and dispositions in multi-family and commercial real estate (including nine initial public offerings). Mr. Drimmer obtained a Bachelor of Arts degree from the University of Western Ontario, and both a Master of Business Administration and a Master's degree in Contemporary European Policy Making from European University in Geneva, Switzerland and is a third generation real estate investor.

Rob Kumer – Trustee (Independent)

Rob Kumer is the President and Chief Investment Officer of KingSett Capital, a leading Canadian private equity real estate investment business which co-invests with institutional and ultra-high net worth clients seeking to provide risk weighted returns through its various fund strategies. Mr. Kumer chairs KingSett's Investment Committee, which oversees new investment activity, project finance strategy and KingSett's mortgage lending business. Mr. Kumer also chairs the firm's Management Committee, which is responsible for the oversight and ongoing implementation of KingSett's business strategy. Founded in 2002, KingSett has raised \$15 billion of equity for its Growth, Income, Urban, Affordable Housing, Residential Development and Mortgage strategies. Currently, KingSett Capital Inc., together with its affiliates, owns interests in a \$20 billion portfolio of assets. Mr. Kumer holds a degree in Honours Business Administration from the Ivey Business School at the University of Western Ontario, where he now sits as a member of the school's Advisory Board. As well, Mr. Kumer sits on the board of directors for the Sinai Health System Foundation.

Harry Rosenbaum – Trustee (Independent)

Harry Rosenbaum is Co-Founder and Principal of the Great Gulf Group of Companies (Great Gulf Residential, First Gulf Corporation, Tucker HiRise and H+ME Technology). Mr. Rosenbaum is a Principal of Ashton Woods Homes, one of the largest privately held homebuilders in the U.S. He is a trustee of NEO Exchange Inc.-listed Private Global Real Assets Trust and a director and member of the audit committee of the general partner of TSX-V-listed Starlight U.S. Multi-Family (No. 1) Core Plus Fund and a trustee and member of the audit committee of Starlight U.S. Residential Fund and a past board member of WPT Industrial Real Estate Investment Trust. Mr. Rosenbaum is Chair of the Real Estate and Properties Committee of UJA of Greater Toronto and a member of the board of directors of UJA of Greater Toronto. He was a director of the Sunnybrook Hospital Foundation and a director of the Advocates for Civil Liberties. Mr. Rosenbaum was formerly the Chairman of The Association for the Soldiers of Israel. Mr. Rosenbaum received his law degree from Osgoode Law School in 1974. He also holds a degree in Economics from York University.

Kelly Smith – Trustee (Independent)

Kelly Smith is a corporate director. Ms. Smith has over 30 years of commercial real estate experience. Most recently, until January 2020, she was Chief Executive Officer of Strathallen Capital Corp., a fully integrated Canadian real estate management platform, focused on retail properties. Prior to joining Strathallen Capital Corp., Ms. Smith was President,

Canada at Peaceable Street Capital, a United States based specialty finance platform operating in both Canada and the United States. Prior to the formation of Peaceable Street Capital, Ms. Smith was Managing Director, Canada Operations at Kimco Realty Corporation from 2008 to 2016, a public United States real estate investment trust and member of the S&P 500 with ownership of over 400 shopping centres. Ms. Smith is currently a Trustee with CT REIT and an independent member of the Investment Committee for BRE Fund, part of BMO's Merchant Banking Group. She is also a trustee of TSX-V-listed Starlight U.S. Residential Fund and Starlight U.S. Multi-Family (No. 2) Core Plus Fund. Ms. Smith holds both a Master of Business Administration and an Honours Bachelor of Arts from Western University and holds the IDC.D designation from the Institute of Corporate Directors at the University of Toronto.

Lawrence D. Wilder – Lead Trustee (Independent)

Mr. Wilder is a partner at Miller Thomson LLP and serves as Leader of the firm's national Capital Markets and Securities Group. Mr. Wilder has practiced corporate and securities law for over 30 years and has advised Canadian public issuers and their boards on a variety of corporate governance and securities law compliance matters. His specialties include corporate finance, mergers and acquisitions and private equity. Mr. Wilder is nationally recognized by Chambers Canada, Best Lawyers, Lexpert and Martindale-Hubbell. He holds an LLB from Osgoode Hall Law School. He also serves as a trustee of Starlight Western Canada Multi-Family (No. 2) Fund.

Corporate Cease Trade Order, Bankruptcies, Penalties or Sanctions

No person proposed to be nominated for election as a Trustee at the Meeting is, or was within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company that (i) was subject to a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation, in each case in effect for a period of more than 30 consecutive days, that was issued while that person was acting in the capacity of a director, chief executive officer or chief financial officer of that company, or (ii) was subject to such an order that was issued after that person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the person was acting in that capacity.

No person proposed to be nominated for election as a Trustee at the Meeting is, or within the ten years prior to the date hereof has been, a director or executive officer of any company (including the Fund) that, while that person was acting in that capacity or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. In addition, no person proposed to be nominated for election as a Trustee at the Meeting, within the 10 years prior to the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Except for the following, no person proposed to be nominated for election as a Trustee at the Meeting, is or has been (i) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Lawrence D. Wilder entered into a settlement agreement dated May 24, 2002 with the OSC in connection with the OSC's proceeding brought in connection with YBM Magnex International Inc. The OSC had alleged that Mr. Wilder had made misleading statements in certain of his correspondence with OSC staff concerning due diligence in the course of clearing a final prospectus on behalf of his client. Pursuant to the settlement agreement, the proceeding was settled on the basis that Mr. Wilder provided an apology to the OSC staff (which was accepted) and agreed to pay certain costs incurred by the OSC in connection with the proceeding. There were no sanctions or penalties imposed on Mr. Wilder in connection with this matter.

Trustee Attendance

The following table sets forth the number of Board of Trustees and standing committee meetings held and attendance by Trustees for the year ended December 31, 2022:

Trustee ⁽¹⁾	Board Meetings Attended (in person or by telephone)	Committee Meetings Attended (in person or by telephone)
Daniel Drimmer	5 of 5	0 of 0
Rob Kumer	5 of 5	4 of 4
Harry Rosenbaum	4 of 5	4 of 5
Kelly Smith ⁽¹⁾	4 of 4	0 of 0
Lawrence D. Wilder	4 of 5	5 of 5

Note:

(1) Kelly Smith was appointed to the Board effective May 2, 2022 and elected at the June 21, 2022 AGM

2. Re-Appointment of Auditors

The proxyholders specified by management of the Fund in the enclosed Form of Proxy, if not expressly directed to the contrary in such Form of Proxy, will vote such proxies FOR the re-appointment of KPMG LLP as auditors of the Fund and the authorization of the Trustees to fix the auditors' remuneration.

The audit committee of the Fund (the "**Audit Committee**") recommends to the Unitholders that KPMG LLP be re-appointed as the independent auditors of the Fund, to hold office until the next annual meeting of the Unitholders or until their successor is appointed, and that the Trustees be authorized to fix the remuneration of the auditors.

KPMG LLP has been the auditors of the Fund since its formation on April 14, 2020.

3. Approval of Equity Incentive Plan

Assuming approval of the Transaction, Unitholders at the Meeting will be asked to vote on the ordinary resolution set out below, and if deemed advisable, to authorize and approve the adoption of the Equity Incentive Plan (the "**Equity Incentive Plan Resolution**"), a summary of which follows. In order to be effective, the following ordinary resolution requires approval by a majority of the votes duly cast online or by proxy by Unitholders at the Meeting.

"WHEREAS the Board of Trustees of Northview Fund (the "**Fund**") have approved, subject to approval by the unitholders of the Fund (the "**Unitholders**"), the adoption of the Fund's Equity Incentive Compensation Plan (the "**Equity Incentive Plan**") which does not have a fixed maximum number of units of the Fund issuable thereunder;

AND WHEREAS the rules of the Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three (3) years;

BE IT RESOLVED, as an ordinary resolution, that:

1. the Equity Incentive Plan, substantially in the form set forth in Appendix "L" of the Fund's management information circular dated June 30, 2023, all unallocated options, rights and other entitlements under the Equity Incentive Plan, be and are hereby approved;
2. the form of Equity Incentive Plan may be further amended in order to satisfy the requirements or requests of any regulatory authorities or stock exchanges without requiring further approval of unitholders of the Fund;

3. the Fund have the ability to continue granting options, rights and other entitlements under the Equity Incentive Plan until August 4, 2025, which is the date that is three (3) years from the date of the Unitholder meeting at which Unitholder approval is being sought; and
4. any officer or trustee of the Fund be and is hereby authorized for and on behalf of the Fund, to execute and deliver all other documents and instruments and to take all such other actions as such officer or trustee may deem necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any such actions.”

The Board recommends that Unitholders vote FOR the Equity Incentive Plan Resolution. Unless otherwise instructed, the persons named in the accompanying proxy intend to vote FOR the Equity Incentive Plan Resolution.

Summary of Equity Incentive Plan

Equity-based awards to be made or granted by the Fund, pursuant to which new Units may be issued, are expected to be made under the Equity Incentive Plan. The purposes of the Equity Incentive Plan are (i) to advance the interests of the Fund by enhancing the ability of the Fund and its subsidiaries to attract, motivate and retain employees, Trustees and consultants, (ii) to reward such persons for their sustained contributions and (iii) to encourage such persons to take into account the long-term financial performance of the Fund. There are currently no grants outstanding under the Equity Incentive Plan. The material features of the Equity Incentive Plan are summarized below.

Administration and Eligibility

The Equity Incentive Plan will be administered by the Board, provided that the Board may, in its discretion, delegate its administrative powers under the Equity Incentive Plan to any committee of the Board. The Board will have the authority to, among other things, determine eligibility for awards to be granted, make grants of awards and determine the form of such grants, determine, modify or waive the terms and conditions of awards, accelerate the vesting or exercisability of awards, interpret the terms and provisions of the Equity Incentive Plan and any award agreement, and otherwise do all things necessary or appropriate to carry out the purposes of the Equity Incentive Plan. Subject to the terms of any written employment agreement, award agreement or other written agreement binding upon the Fund and an applicable plan participant, the Board’s decisions with respect to the Equity Incentive Plan and any award under the Equity Incentive Plan will be binding upon all persons.

Types of Awards

The Equity Incentive Plan will provide for awards of restricted units (“**Restricted Units**”), performance units (“**Performance Units**”), deferred units (“**Deferred Units**”) and options (“**Options**”) of the Fund, each as defined and discussed in further detail below.

- **Restricted Units.** Restricted Unit awards are awards denominated in notional units that vest after a pre-designated period of time after the grant date and which are to be settled by (i) Class A Units issued from treasury on a one-for-one basis, (ii) if so elected by the participant and subject to the approval of the Board, cash based on the value of the applicable number of Class A Units at the date of settlement or (iii) a combination of Class A Units and cash as contemplated by (i) and (ii) above.
- **Performance Units.** Performance Unit awards are awards denominated in notional units that vest after both a pre-designated period of time after the grant date and achievement of pre-designated performance-based vesting conditions, and which are to be settled by (i) Class A Units issued from treasury based on achievement of the vesting provisions, (ii) if so elected by the participant and subject to the approval of the Board, cash based on the value of the applicable number of Class A Units at the date of settlement or (iii) a combination of Class A Units and cash as contemplated by (i) and (ii) above.
- **Deferred Units.** Deferred Unit awards are awards denominated in notional units that generally vest immediately upon grant and which are settled by (i) Class A Units issued from treasury on a one-for-one basis, (ii) if so elected

by the participant and subject to the approval of the Board, cash based on the value of the applicable number of Class A Units at the date of settlement or (iii) a combination of Class A Units and cash as contemplated by (i) and (ii) above. Deferred Units may not be redeemed until the participant ceases to hold any and all positions with the Fund and its subsidiaries.

- **Options.** An Option award entitles the holder to acquire one Class A Unit upon the exercise of the Option at the exercise price as determined by the Board at the time of the Option grant which exercise price must in all cases be not less than the market price of a Class A Unit on the date of grant. Options vest in accordance with a vesting schedule as determined by the Board and as detailed in the individual Option agreement for each Option award. Unless otherwise determined by the Board, all Options have a maximum term of ten years from the date of grant, provided that if the expiry falls during or within ten business days immediately following a trading blackout period, the expiry date will automatically be extended to the tenth business days after the end of the trading blackout period. Options are settled by Class A Units issued from treasury upon the exercise by the participant.

The number of Restricted Units, Performance Units, or Deferred Units, as applicable, granted at any particular time pursuant to the Equity Incentive Plan will be calculated by dividing (i) the dollar value amount of the participant's award, by (ii) the market price of a Class A Unit on the award date. "Market price" of a Class A Unit at any date for purposes of the Equity Incentive Plan means the volume weighted average price of all Class A Units traded on the TSX for the five trading days immediately preceding such date (or, if the Class A Units are not listed and posted for trading on the TSX, on such stock exchange as may be selected for such purpose by the Board). In the event that the Class A Units are not listed and posted for trading on any stock exchange, the market price shall be the fair market price of the Class A Units as determined by the Board in its sole discretion.

Wherever cash distributions are paid on the Class A Units, additional Restricted Units, Performance Units or Deferred Units, as the case may be, will be credited to the participant's account. The number of such additional Restricted Units, Performance Units or Deferred Units, as the case may be, is to be calculated by multiplying the aggregate number of Restricted Units, Performance Units or Deferred Units (in each case, vested and unvested), as the case may be, held on the relevant distribution record date by the amount of the distribution paid by the Fund on each Class A Unit, and dividing the result by the market price of a Class A Unit on the distribution date. These additional Restricted Units, Performance Units or Deferred Units, as the case may be, vest on the same basis as the initial Restricted Units, Performance Units or Deferred Units, as the case may be, to which they relate.

With respect to Options, in order to facilitate the payment of the exercise price of the Options, the Equity Incentive Plan has a cashless exercise feature. The participant may elect to surrender their Options to the Fund in consideration for an amount from the Fund equal to (i) the market price of the Class A Units issuable on the exercise of such Option as of the date such Option is exercised, less (ii) the aggregate exercise price of the Option surrendered relating to such Class A Units. The Fund shall satisfy payment of such amount by delivering to the participant the number of Class A Units (rounded down to the nearest whole number) having a fair market value equal to such amount.

Under no circumstances are Restricted Units, Performance Units, Deferred Units and Options considered Class A Units nor do they entitle a participant to any rights as a Unitholder, including, without limitation, voting rights, distribution entitlements (other than as set out above) or rights on liquidation.

Class A Units Subject to the Equity Incentive Plan and Participation Limits

The maximum number of Class A Units issuable pursuant to awards under the Equity Incentive Plan and all other security-based compensation arrangements shall not exceed 10% of the Effective Outstanding Units of the Fund from time to time, which would represent 3,591,674 Class A Units as of the date of this Circular and 3,589,925 Class A Units assuming completion of the Transaction on August 9, 2023 (including the Subdivision) and the Consolidation.

The Equity Incentive Plan is an evergreen plan in that Class A Units issuable pursuant to awards under the plan exercised, settled, surrendered, terminated, expired or cancelled, in whole or in part, will be available for issuance pursuant to the exercise or settlement of awards subsequently granted under the Equity Incentive Plan and the number of Class A Units available for grants of awards increases as the number of issued and outstanding Effective Outstanding Units increases.

The number of Class A Units issuable to insiders of the Fund at any time pursuant to all of the Fund's security-based compensation arrangements, including the Equity Incentive Plan, shall not exceed 10% of the Effective Outstanding Units, and the number of Class A Units issued to insiders of the Fund within any one-year period pursuant to all of the Fund's security-based compensation arrangements, including the Equity Incentive Plan, shall not exceed 10% of the Effective Outstanding Units (the "**insider participation limit**"). The maximum aggregate value of securities issuable to any non-employee Trustee under the Equity Incentive Plan shall not exceed \$150,000 per annum. The aggregate number of Class A Units reserved for issuance to all non-employee Trustees and grants under all security-based compensation arrangements of the Fund made other than in lieu of cash fees shall not exceed 1% of the Effective Outstanding Units. Non-employee Trustees are not eligible to receive grants of Options under the Equity Incentive Plan. The aggregate number of Class A Units reserved for issuance pursuant to grants of Restricted Units, Performance Units and Deferred Units ("**Full-Value Awards**") under the Equity Incentive Plan, and grants of Full-Value Awards and other non-option awards under all other security-based compensation arrangements of the Fund, shall not exceed 5% of the Effective Outstanding Units.

Termination of Employment

Unless otherwise determined by the Board, and subject to the specific terms of the participant's employment agreement, an award agreement or other written agreement binding upon the Fund and the plan participant, upon a participant's resignation or the termination of a participant's employment with the Fund for any reason, (a) all unvested awards granted pursuant to the Equity Incentive Plan shall immediately terminate and the participant shall not be entitled to any damages in lieu thereof whether pursuant or attributable to any common law or contractual notice period or otherwise, (b) all vested Deferred Units, Restricted Units and Performance Units shall be redeemable; provided that if such awards are not redeemed within 30 days of termination or resignation such awards shall be settled for Class A Units on such date without any action required on the part of the participant, and (c) all vested Options will be exercisable until the earlier of (i) the date that is 12 months after the date of termination or resignation, following which they will expire, and (ii) the original expiry date of such vested Options.

Change in Control

Unless otherwise determined by the Board, and subject to the specific terms of the participant's employment agreement, an award agreement or other written agreement binding upon the Fund and the plan participant, if a participant's employment is terminated without cause or the participant resigns with good reason, in each case, within 12 months following a change of control of the Fund, all Performance Units, Restricted Units and Deferred Units granted under the Equity Incentive Plan that have not otherwise vested will immediately vest and be settled and all Options will immediately vest and be exercisable until the earlier of (i) the date that is 12 months after the date of termination, after which time all Options will expire and (ii) the original expiry date of the Options.

The Board has the authority to take all necessary steps to ensure the preservation of the economic interests of the participants in, and to prevent the dilution or enlargement of, any awards granted under the Equity Incentive Plan, including ensuring that the Fund or any entity which is or would be the successor to the Fund or which may issue securities in exchange for the Class A Units upon the change of control will assume each outstanding award, or provide each participant with new, replacement or amended awards which will continue to vest following the change of control on similar terms and conditions as provided in the Equity Incentive Plan, failing which all outstanding awards will vest and be settled (having regard to the performance achieved prior to the change of control in respect of Performance Units) or be exercisable, as applicable, prior to the date on which the change of control is consummated.

Assignability

Except for normal estate settlement purposes and as required by law, the rights of participants under the Equity Incentive Plan are not transferable or assignable.

Adjustments

In the event of an extraordinary distribution, securities based distribution, stock split or combination (including a reverse stock split) or any recapitalization, business combination, merger, amalgamation, consolidation, spin-off, exchange of Class A Units, liquidation or dissolution of the Fund or other similar transaction affecting the Class A

Units, the Board will make such proportionate adjustments, if any, as it determines in its sole discretion to the number and kind of Class A Units available for issuance under the Equity Incentive Plan, the annual per-participant Class A Unit limits, the number, class, exercise price (or base value), performance objectives applicable to outstanding awards and any other terms of outstanding awards affected by such transaction to preserve the proportionate rights and obligations of the participants under the Equity Incentive Plan. The Board may also make adjustments of the type described in the preceding sentence to take into account distributions and events other than those listed above if it determines that adjustments are appropriate to avoid distortion in the operation of the Equity Incentive Plan and to preserve the proportionate rights and obligations of the participants under the Equity Incentive Plan.

Discontinuance and Amendments

The Board may from time to time, without notice and without approval of the Unitholders, amend, modify, change, suspend or terminate the Equity Incentive Plan or any awards granted thereunder as it, in its discretion, determines appropriate, provided, however, that no such amendment, modification, change, suspension or termination of the Equity Incentive Plan or any awards granted thereunder may materially impair any rights of a participant or materially increase any obligations of a participant under the Equity Incentive Plan without the consent of the participant, unless the Board determines such adjustment is required or desirable in order to comply with any applicable securities laws.

Notwithstanding the above, and subject to the rules of the TSX, Unitholder approval is required for any amendment, modification or change that has the effect of:

- increasing the number of Class A Units available for issuance under the Equity Incentive Plan, except pursuant to the provisions in the Equity Incentive Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Fund or its capital;
- increasing or removing the insider participation limit;
- reducing the exercise price of an Option, except pursuant to certain provisions of the Equity Incentive Plan which provide for the plan administrator to make equitable adjustments in the event of transactions affecting the Fund or its capital;
- extending the term of any award granted beyond its original expiry date;
- permitting an Option to be exercisable beyond ten years from its date of grant (except where an expiry date would have fallen within a trading blackout period of the Fund);
- increasing or removing the limits on grants of Full-Value Awards and other non-option awards;
- increasing or removing the limits on participation of non-employee Trustees;
- modifying the class of persons eligible for participation in the Equity Incentive Plan;
- permitting awards to be transferred other than for normal estate settlement purposes or as required by law; and
- deleting or reducing the range of amendments which require approval of the Unitholders.

Without limiting the generality of the Board's discretion to amend the Equity Incentive Plan, and subject to the above, Unitholder approval is not required for, among others, the following amendments to the Equity Incentive Plan:

- amending the general vesting provisions of each award;
- amending the provisions with respect to termination of employment or services;
- adding covenants of the Fund for the protection of participants, as the case may be, provided that the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the participants, as the case may be;
- making amendments not inconsistent with the Equity Incentive Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board, having in mind the best interests of the

participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, provided that the Board shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the participants and Trustees; or

- making such changes or corrections which, on the advice of counsel to the Fund, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Board shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the participants.

COMPENSATION DISCUSSION AND ANALYSIS

The Chief Executive Officer and the Chief Financial Officer of the Fund are currently employed by the Manager. The balance of the executive team is employed by the Fund. Following completion of the Transaction, management will be internalized and the Chief Executive Officer and the Chief Financial Officer of the Fund will each become employed directly by the Fund. To the extent this section refers to the compensation arrangements of the Chief Executive Officer or Chief Financial Officer, or the role of the Manager in determining their respective compensation, such disclosure is intended to describe the compensation arrangements prior to the completion of the Transaction, unless otherwise specified.

The Fund currently employs each of Mr. Karl Bomhof as its Vice President, General Counsel and Human Resources and Ms. Linay Freda, Vice President, Operations on a full-time basis pursuant to an employment agreement between the Fund and the respective executive (see “Employment Agreements” below). The Chief Executive Officer, in consultation with the Chairman of the Board, makes decisions regarding the salary and annual bonus for such executive officers and approves goals and objectives relevant to such compensation. The Chief Executive Officer also assesses the compensation of such executive officers in light of the Fund’s performance, compensation paid to senior management in comparable organizations and such other factors as the Chief Executive Officer, in consultation with the Chairman of the Board, considers relevant from time to time. The Board does not have a compensation committee and retains ultimate authority over the compensation of the NEOs (as defined below) employed directly by the Fund.

Pursuant to the terms of the Management Agreement, the Manager is appointed as the sole and exclusive manager of the affairs of the Fund. The Manager provides the Fund with specified management services, including providing the services of the Chief Executive Officer and the Chief Financial Officer. The Chief Executive Officer and Chief Financial Officer are not employees of the Fund and the Fund does not pay any cash compensation to such individuals. The Chief Executive Officer and Chief Financial Officer are compensated by the Manager and the Manager has sole responsibility for determining such compensation. The compensation received by such persons from the Manager is not within or subject to the discretion of the Board. As such, any variability in compensation paid by the Manager to the Chief Executive Officer and the Chief Financial Officer does not impact the Fund’s financial obligations pursuant to the Management Agreement. Compensation disclosed herein as being paid to employees of the Manager may not be all of the compensation paid to such individuals by the Manager, but has been determined by the Manager as being attributable to the time spent by such individuals on the activities of the Fund.

In consideration for providing specified management services, including providing the services of the Chief Executive Officer and the Chief Financial Officer, the Fund and NV LP pay the Manager an aggregate base annual management fee (the “**Asset Management Fee**”) equal to 0.35% of the greater of: (A) the value of the assets of the Fund and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet prepared in accordance with IFRS; and (B) the historical cost of the investment properties, plus (i) the carrying value of cash and cash equivalents; (ii) the carrying value of mortgages receivable; and (iii) the historical cost of other assets and investments used in operations, calculated and payable on a monthly basis in arrears in cash on the first day of each month.

The following Compensation Discussion and Analysis is intended to describe the portion of the compensation of: (i) the Chief Executive Officer; and (ii) the Chief Financial Officer that is attributable to time spent on the Fund’s activities, and the compensation of the (i) the Vice President, General Counsel and Human Resources; (ii) the Vice President, Operations; and (iii) the former Vice President, Human Resources (collectively, the “**named executive officers**” or “**NEOs**”), and supplements the more detailed information concerning executive compensation that appears in the tables and the accompanying narrative that follow.

Principal Elements of NEO Compensation

CEO and CFO

As a private company, the Manager's process for determining executive compensation for the Chief Executive Officer and Chief Financial Officer is straightforward, with no specific formula for determining the amount of each element of compensation, and no formal approach applied by the Manager for determining how one element of compensation fits into the overall compensation objectives in respect of the activities of the Fund. Objectives and performance measures may vary from year to year as determined to be appropriate by the Manager without reference to any formal benchmarking. Following completion of the Transaction, the compensation for the Chief Executive Officer and the Chief Financial Officer will be determined instead by the Board.

Fund Executives

The Fund's compensation practices are designed to retain, motivate and reward its executive officers for their performance and contribution to the long-term success of the Fund. In addition to base salary compensation, the Fund seeks to compensate its executive officers by offering cash incentives to reward the achievement of issuer and individual performance objectives. The Fund seeks to set issuer performance goals that reach across all business areas and include achievements in financial and business development. The Fund seeks to tie individual goals to the area of the executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals.

The Fund seeks to establish a pay mix for its officers which provides a competitive set salary with a significant portion of compensation awarded on both issuer and personal performance, although the relative importance between individual performance objectives and issuer performance goals is not rigidly predetermined. Objectives and performance measures may vary from year to year as determined to be appropriate by the Chief Executive Officer, in consultation with the Board, without reference to any formal benchmarking.

Compensation Components for 2022

The compensation of the NEOs includes two major elements: (i) base salary, paid by the Manager in the case of the Chief Executive Officer and Chief Financial Officer, and by the Fund in respect of the other NEOs; and (ii) cash bonuses, paid by the Manager in the case of the Chief Executive Officer and Chief Financial Officer, and by the Fund in respect of the other NEOs. The Fund does not have any long-term equity incentive plans, pursuant to which cash or non-cash compensation has been or will be paid or distributed to any NEO or Trustee. The Fund has proposed adopting an Equity Incentive Plan for Unitholders to consider and if deemed advisable authorize and approve at the Meeting. See "Annual and Other Special Business to be Acted Upon at the Meeting – 3. Approval of Equity Incentive Plan". In addition, the Fund does not have any stock appreciation rights, incentive plans, medium-term incentives or pension plans. Perquisites and personal benefits are not a significant element of compensation of the NEOs. These two principal elements of compensation are described below.

Base Salaries

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in retention and recruitment. Base salaries are determined on an individual basis, taking into consideration the past, current and potential contribution to the success of the Fund, the position and responsibilities of the NEOs and competitive industry pay practices for other real estate funds, real estate investment trusts and corporations of comparable size. Neither the Manager nor the Fund benchmarks compensation to a specific peer group. Increases in base salary are at the sole discretion of the Manager, in respect of the Chief Executive Officer and Chief Financial Officer, and at the sole discretion of the Fund in respect of the other NEOs. The base salaries for the other NEOs of the Fund are initially as set forth in the employment agreements of such NEOs, and subject to annual assessments. The Fund may review the compensation payable to the Chief Executive Officer and Chief Financial Officer by the Manager which is attributable to their role in respect of the Fund and provide recommendations to the Manager, that are considered in good faith by the Manager, but are not binding upon the Manager.

Base salaries are reviewed annually and increased at the discretion of the Manager or the Fund, as applicable. For the year ended December 31, 2022, the annual base salary of the Chief Executive Officer and Chief Financial Officer that is

attributable to time spent on the activities of the Fund was set by the Manager at \$563,750 and \$271,625, respectively, and the annual base salary of the Vice President, General Counsel and Human Resources, Vice President, Operations and former Vice President, Human Resources was set by the Fund at \$256,300, \$270,700 and \$200,000, respectively.

Annual Cash Bonuses

Annual cash bonuses are discretionary and are not awarded pursuant to a formal incentive plan. Annual cash bonuses are awarded based on qualitative and quantitative performance standards, and reward performance of the Fund or the NEO individually. The determination of the performance of the Fund may vary from year to year depending on economic conditions and conditions in the real estate industry and may be based on measures such as Unit price performance, the meeting of financial targets against budget, the meeting of acquisition objectives and balance sheet performance. Individual performance factors vary and may include completion of specific projects or transactions and the execution of day-to-day management responsibilities. Pursuant to the employment agreements entered into between the Fund and the Vice President, General Counsel and Human Resources and the Vice President, Operations the NEOs are each entitled to an annual incentive of up to 40% of their respective annual base salary, or such other amount as may be determined by the Fund.

With respect to the Chief Executive Officer and Chief Financial Officer, the Fund may review the bonuses payable to such officers by the Manager which is attributable to their role in respect of the Fund, and provide recommendations to the Manager, that are considered in good faith by the Manager but are not binding upon the Manager.

Annual cash bonuses for 2022 were awarded based on qualitative and quantitative performance standards that assess the performance of the NEOs. The bonuses were contingent upon the achievement of pre-established performance goals related 40% to the Fund’s corporate performance relative to its financial and strategic goals and 60% to individual performance goals as assessed by the Manager in the case of the Chief Executive Officer and Chief Financial Officer and by the Chief Executive Officer in the case of the other NEOs. The financial performance goal consisted of a measure of FFO per Unit. The Fund’s strategic goals consisted of the achievement of objectives relating to the Fund’s performance in the areas of customer service, the performance of its western Canadian portfolio and human resources.

The Fund’s financial performance, as measured by FFO per Unit, did not achieve the target FFO per Unit of \$1.86. The Fund’s performance relative to its overall strategic goals achieved 100% of its strategic performance targets. The foregoing resulted in a payout of 25% of the bonuses relative to the 2022 corporate performance goals. Personal performance for the NEOs other than the Chief Executive Officer and the Chief Financial Officer were between 100% and 110% of target, resulting in a payout of 60 to 66% of the bonuses based on achievement of the personal performance goals. Overall bonuses were paid between 76% and 100% of target. The Manager made the determinations in respect of the Chief Executive Officer and the Chief Financial Officer, and the Fund did not have any input with respect to such bonuses. The Chief Executive Officer, with the oversight of the Chairman of the Board, determined the bonuses in respect of the NEOs other than himself and the Chief Financial Officer.

Based on the foregoing total cash bonus amounts were as follows:

Name	2022 Year Bonus
Todd Cook ⁽¹⁾	\$492,153
Sarah Walker ⁽¹⁾	\$85,834
Karl Bomhof	\$78,000
Linay Freda	\$82,400
Deborah Toole ⁽²⁾	\$64,917

Notes:

- (1) The amounts awarded as bonuses above in respect of Mr. Cook and Ms. Walker represent the portion of each such named executive officer’s bonus from the Manager that is attributable to the activities of the Fund and was determined by the Manager. The Manager (and not the Fund) is responsible for any such amounts payable to such named executive officers and there is no charge back to the Fund for such compensation.
- (2) Ms. Toole ceased her employment with the Fund on September 15, 2022. Her 2022 bonus was based on her prorated base salary for 2022 at a payout of 100% of her target bonus.

Compensation Consultant

During 2022, the Fund did not engage any independent professional compensation consultant with respect to compensation of its named executive officers.

Compensation Risk

The Fund has engaged the Manager to provide certain asset management services to the Fund, including the provision of the Fund’s Chief Executive Officer and Chief Financial Officer under the Management Agreement. Starlight Group, the indirect parent entity of the Manager, owns an aggregate, indirect equity interest in the Fund of approximately 29.7%. The Fund believes that the Manager’s significant ownership interest in the Fund, together with the Fund’s compensation structure under the Management Agreement, fully align the Manager’s interests with those of other Unitholders.

The Board considers the implications of the risks associated with the Fund’s compensation policies and practices as part of its responsibility to ensure that the compensation for the Trustees and the named executive officers of the Fund align the interests of the Trustees, the named executive officers with Unitholders and the Fund as a whole. The Board has not identified any risks with the Fund’s compensation policies and practices that are reasonably likely to have a material adverse effect on the Fund.

The Fund’s insider trading policy prohibits all executive officers and Trustees of the Fund from selling “short” or selling “call options” on any of the Fund’s securities and from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities held directly or indirectly by such executive officers and Trustees.

Summary Compensation Table

The following table sets forth all compensation earned from the Manager by those individuals acting as the Fund’s Chief Executive Officer and Chief Financial Officer and all compensation earned from the Fund by the remaining NEOs for the year ended December 31, 2022.

Name and Principal Position	Year ⁽¹⁾	Salary ⁽²⁾	Unit-based awards	Option-based awards	Non-Equity Incentive Plan Compensation		Pension Value	All Other Compensation ⁽³⁾	Total Compensation
					Annual incentive plans	Long-term incentive plans			
Todd Cook ⁽⁴⁾ <i>Chief Executive Officer</i>	2022	\$563,750			\$492,153				\$1,055,903
	2021	\$550,000	—	—	\$495,000	—	—	—	\$1,045,000
	2020	\$92,613	—	—	\$82,500 ⁽⁸⁾	—	—	—	\$175,113
Sarah Walker ⁽⁴⁾⁽⁵⁾ <i>Chief Financial Officer</i>	2022	\$271,625			\$85,834				\$357,459
	2021	\$183,461	—	—	\$68,500	—	—	—	\$251,961
	2020	—	—	—	—	—	—	—	—
Karl Bomhof <i>Vice President, General Counsel and Human Resources</i>	2022	\$256,300	—	—	\$78,000	—	—	—	\$334,300
	2021	\$250,000	—	—	\$86,100	—	—	—	\$336,100
	2020	\$32,692	—	—	\$16,667 ⁽⁸⁾	—	—	\$30,000 ⁽⁹⁾	\$79,359
Linay Freda ⁽⁶⁾ <i>Vice President, Operations</i>	2022	\$270,700	—	—	\$82,400	—	—	—	\$353,100
	2021	\$264,000	—	—	\$86,600	—	—	—	\$350,600
	2020	\$34,523	—	—	\$17,600 ⁽⁸⁾	—	—	—	\$52,123
Deborah Toole <i>Vice President, Human Resources</i> ⁽⁷⁾	2022	\$125,765	—	—	\$64,917	—	—	—	\$190,682
	2021	\$200,000	—	—	\$65,700	—	—	—	\$265,700
	2020	\$26,154	—	—	\$13,333 ⁽⁸⁾	—	—	\$30,000 ⁽⁹⁾	\$69,487

Notes:

- (1) The Fund was established on April 14, 2020 and commenced operations on November 2, 2020 following its initial public offering. Accordingly, compensation information for 2020 only covers the period from November 2, 2020 to December 31, 2020.

- (2) On an annualized basis, salaries paid or allocated to the named executive officers for the year ended December 31, 2020 would have been as follows: Mr. Cook, \$550,000; Mr. Bomhof, \$250,000, Ms. Freda, \$264,000 and Ms. Toole, \$200,000. See also Note 4.
- (3) Except as disclosed, perquisites and personal benefits for each of the named executive officers did not exceed the lesser of \$50,000 and 10% of the individual's salary for the year.
- (4) The amounts allocated as salary in the table in respect of Mr. Cook and Ms. Walker represent the portion of each such named executive officer's salary from the Manager that is attributable to the activities of the Fund and was determined by the Manager solely for the purposes of this table, based on time spent by the named executive officer to fulfill the requirements of their office with the Fund. The Manager (and not the Fund) is responsible for any such amounts payable to such named executive officers and there is no charge back to the Fund for such compensation.
- (5) Ms. Walker was hired as Chief Financial Officer of the Fund on April 12, 2021. Her annual salary of \$265,000 was prorated based on her length of service in 2021. See also Note 4.
- (6) Ms. Freda was appointed Vice President, Operations, effective as of November 1, 2021. Prior to November 1, 2021, Ms. Freda served as Vice President, Operations, Northern Region, from the closing of the Fund's initial public offering on November 2, 2020.
- (7) Ms. Toole ceased her employment as Vice President, Human Resources of the Fund effective September 15, 2022. Disclosed compensation for Ms. Toole reflects a prorated portion of her 2022 annual salary and incentive bonus based on her length of service to the Fund in 2022 calculated at 100% of target.
- (8) Based on the pro-rated annual salary of the respective executives.
- (9) Mr. Bomhof and Ms. Toole each received a signing/retention bonus of \$30,000 for agreeing to join the Fund as an executive.

Equity Incentive Plan

The Fund does not have an equity incentive plan and has not granted any equity-based compensation to any executive officer. The Fund has proposed adopting an Equity Incentive Plan for Unitholders to consider and if deemed advisable authorize and approve at the Meeting. See "Annual and Other Special Business to be Acted Upon at the Meeting – 3. Approval of Equity Incentive Plan".

Pension Plan Benefits

The Fund does not have and will not implement a pension plan for its executive officers.

Change of Control Benefits

The Fund does not currently have any policy related to termination, resignation, retirement or change of control benefits and none of the named executive officers of the Fund are entitled by any contract or arrangement to any incremental termination, resignation, retirement or change of control benefits from the Fund or for which the Fund would be responsible for reimbursing the Manager.

Employment Agreements with the Fund

Todd Cook, Chief Executive Officer

Pursuant to the terms of an employment agreement with the Manager, Mr. Todd Cook is employed by the Manager for an indefinite term and, pursuant to the Management Agreement, the services of Mr. Cook as the Chief Executive Officer of the Fund are provided to the Fund by the Manager. Mr. Cook's employment agreement with the Manager provides for an annual base salary of \$560,750, attributable to services he provides to the Fund, and an annual incentive as may be determined by the Manager, with a target of 90% of annual base salary, in respect of services he provides to the Fund. Mr. Cook's employment agreement also provides for a 12-month non-solicit with respect to the Manager's employees, clients or tenants.

Pursuant to the terms of an employment agreement to be entered into with the Fund on closing of the Transaction, Mr. Todd Cook will serve as the Fund's President and Chief Executive Officer for an indefinite term. The agreement will provide for an annual base salary of \$580,662.50, and an annual incentive of up to 90% of annual base salary or such other amount as may be determined by the Fund, upon the achievement of certain individual and Fund goals established by the Fund, as well as to participate in the Fund's Equity Incentive Plan if and when approved by Unitholders and adopted by the Fund. Mr. Cook's employment agreement will also provide for a 12-month non-solicit with respect to the Fund's employees, clients or tenants and a 12-month non-competition covenant. In the event that (i) Mr. Cook is terminated without just cause, (ii) Mr. Cook is terminated without just cause within 12 months of a change of control, or (iii) Mr. Cook resigns with good reason (as specified in his employment agreement) within 12 months of a change of control, Mr. Cook will be entitled to a lump sum severance payment equal to 24 months base salary plus a bonus calculated based on Mr. Cook's target bonus over the 24 month period, provided that if he is terminated within two years of closing of the Transaction, it shall be no less than the average of Mr. Cook's bonus under his prior employment agreement with the Manager, and the accelerated vesting and settlement of all awards

under the Equity Incentive Plan. Mr. Cook will also be entitled to deliver a retirement notice to the Fund a specified number of months prior to the effectiveness of his retirement, provided that it has been at least 36 months since the closing of the Transaction. In the event that Mr. Cook delivers a retirement notice, such termination shall not be considered a resignation, he shall continue to work and receive his regular compensation and benefits for the balance of the notice period, and he will be entitled to continued vesting of all awards under the Equity Incentive Plan.

Sarah Walker, Chief Financial Officer

Pursuant to the terms of an employment agreement with the Manager, Ms. Sarah Walker is employed by the Manager for an indefinite term and, pursuant to the Management Agreement, the services of Ms. Walker as the Chief Financial Officer of the Fund are provided to the Fund by the Manager. Ms. Walker's employment agreement with the Manager provides for an annual base salary of \$271,625, attributable to services she provides to the Fund and an annual incentive as may be determined by the Manager, in respect of services she provides to the Fund, with a target of 40% of annual base salary. Ms. Walker's employment agreement also provides for a 12-month non-solicit with respect to the Manager's employees, clients or tenants.

Pursuant to the terms of an employment agreement to be entered into with the Fund on closing of the Transaction, Ms. Sarah Walker will serve as the Fund's Chief Financial Officer for an indefinite term. The agreement will provide for an annual base salary of \$283,000.00, and an annual incentive of up to 40% of annual base salary or such other amount as may be determined by the Fund, upon the achievement of certain individual and Fund goals established by the Fund, as well as to participate in the Fund's Equity Incentive Plan if and when approved by Unitholders and adopted by the Fund. Ms. Walker's employment agreement will also provide for a 12-month non-solicit with respect to the Fund's employees, clients or tenants and a 12-month non-competition covenant. In the event that (i) Ms. Walker is terminated without just cause, (ii) Ms. Walker is terminated without just cause within 12 months of a change of control, or (iii) Ms. Walker resigns with good reason (as specified in her employment agreement) within 12 months of a change of control, Ms. Walker will be entitled to a lump sum severance payment equal to 18 months base salary, an amount equal to 15% of the foregoing representing loss of benefits, plus a bonus calculated based on Ms. Walker's target bonus over the 18 month period, provided that if she is terminated within two years of closing of the Transaction, it shall be no less than the average of Ms. Walker's bonus under her prior employment agreement with the Manager, and the accelerated vesting and settlement of all awards under the Equity Incentive Plan.

Karl Bomhof, Vice President, General Counsel and Human Resources

Pursuant to the terms of an employment agreement with the Fund, Mr. Karl Bomhof serves as the Fund's Vice President, General Counsel and Human Resources for an indefinite term. The agreement provides for an annual base salary of \$256,300, and an annual incentive of up to 40% of annual base salary or such other amount as may be determined by the Fund, upon the achievement of certain individual and Fund goals established by the Fund. In addition, Mr. Bomhof's employment agreement provided for a signing/retention bonus of \$30,000 for agreeing to join the Fund as an executive. Mr. Bomhof's employment agreement also provides for a 12-month non-solicit with respect to the Fund's employees, clients or tenants.

Linay Freda, Vice President Operations

Pursuant to the terms of an employment agreement with the Fund, Ms. Linay Freda serves as the Fund's Vice President, Operations for an indefinite term. The agreement provides for an annual base salary of \$270,700, and an annual incentive of up to 40% of annual base salary or such other amount as may be determined by the Fund, upon the achievement of certain individual and Fund goals established by the Fund. Ms. Freda's employment agreement also provides for a 12-month non-solicit with respect to the Fund's employees, clients or tenants.

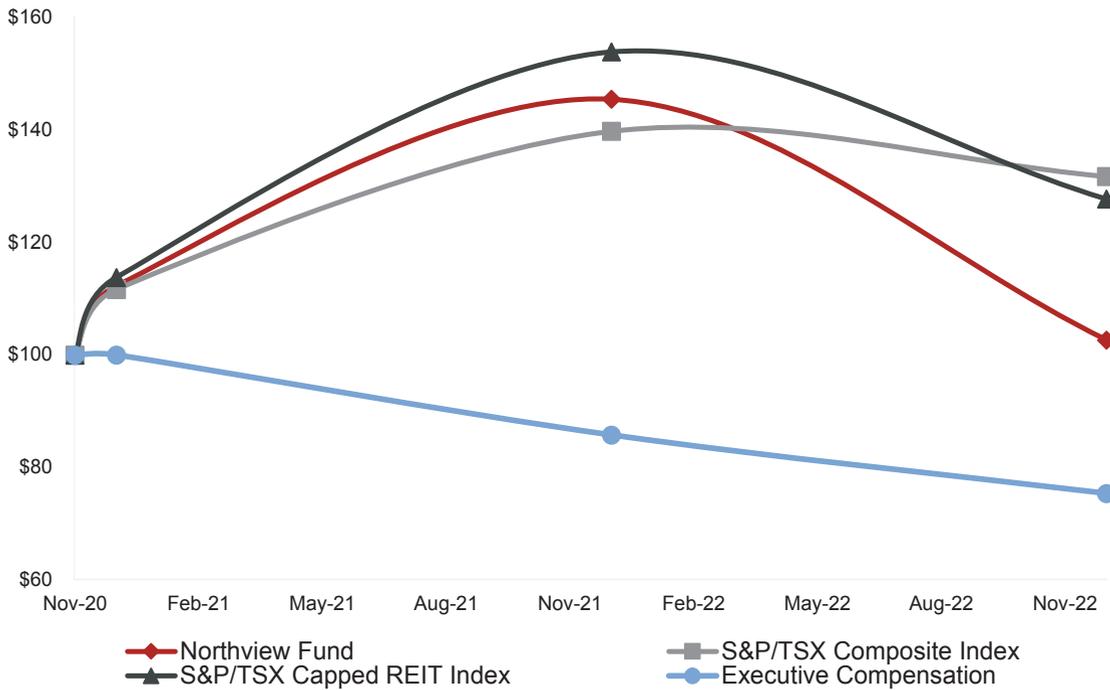
The named executive officers also have an indirect, discretionary interest in the Carried Interest Units. See "Transaction Resolution – Interests of Certain Persons in the Transaction – Post-Transaction Interests in the Fund".

PERFORMANCE GRAPH

The following graph compares the total cumulative return for a Unitholder of \$100 on November 2, 2020 (the closing date of the Fund's initial public offering) in each of (i) the Class A Units; (ii) the S&P/TSX Capped REIT Index; and (iii) the S&P/TSX Composite Index. The chart also shows the comparison between investment values and the trend in

aggregate executive compensation for the CEO, CFO and the three most highly compensated executive officers earning in excess of \$150,000 in each reporting year, using \$100 of total compensation as a base point. Executive compensation is defined as the aggregate of base salary, annual long term incentive plan and long term incentive awards and the value of all cash incentive compensation paid.

Relative Total Return Performance – IPO to December 31, 2022



Date	Period	Total Return Index Price			Total Return (Since IPO \$)			
		Northview Fund	S&P/TSX Capped REIT Index	S&P/TSX Composite Index	Northview Fund	S&P/TSX Capped REIT Index	S&P/TSX Composite Index	NEO Compensation
11/02/2020		12.00	141.70	15,696.90	\$100.00	\$100.00	\$100.00	\$100.00
12/31/2020	2020	13.50	161.20	17,524.00	\$112.30	\$113.80	\$111.60	\$100.00
12/31/2021	2021	17.50	217.90	21,931.60	\$145.40	\$153.80	\$139.70	\$85.80
12/31/2022	Current	12.4	180.9	20,669.70	\$102.70	\$127.70	\$131.70	\$75.40

During the period, the total cumulative return for \$100 invested in Class A Units was \$102.70 as compared to \$127.70 for the S&P/TSX Capped REIT Index and \$131.70 for the S&P/TSX Composite Index.

The Fund pays fees to the Manager determined in accordance with the terms of the Management Agreement, which fees do not track and are not affected by the market value of the Class A Units. As described above, the Chief Executive Officer and Chief Financial Officer are employed by the Manager and the Fund does not directly or indirectly pay any compensation to them.

Overall, compensation of the Fund’s executives has decreased relative to total Unitholder return, which primarily reflects the changes in management since closing of the Fund’s initial public offering.

TRUSTEE COMPENSATION

During the fiscal year ended December 31, 2022, the Fund paid to each of Harry Rosenbaum and Lawrence D. Wilder an annual retainer of \$40,000 per annum. Kelly Smith was paid a pro-rated amount of her \$40,000 annual retainer for the period of time she served as a trustee in 2022. As nominees of Starlight Group and KingSett, respectively, Mr. Drimmer and Mr. Kumer do not receive any remuneration for their role as Trustees. Each Trustee is reimbursed for all reasonable travel and ancillary expenses incurred for attending meetings but will not otherwise be paid a meeting fee per meeting attended in person or by phone. The Trustees do not receive any additional remuneration for acting as directors on the boards of any of the Fund’s subsidiaries. The chair of the Audit Committee receives an additional retainer of \$10,000 per annum. The Lead Trustee and the chair of the Governance and Nominating Committee do not receive any additional retainers for their respective roles.

The Governance and Nominating Committee may engage an independent consultant with respect to Trustee compensation. The Governance and Nominating Committee makes its own decisions, which may reflect factors and considerations other than the information and recommendations provided by any such external consultant. The Governance and Nominating Committee did not retain any independent professional compensation consultant in 2022 with respect to Trustee compensation.

The following table provides a summary of the fees earned by, paid to, or otherwise awarded to each Trustee for the fiscal year ending December 31, 2022:

Name	Annual Retainer	Chair Compensation	All Other Compensation	Total Compensation⁽¹⁾
Daniel Drimmer	Nil	Nil	Nil	Nil
Rob Kumer	Nil	Nil	Nil	Nil
Harry Rosenbaum	\$40,000	\$10,000	Nil	\$50,000
Kelly Smith	\$40,000	Nil	Nil	\$40,000 ⁽²⁾
Lawrence D. Wilder	\$40,000	Nil	Nil	\$40,000

Notes:

- (1) Table does not include any amounts paid as reimbursement for expenses.
- (2) Ms. Smith was paid a pro-rated amount of her \$40,000 annual retainer for the period of time she served as a Trustee in 2022.

Equity Incentive Plan

The Fund does not currently have an equity incentive plan pursuant to which cash or non-cash compensation has been distributed to any Trustee. The Fund does not currently have any stock appreciation rights or incentive plans, and it has not issued any stock options to any Trustee. The Fund has proposed adopting an Equity Incentive Plan for Unitholders to consider and if deemed advisable authorize and approve at the Meeting. See “Annual and Other Special Business to be Acted Upon at the Meeting – 3. Approval of Equity Incentive Plan”.

CORPORATE GOVERNANCE DISCLOSURE

Board of Trustees

The Fund has a Board consisting of five Trustees, being Messrs. Daniel Drimmer, Rob Kumer, Harry Rosenbaum, and Lawrence D. Wilder and Ms. Kelly Smith, a majority of whom are Canadian residents and a majority of whom are independent within the meaning of NI 52-110. The Fund must, at all times, have a majority of Trustees who are independent within the meaning of NI 52-110; provided, however, that if at any time a majority of Trustees are not independent because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an independent Trustee, this requirement shall not be applicable for a period of 60 days thereafter, during which time the remaining Trustees shall appoint a sufficient number of Trustees who qualify as “independent” to comply with this requirement. The Board also designates a Lead Trustee from among the

independent Trustees to provide leadership for the independent Trustees in certain circumstances if the Chairman is not independent. Pursuant to NI 52-110, an independent Trustee is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a Trustee's independent judgment. The Fund has determined that Messrs. Rob Kumer, Harry Rosenbaum and Mr. Lawrence D. Wilder and Ms. Kelly Smith are independent under these standards. Mr. Drimmer, Chairman of the Board, Trustee is not independent under this standard given his role as the owner of the Manager. The Board of Trustees has appointed Mr. Wilder to act as Lead Trustee. As well, the Audit Committee and the Governance and Nominating Committee are comprised entirely of independent Trustees, thus providing an opportunity for open and candid discussion of issues with and without the presence of management or non-independent Trustees.

The Board does not regularly hold *in camera* meetings without the presence of the Chairman as part of its regularly scheduled Board meetings, but as the Audit Committee and the Governance and Nominating Committee are each comprised entirely of independent Trustees, the meetings of those committees include the opportunity for *in camera* sessions without the presence of management or the Chairman. An *in camera* session was held at each of the four Audit Committee meetings held in fiscal 2022.

In addition, as Mr. Drimmer is determined not to be independent, Lawrence D. Wilder has been appointed to act as Lead Trustee. The Lead Trustee is responsible for acting as the effective leader of the Board in circumstances where it is inappropriate for the Chairman to act in that role as a result of a conflict of interest. The Lead Trustee responsibilities include: (i) providing leadership to the Trustees in discharging their mandate as set out in the Board's charter, including by assisting the Chair of the Board in: (A) leading, managing and organizing the Board consistent with the approach to governance adopted by the Board from time to time; (B) promoting cohesiveness among the Trustees; and (C) being satisfied that the responsibilities of the Board and its committees are well understood by the Trustees; (ii) providing advice, counsel and mentorship to the Fund's management team, including its CEO and CFO and Vice President, General Counsel and Human Resources, as applicable; (iii) assisting the Chair of the Board in promoting the provision of information to the Trustees on a timely basis to keep the Trustees apprised of matters which are material to Trustees; (iv) being satisfied that the information requested by any Trustee is provided as appropriate and meets the needs of that Trustee; and (v) assisting the Chairman of the Board in respect of certain matters in connection with meetings of the Trustees, including by assisting the Chairman of the Board in scheduling meetings and assisting the Chairman of the Board in setting the agenda for meetings of the Board.

The Declaration of Trust provides that, subject to certain conditions, the Trustees have absolute and exclusive power, control and authority over the Fund's assets and operations, as if the Trustees were the sole absolute legal and beneficial owners of the Fund's assets. The governance practices and the Fund's investment restrictions and operating policy are overseen by a Board of Trustees.

Mandate of the Board of Trustees

The mandate of the Board is attached to this Circular as Appendix "M".

Position Descriptions

Chairman of the Board, Lead Trustee and Committee Chairs

The Board has adopted a written position description for the Chairman of the Board, which sets out the Chairman's key responsibilities, including, as applicable, duties relating to setting Board meeting agendas, chairing Board and Unitholder meetings, Trustee development and communicating with Unitholders and regulators, as well as a position description for the Lead Trustee, which sets out the Lead Trustee's duties with respect to board leadership, relationship with management, information flow and meetings. See "Board of Trustees" above for further details on the role and responsibilities of the Lead Trustee.

The Board has also adopted a written position description for each of the committee chairs, which sets out each of the committee chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

CEO

The Board has adopted a written position description for the CEO of the Fund. The CEO is responsible for leading the Fund by providing strategic direction that includes responsibility for plans, strategies, budgets, internal controls and risk management. The CEO is the primary liaison with the Board and is responsible for making recommendations to the Board and for following their direction. The CEO's key responsibilities involve: (i) developing and recommending to the Board a long-term strategy and vision for the Fund that is consistent with creating Unitholder value; (ii) developing and recommending to the Board annual business plans and budgets that support the Fund's long-term strategy; (iii) providing leadership and vision, maintaining a high level of employee morale and motivation, with a view to ensuring the implementation of the Fund's strategy; (iv) developing and motivating executive officers, and providing overall management to ensure the effectiveness of the leadership team; (v) consistently striving to achieve the Fund's financial and operating goals and objectives; (vi) ensuring that succession plans are in place for the Fund (which also reflects consideration of the Fund's Diversity Policy); (vii) providing advice to the Chair of the Board concerning the preparation of the agenda for each meeting of the Board; (viii) together with the Chair of the Board and Lead Trustee, ensuring that timely and relevant information is provided to the Board as required for the proper performance of their duties; (ix) together with the Chair of the Board and Lead Trustee, ensuring that the Board is provided with the resources to permit it to carry out its responsibilities and bring to the attention of senior management any issues that are preventing the Board from being able to carry out its responsibilities; (x) leading the implementation of the Board's resolutions and policies; (xi) together with the Fund's Chief Financial Officer, establishing, maintaining, and supervising the design of appropriate disclosure controls and procedures and internal control over financial reporting; (xii) serving as the Fund's chief spokesperson (including communicating with securityholders and regulators), subject to the direction of the Board; (xiii) fostering and maintaining a positive image and reputation of the Fund, including a corporate culture that promotes integrity and ethical values throughout the organization; and (xiv) ensuring compliance by the Fund and its personnel with all applicable laws, rules and regulations, as well as the Declaration of Trust, the Fund's code of business conduct and ethics, and any other policies of the Board in effect from time to time.

The position description for the CEO is considered periodically by the Governance and Nominating Committee.

Orientation and Continuing Education

When new Trustees are elected to the Board, they can be expected to participate in a comprehensive orientation program. The orientation program will familiarize new Trustees with the Fund's business and operations, including structure, operations, and risks. They will be briefed on the role of the Board, its committees and the contributions individual trustees are expected to make. New Trustees can also be expected to receive an orientation package containing all Trustees' committee mandates and charters, copies of the Fund's policies and other background information on the Fund's business, operations and risks.

The Fund's continuing education program for its Trustees will involve the ongoing evaluation by the Governance and Nominating Committee of the skills and competencies of existing Trustees. The Board currently comprises highly qualified and experienced Trustees with impressive levels of skill and knowledge. Many of the Trustees are seasoned business executives, directors or professionals with considerable experience, including as directors of other significant public companies. The Governance and Nominating Committee will continually monitor the composition of the Board and will recommend the adoption of a formal continuing education program should it be determined to be necessary. As part of the Fund's continuing education program, Trustees will: (i) receive a comprehensive electronic package of information prior to each board and committee meeting; (ii) obtain a quarterly report on the Fund's operations and markets from senior management; (iii) receive updates from management and third parties (including advisors) on regulatory developments and trends and issues related to the Fund's business; (iv) receive reports on the work of board committees following committee meetings; (v) participate in periodic tours with management of certain Fund properties; and (vi) be encouraged to attend industry conferences and events, with the reasonable cost of such events being reimbursed by the Fund.

Ethical Business Conduct

The Fund has adopted a written code of business conduct and ethics (the "**Code of Conduct**") that applies to all Trustees, officers, and the Manager and its employees. The objective of the Code of Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Fund and its subsidiaries. The

Code of Conduct addresses honest and ethical conduct, conflicts of interest, confidentiality, protection and proper use of the Fund's assets, compliance with laws and reporting any illegal or unethical behavior, prompt internal reporting of any violations of the Code of Conduct and accountability for adherence under the Code of Conduct. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose interests or relationships that are harmful or detrimental to the Fund's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Code of Conduct also addresses matters concerning public disclosure and ensures that communications with the public concerning the Fund are timely, consistent and credible, and in accordance with the disclosure requirements under applicable securities laws. The Board has the ultimate responsibility for the stewardship of the Code of Conduct. The Code of Conduct has also been filed with the Canadian securities regulatory authorities on SEDAR at www.sedar.com.

The Board of Trustees can grant waivers of compliance with the Code of Conduct, provided that any waiver of the Code of Conduct will be promptly disclosed as required by law or stock exchange regulation. No such waiver has been granted since the adoption of the Code of Conduct and consequently, the Fund has made no disclosure during the most recently completed fiscal year pertaining to any conduct that constitutes a departure from the Code of Conduct.

In addition to the provisions of the Code of Conduct dealing with conflicts of interest, the Declaration of Trust contains "conflict of interest" provisions to protect Unitholders without creating undue limitations on the Fund. As the Trustees are engaged in a wide range of real estate and other activities, the Declaration of Trust contains provisions, similar to those contained in the *Canada Business Corporations Act*, that require each Trustee to disclose to the Fund, at the first meeting of Trustees at which a proposed contract or transaction is considered, any interest in a material contract or transaction or proposed material contract or transaction with the Fund or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the Fund. If a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Trustees, a Trustee will be required to disclose in writing to the Fund, or request to have entered into the minutes of meetings of Trustees, the nature and extent of his or her interest forthwith after the Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect will not be entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction relates to his or her remuneration or an indemnity under the provisions of the Declaration of Trust or liability insurance.

In addition, the Declaration of Trust contains provisions governing the review of related party transactions by the Board. Pursuant to the Declaration of Trust, the following require approval of a majority of independent Trustees: (i) an acquisition of property or an investment in a property, whether by co-investment or otherwise, in which any related party of the Fund has any direct or indirect interest; (ii) a change to any agreement with a related party of the Fund or any renewal, extension or termination thereof or any increase in any fees (including any transaction fees) or distributions payable thereunder; (iii) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under any agreement entered into by the Fund, or the making, directly or indirectly, of any co-investment, in each case with (A) any Trustee, (B) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (C) any entity for which any Trustee acts as a director or other similar capacity; (iv) the refinancing, increase or renewal of any indebtedness owed by or to (A) any Trustee, (B) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (C) any entity for which any Trustee acts as a director or other similar capacity; or (v) decisions relating to any claims by or against one or more parties to any agreement with any related party to the Fund.

Nomination of Trustees

Subject to the Current Starlight Nomination Right (see "Annual and Other Special Business to be Acted Upon at the Meeting – Current Starlight Nomination Right") and the Current KingSett Nomination Right (see "Annual and Other Special Business to be Acted Upon at the Meeting – Current KingSett Nomination Right"), and subject to the requirement in the Declaration of Trust, all board nominees are nominated by the Governance and Nominating Committee, who make such nominations after considering the mix of skills and experience it believes are necessary to further the Fund's goals. Trustees elected at an annual meeting will be elected for a term expiring at the close of the subsequent annual meeting and will be eligible for re-election. Trustees appointed by the Trustees between meetings of Unitholders in accordance with the Declaration of Trust shall be appointed for a term expiring at the close of the next annual meeting and will be eligible for election or re-election, as the case may be.

The following chart illustrates the relevant skills possessed by each Trustee who is proposed for election at the Meeting:

	Accounting / Financial Literacy	Real Estate Finance / Investment	Real Estate Operations	Capital Markets	Other Public Company Board Experience	Business Leadership
Todd Cook	✓	✓	✓	✓	✓	✓
Daniel Drimmer	✓	✓	✓	✓	✓	✓
Rob Kumer	✓	✓	✓	✓		✓
Harry Rosenbaum	✓	✓	✓	✓	✓	✓
Kelly Smith	✓	✓	✓	✓	✓	✓
Lawrence D. Wilder	✓			✓	✓	✓

In accordance with the Fund’s Diversity Policy, the Board considers the level of representation of women on the Board in any Trustee nominee searches. See “– Diversity”.

Term Limits

The Fund does not impose term limits on its Trustees as it takes the view that term limits are an arbitrary mechanism for removing Trustees that can result in valuable, experienced Trustees being forced to leave the Board solely because of length of service. Instead, the Fund believes that Trustees should be assessed regularly based on their ability to continue to make a meaningful contribution. The Fund is committed to ensuring that the Board is composed of individuals with appropriate skill sets and annually asks its Trustees to evaluate the effectiveness of the Board and the individual Trustees. See – “Board Assessments”. The results of these annual surveys will be taken into account when determining the appropriate slate of individuals to stand for election as Trustees at each annual meeting.

Board Interlocks

Mr. Drimmer currently serves on the board of trustees of True North Commercial Real Estate Investment Trust (TSX: TNT.UN), on the board of directors of the general partner of Starlight U.S. Multi-Family (No. 2) Core Plus Fund (TSXV: SCPT.A and TSXV: SCPT.U) and on the board of trustees of Starlight U.S. Residential Fund (TSXV: SURF.A and TSXV: SURF.U). Mr. Rosenbaum currently serves on the board of directors of the general partner of Starlight U.S. Multi-Family (No. 2) Core Plus Fund (TSXV: SCPT.A and TSXV: SCPT.U), on the board of trustees of Starlight U.S. Residential Fund (TSXV: SURF.A and TSXV: SURF.U) and on the board of trustees of Starlight Private Global Real Assets Trust. Ms. Smith currently serves on the board of directors of the general partner of Starlight U.S. Multi-Family (No. 2) Core Plus Fund (TSXV: SCPT.A and TSXV: SCPT.U) and on the board of trustees of Starlight U.S. Residential Fund (TSXV: SURF.A and TSXV: SURF.U). Mr. Wilder currently serves on the board of trustees of Starlight Western Canada Multi-Family (No. 2) Fund.

The Board considers it to be good governance to avoid interlocking relationships if possible. However, there is no formal limit on the number of the Trustees that may sit on the same public company board and/or committee. The Board considers interlocking memberships on a case-by-case basis and will consider recommendations from the Governance and Nominating Committee with respect thereto. As of the date hereof, there is an interlocking board membership among Messrs. Drimmer and Rosenbaum and Ms. Smith with respect to board of directors of the general partner of Starlight U.S. Multi-Family (No. 2) Core Plus Fund (TSXV: SCPT.A and TSXV: SCPT.U) and the board of trustees of Starlight U.S. Residential Fund (TSXV: SURF.A and TSXV: SURF.U).

Board Committees

The Board has established two standing committees: the Audit Committee and the Governance and Nomination Committee (each, a “**Committee**”). Each Committee is chaired by an independent Trustee and all of the members of each Committee are independent Trustees. The Board has also established a disclosure committee. The disclosure committee is a committee of management of the Fund responsible for assisting the Board, the Audit Committee and senior management in designing, implementing and periodically evaluating the Fund’s disclosure controls and procedures. Upon successful election of all Trustee nominees at the Meeting, it is expected that each member of the Audit Committee will continue in their respective role after the Meeting, and that each current member of the Governance and Nominating Committee will continue in their respective role after the Meeting. The Board does not have a compensation committee. The Chief Executive Officer and Chief Financial Officer of the Fund are employed by the Manager, who sets their compensation. The Chief Executive Officer, in consultation with the Chairman of the Board, determines the compensation of the other NEOs. The Board retains ultimate authority over the compensation of the NEOs employed directly by the Fund.

Audit Committee

For information relating to the Audit Committee as required under Form 52-110F1 – *Audit Committee information Required in an AIF*, please refer to the section “Audit Committee Information” in the AIF. The Audit Committee met four times during the fiscal year ended December 31, 2022.

The Audit Committee of the Board comprises Harry Rosenbaum (Chair), Rob Kumer and Lawrence D. Wilder, each of whom is considered “independent” and “financially literate” within the meaning of NI 52-110. For the education and experience relevant to the performance by each such person of the responsibilities as a member of the Audit Committee, see “Annual and Other Special Business to be Acted Upon at the Meeting – 1. Election Of Trustees – Biographical Information”.

Governance and Nominating Committee

The Governance and Nominating Committee is composed of three Trustees, all of whom are persons determined by the Fund to be independent Trustees and a majority of whom are residents of Canada, and are charged with reviewing, overseeing and evaluating the corporate governance and nominating policies of the Fund. The Governance and Nominating Committee is currently composed of Lawrence D. Wilder, who acts as chair of the committee, Harry Rosenbaum and Kelly Smith each of whom have been determined by the Fund to be independent. The Board believes that the members of the Governance and Nominating Committee individually and collectively possess the requisite knowledge, skill and experience in governance and compensation matters, including human resource management, executive compensation matters and general business leadership, to fulfill the committee’s mandate. The continuing members of the Governance and Nominating Committee have substantial knowledge and experience as current and former senior executives of large and complex organizations and/or on the boards of other publicly traded entities. See the biographies of Harry Rosenbaum, Kelly Smith and Lawrence D. Wilder above under “Annual and Other Special Business to be Acted Upon at the Meeting – Election of Trustees – Biographical Information” for a description of the experience that is relevant to the performance of their responsibilities as members of the Governance and Nominating Committee.

The Board has adopted a written charter for the Governance and Nominating Committee setting out its responsibilities for: (i) assessing the effectiveness of the Board, each of its committees and individual Trustees; (ii) overseeing the recruitment and selection of candidates as Trustees of the Fund, other than the Chief Executive Officer or the Chief Financial Officer of the Fund; (iii) organizing an orientation and education program for new Trustees; (iv) considering and approving proposals by the Trustees to engage outside advisors on behalf of the Board as a whole or on behalf of the independent Trustees; (v) considering questions of management succession; (vi) assessing the performance of management of the Fund; (vii) as required, reviewing and approving the compensation paid by the Fund, if any, to consultants of the Fund; and (viii) reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to Trustees.

Compensation Committee

The Chief Executive Officer and the Chief Financial Officer are each currently employed by the Manager. In connection with the completion of the Transaction management will be internalized. See “The Transaction – Management Internalization”. The Board has not yet formed a committee to consider and review compensation, however following completion of the Transaction, the Board will consider constituting a compensation committee or expanding the mandate of the Governance and Nominating Committee.

Board Assessments

The Governance and Nominating Committee is responsible for ensuring that an appropriate system is in place to evaluate the effectiveness of the Board, its committees and of each individual Trustee, which includes an assessment of each Trustee’s experience, financial literacy, independence and other factors. The assessment process requires each Trustee to complete a questionnaire addressing (i) a review of the effectiveness of the Board and each committee, (ii) a peer review of each other Trustee, and (iii) a self-evaluation of such Trustee’s own performance. The Chair of the Governance and Nominating Committee will report the results of the assessments to the Board. This process is used (i) as an assessment tool, (ii) as a component of the regular review process of Board members’ participation, and (iii) to assist with the Board’s succession planning.

Diversity

The Fund is committed to fostering an open and inclusive workplace culture. The Fund endorses the principle that the Board should have a balance of skills, experience and diversity of perspectives appropriate to the business. In furtherance of the Fund’s commitment to diversity at the Board level, the Board has adopted a diversity policy (the “**Diversity Policy**”). In accordance with the Diversity Policy, the Governance and Nominating Committee will consider a number of factors, including gender, ethnic and geographic diversity, as well as age, business experience, professional expertise, personal skills and perspectives, when seeking and considering new Trustees for nomination or evaluating Trustee nominees for re-election. The Board ensures compliance with the Diversity Policy by requiring that, the Governance and Nominating Committee conduct annual assessments to consider the level of representation on the Board of the various attributes enumerated in the Diversity Policy, including the number of women on the Board among other factors. Notwithstanding the foregoing, recommendations concerning Trustee nominees are, foremost, based on merit and performance, with due regard to the overall effectiveness of the Board, with diversity being taken into consideration, as it is beneficial that a diversity of backgrounds, views and experiences be present at the Board and management levels.

The Diversity Policy does not specify a numerical target for women Trustees on the Board, nor does the Fund maintain a specific numerical target in making executive officer appointments, as the Board believes its evaluation and nomination process is robust and, in practice, does consider and will result in gender diversity on the Board. The Governance and Nominating Committee reviews the structure and diversity of the Board annually and may set diversity, including gender diversity, aspirations regarding the Board’s optimum composition as part of the identification and nomination of Trustees.

Similarly, the level of representation of women will continue to be considered by the Fund, the Board and the Governance and Nominating Committee, among other factors, in the making of executive officer appointments. In searches for new executive officers, the Governance and Nominating Committee considers the level of diversity in management as one of several factors used in its search process. Notwithstanding the foregoing, all executive officer appointments will always be based on merit, having regard to the requirements of the Fund and will be subject to the Manager’s selection of the Chief Executive Officer and Chief Financial Officer of the Fund.

There is currently one woman on the Board (i.e., 20%), and two women in executive officer positions of the Fund (i.e., 50%).

Environmental, Social and Governance

The Fund understands that ESG matters are becoming increasingly valued by its various stakeholders. The Fund has not adopted a formal ESG policy, but already embeds a number of ESG related practices into its business model, and is committed to embedding these practices into its business model, which include commitments to: (i) comply with

all applicable environmental laws and regulations; (ii) assess sustainability-related risks and capture value-added opportunities; (iii) support diversity and inclusion; (iv) aim to provide safe and healthy environment for all employees; and (v) promote a culture where all of the Fund's employees share the foregoing commitments.

Certain of the Fund's ESG practices include:

Environmental:

- Operating policy to obtain a Phase I environmental report conducted by independent and experienced consultant prior to acquiring a property, and if recommended, to also obtain a Phase II environmental report;
- Implementing a broad scale fixture retrofits to reduce the consumption of water by residents;
- Using cameras, sensors and other technology to increase efficiency of waste transport and reduce amount of resident waste;
- Assessing the electrification of building in British Columbia to reduce the reliance on emissions producing heating and water management systems;
- testing the use of remote monitoring equipment to increase fuel efficiency and improve maintenance assessment of building boiler systems;
- Decommissioning and replacement of heating oil tanks at New Brunswick properties with high efficiency natural gas heating units; and
- Deploying of roof top solar projects on properties in Alberta.

Social:

- Use of a written diversity policy;
- Adoption of anti-discrimination and harassment prevention policies;
- Use of an annual resident satisfaction survey; and
- Use of an employee occupational health and safety framework that includes safety training, safe work policies and procedures, hazard assessment protocols, joint health and safety committees and incident reporting.

Governance:

- Adoption of a Code of Business Conduct and Ethics and whistleblower policy;
- Use of an annual board survey to gauge completeness and effectiveness of the Board and corporate governance; and
- Use of a disclosure policy.

Risk Oversight

The Board is responsible for identifying the principal risks of the Fund's business and ensuring these risks are being appropriately managed. The Board periodically discusses with management guidelines and policies with respect to risk assessment, risk management, and major strategic, financial and operational risk exposures, and the steps management has taken to monitor and control any exposure resulting from such risks. The Board relies on the CEO, CFO and Vice President, General Counsel and Human Resources to supervise day-to-day risk management, and management reports semi-annually to the Audit Committee and Board of Trustees on risk management matters. A discussion of the primary risks facing the Fund's business are discussed in the AIF.

OTHER BUSINESS

The management of the Fund and the Trustees are not aware of any matters intended to come before the Meeting other than those items of business set forth in the attached Notice of Meeting accompanying this Circular. If any other matters properly come before the Meeting, it is the intention of the persons named in the Form of Proxy to vote in respect of those matters in accordance with their judgment.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Fund is KPMG LLP, at its office located at 3100-205 5th Avenue SW, Calgary, Alberta, T2P 4B9.

The transfer agent and registrar for the Fund is TSX Trust Company at its principal office located at 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1.

INTERESTS OF EXPERTS

The matters referred to under “Certain Canadian Federal Income Tax Considerations”, as well as certain other legal matters relating to the Transaction, will be passed upon on behalf of the Fund by Blake, Cassels & Graydon LLP.

Origin has provided the Valuation referred to under “The Transaction – Independent Formal Valuation of Origin Merchant Partners” and the Fairness Opinion referred to under “The Transaction – Fairness Opinion”.

CBRE Limited and/or Cushman & Wakefield LLC have provided the Appraisals referred to under “Description of the Acquisition Properties – Assessment of the Acquisition Properties”.

As of the date hereof, the designated professionals of each of Blake, Cassels & Graydon LLP, Origin, CBRE Limited and Cushman & Wakefield LLC beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Fund.

KPMG LLP has provided an independent auditor’s report in connection with the financial statements for the Galaxy Portfolio set forth in this Circular. KPMG LLP has advised the Galaxy Vendor that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

Deloitte LLP has provided an independent auditor’s report in connection with the carve-out financial statements of the 4-Pack Properties as at and for the years ended December 31, 2022 and 2021. Deloitte LLP are independent of the 4-Pack Properties within the meaning of the rules of professional conduct of the Chartered Professional Accountants of Ontario.

Ernst & Young LLP has provided an independent auditor’s report in connection with the financial statements for the Winnipeg Portfolio set forth in this Circular. Ernst & Young LLP has advised the Winnipeg Vendors that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

ADDITIONAL INFORMATION

Financial information for the Fund is provided in the Fund’s audited consolidated financial statements and management’s discussion and analysis for the period ended December 31, 2022. Copies of the Fund’s AIF, the Financial Statements and management’s discussion thereon and this Circular are available upon written request from Karl Bomhof, Vice President, General Counsel and Human Resources of the Fund at #200, 6131 - 6th Street, S.E., Calgary, Alberta, T2H 1L9. The Fund may require payment of a reasonable charge if the request is made by a person who is not a Unitholder. These documents and additional information relating to the Fund may also be found on SEDAR at www.sedar.com and on the Fund’s website at www.northviewfund.com.

APPROVAL OF TRUSTEES

The contents and the sending of this Circular to the Unitholders have been approved by the Board of Trustees.

BY ORDER OF THE BOARD OF TRUSTEES

Dated: June 30, 2023

"Todd R. Cook"

Todd R. Cook
Chief Executive Officer
Northview Fund

GLOSSARY OF TERMS

Unless the context otherwise requires or where otherwise provided, the following words and terms shall have the meanings set forth below when used in this Circular.

“**2023 Limit**” has the meaning ascribed to it under “Description of the Acquisition Properties – Overview of Rent Control Regulation – Manitoba”.

“**Acquisition Properties**” has the meaning ascribed to it under “Transaction – Transaction Overview”.

“**Acquisitions**” means collectively, the Galaxy Transaction, the Starlight Transaction and the Winnipeg Transaction.

“**Advance Notice Provisions**” has the meaning ascribed to it under “Annual and Other Special Business to be Acted Upon at the Meeting – 1. Election of Trustees”.

“**affiliate**” has the meaning ascribed to it in *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions*.

“**AIF**” means annual information form.

“**AIMCo Realty**” means AIMCo Realty Investors LP.

“**Alternative Liquidity Event**” has the meaning given to it in the Declaration of Trust.

“**Appraisals**” means the independent appraisals of the fair market value of each of the Acquisition Properties prepared by the appraisers retained for such purpose, as discussed under the heading “Description of the Acquisition Properties – Assessment of the Acquisition Properties – Independent Appraisals of the Acquisition Properties”.

“**Asset Management Fee**” has the meaning ascribed to it under “Compensation Discussion and Analysis”.

“**Audit Committee**” means the audit committee of the Fund.

“**BCA Reports**” has the meaning ascribed to it under “Description of the Acquisition Properties – Assessment of the Acquisition Properties – Building Condition Assessments”.

“**Beneficial Holders**” has the meaning ascribed to it under “Attending the Meeting – Assessment of the Acquisition Properties – Building Condition Assessments”.

“**Board**” means the board of trustees of the Fund.

“**Board Observer**” has the meaning ascribed to it under “The Transaction – The Purchase Agreements and Ancillary Agreements – Investor Rights Agreement”.

“**Board Recommendation**” means a statement that the Board (with Mr. Drimmer and Mr. Kumer each declaring their interests, recusing themselves from the discussion and refraining from voting on the matter) having received the Valuation, legal and financial advice and considering the recommendations of the Special Committee, unanimously, determined that the Transaction is in the best interests of the Fund and is fair to Unitholders (other than Interested Unitholders) and unanimously recommends that Unitholders (other than the Interested Unitholders) vote in favour of the Transaction Resolution.

“**Broadridge**” means Broadridge Investor Communications Solutions.

“**Canadian Appraisal Standards**” has the meaning ascribed to it under “Description of the Acquisition Properties – Assessment of the Acquisition Properties – Independent Appraisals of the Acquisition Properties”.

“**Carried Interest**” has the meaning ascribed to it in the AIF of the Fund for the year ended December 31, 2022.

“**Carried Interest Units**” has the meaning ascribed to it under “The Transaction – Transaction Overview”.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**CILP**” means Starlight West LP, the holder of the Carried Interest Units.

“**Circular**” means this management information circular of the Fund dated June 30, 2023, together with all appendices hereto, distributed to Unitholders in connection with the Meeting.

“**Class A Units**” means the class A trust units of the Fund.

“**Class C Units**” means the class C trust units of the Fund.

“**Class F Units**” means the class F trust units of the Fund.

“**Code of Conduct**” has the meaning ascribed to it under “Corporate Governance Disclosure – Ethical Business Conduct.”

“**Commissioner**” has the meaning ascribed to it under “Principle Legal Matters Related to the Transaction – Competition Law Matters”.

“**Consolidation**” has the meaning ascribed to it under “The Transaction – Consolidation”.

“**CREIF**” means KingSett Canadian Real Estate Income Fund LP.

“**Current Investor Rights Agreement**” has the meaning ascribed to it under “Voting Securities and Principal Holders Thereof – Current KingSett Nomination Right”.

“**Current KingSett Nomination Right**” has the meaning ascribed to it under “Voting Securities and Principal Holders Thereof – Current KingSett Nomination Right”.

“**Current Starlight Nomination Right**” has the meaning ascribed to it under “Voting Securities and Principal Holders Thereof – Current Starlight Nomination Right”.

“**DDAP**” means D.D. Acquisitions Partnership.

“**Declaration of Trust**” means the second amended and restated declaration of trust dated February 15, 2022.

“**Demand Registration**” has the meaning ascribed to it under “The Transaction – The Purchase Agreements and Ancillary Agreements – Investor Rights Agreement”.

“**Disinterested Unitholders**” has the meaning ascribed to it under “Principal Legal Matters Related to the Transaction – Stock Exchange Matters”.

“**Diversity Policy**” has the meaning ascribed to it under “Corporate Governance Disclosure – Diversity.”

“**DOT Amendments**” has the meaning ascribed to it under “The Transaction – Amendments to the Declaration of Trust”.

“**Effective Outstanding Units**” means the Units together with the Exchangeable Units and the Redeemable Units.

“**Engagement Agreement**” has the meaning ascribed to it under “The Transaction – Independent Formal Valuation of Origin Merchant Partners – Acquisition Properties Valuation.”

“**Equity Incentive Plan**” means the proposed omnibus equity incentive plan of the Fund, as may be amended from time to time.

“**Equity Incentive Plan Resolutions**” has the meaning ascribed to it under “Annual and Other Special Business to be Acted Upon at the Meeting – 2. Approval of Equity Incentive Plan”.

“**ESG**” means Environmental, Social and Governance.

“**Exchangeable Units**” means one or more classes of limited partnership units issued by subsidiary limited partnerships of the Fund that are exchangeable by the holder thereof into Units and economically equivalent to such number of Units into which they are exchangeable.

“**Fairness Opinion**” has the meaning ascribed to it under “The Transaction – Fairness Opinion”.

“**Four Quadrant**” means Four Quadrant Global Real Estate Partners.

“**Full-Value Awards**” has the meaning ascribed to it under “Annual and Other Special Business to be Acted Upon at the Meeting – 2. Approval of Equity Incentive Plan – Summary of Equity Incentive Plan – Class A Units Subject to the Equity Incentive Plan and Participation Limits”.

“**Fund**” means Northview Fund, a trust existing under the laws of Ontario.

“**GAAP**” means generally accepted accounting principles.

“**Galaxy LPs**” has the meaning ascribed to it under “Certain Canadian Federal Income Tax Considerations - Taxation of Holders – The Acquisitions – Taxation of the Fund”.

“**Galaxy Portfolio**” means the twelve properties located in Alberta, Quebec and Nova Scotia, beneficially owned by the Galaxy Vendor.

“**Galaxy Purchase Agreement**” means the purchase and sale agreement between the Fund and the Galaxy Vendor in respect of the Galaxy Portfolio.

“**Galaxy Transaction**” means the acquisition of the Galaxy Portfolio by the Fund.

“**Galaxy Vendor**” means Galaxy Value Add Properties LP.

“**Gross Book Value**” in respect of the Fund has the meaning ascribed thereto in the Declaration of Trust.

“**Holder**” has the meaning ascribed to it under “Certain Canadian Federal Income Tax Considerations”.

“**IFRS**” means International Financial Reporting Standards.

“**insider**” has the meaning ascribed to it in the *Securities Act* (Ontario).

“**Interested Unitholders**” means together, the Galaxy Vendor, the Starlight Vendor and the Vendor Related Parties.

“**intermediary**” means an intermediary with which a Non-Registered Unitholder may deal, including banks, trust companies, securities dealers or brokers and trustees or administrators of self-directed trusts governed by RRSPs, RRIFs, RESTs (each as defined in the Tax Act) and similar plans, and their nominees.

“**Investor Rights Agreement**” has the meaning ascribed to it under “The Transaction – The Purchase Agreements and Ancillary Agreements – Investor Rights Agreement”.

“**Investors**” has the meaning ascribed to it under “The Transaction – The Purchase Agreements and Ancillary Agreements – Investor Rights Agreement”.

“**IPO Disclosure**” has the meaning ascribed to it under “Certain Canadian Federal Income Tax Considerations”.

“**IRRICA**” has the meaning ascribed to it under “Description of the Acquisition Properties – Overview of Rent Control Regulation – Nova Scotia”.

“**KingSett**” means CREIF and KingSett LP7.

“**KingSett Capital**” means KingSett Capital Inc.

“**KingSett LP7**” means KingSett Real Estate Growth LP No. 7.

“**KingSett Nomination Right**” has the meaning ascribed to it under “The Transaction – The Purchase Agreements and Ancillary Agreements – Investor Rights Agreement”.

“**Lock-Up Agreements**” has the meaning ascribed to it under “The Transaction – Purchase Agreements and Ancillary Agreements – Lock-Up Agreements”.

“**Management Agreement**” has the meaning ascribed to it under “Compensation Discussion and Analysis”.

“**Manager**” means Starlight Investments CDN AM Group LP, the Fund’s external asset manager.

“**MB Regulation**” has the meaning ascribed to it under “Description of the Acquisition Properties – Overview of Rent Control Regulation – Manitoba”.

“**MB RTA**” has the meaning ascribed to it under “Description of the Acquisition Properties – Overview of Rent Control Regulation – Manitoba”.

“**Meeting**” means the annual and special of Unitholders of the Fund.

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

“**Minority Unitholders**” means those Unitholders who hold Units that are not beneficially owned or over which control or direction is exercised, by Mr. Daniel Drimmer, certain officers of the Manager, Mr. Todd Cook, Ms. Sarah Walker, Mr. Karl Bomhof, Ms. Linay Freda, KingSett, AIMCo Realty and each of their respective affiliates.

“**New Subsidiary LP**” has the meaning ascribed to it under “The Transaction – The Purchase Agreements and Ancillary Agreements – Starlight Purchase Agreement”.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

“**NI 54-101**” means National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*.

“**NOBOs**” has the meaning ascribed to it under “Voting Information for Beneficial Unitholders – Voting by Proxy”.

“**NOI**” means net operating income.

“**Northview Plan of Arrangement**” has the meaning ascribed to it under “Information Concerning the Fund – Previous Distributions of Securities by the Fund”.

“**Notice Date**” has the meaning ascribed to it under “Annual and Other Special Business to be Acted Upon at the Meeting – 1. Election of Trustees”.

“**Notice of Meeting**” means the notice of annual and special meeting of Unitholder which accompanies this Circular.

“**NV Holdings LP**” means Northview Canadian HY Holdings LP, a direct subsidiary of the Fund and the issuer of the Carried Interest Units.

“**NV LP**” means Northview Canadian HY Properties LP, an indirect subsidiary of the Fund and the issuer of the Redeemable Units.

“**OBOs**” has the meaning ascribed to it under “Voting Information for Beneficial Unitholders – Voting by Proxy”.

“**Origin**” means Origin Merchant Partners.

“**OSC**” means the Ontario Securities Commission.

“**Outside Date**” means September 30, 2023 or such other date as the parties to the applicable Purchase Agreement may agree in writing.

“**Piggy-Back Registration**” has the meaning ascribed to it under “The Transaction – The Purchase Agreements and Ancillary Agreements – Investor Rights Agreement”.

“**Piggy-Back Registration Right**” has the meaning ascribed to it under “The Transaction – The Purchase Agreements and Ancillary Agreements – Investor Rights Agreement”.

“**Potential Transactions**” has the meaning ascribed to it under “The Transaction – Recommendation of the Special Committee”.

“**Purchase Agreements**” means collectively, the Galaxy Purchase Agreement, the Starlight Purchase Agreement and the Winnipeg Purchase Agreement.

“**REALPAC**” means the Real Property Association of Canada.

“**Recapitalization Event**” has the meaning ascribed to it in the Declaration of Trust.

“**Redeemable Units**” means the redeemable limited partnership units of NV LP, as described under the heading “Financing for the Transaction – Issue of Redeemable Units”.

“**Redemption/Retraction Date**” has the meaning ascribed to it under “Financing for the Transaction – Issue of Redeemable Units”.

“**RTA**” has the meaning ascribed to it under “Description of the Acquisition Properties – Overview of Rent Control Regulation – Ontario”.

“**RTTA**” has the meaning ascribed to it under “Description of the Acquisition Properties – Overview of Rent Control Regulation – Ontario”.

“**Securities Laws**” means the *Securities Act* (Ontario) and any other applicable Canadian provincial and territorial securities laws, rules and regulations and published policies thereunder.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**SIFT Rules**” means the rules in the Tax Act, applicable to “SIFT trusts”, “SIFT partnerships” (each as defined in the Tax Act) and their unitholders, that effectively tax certain income of a publicly-traded trust that is distributed to its

investors and certain income of a publicly-traded partnership on the same basis as would have applied had the income been earned through a taxable Canadian corporation and distributed by way of dividend to its shareholders.

“**Special Committee**” means the special committee of independent trustees of the Fund, comprise of Mr. Harry Rosenbaum, Ms. Kelly Smith and Mr. Lawrence D. Wilder.

“**Special Voting Units**” means the special voting units of the Fund to be created pursuant to the DOT Amendments.

“**Starlight Consideration Units**” has the meaning ascribed to it under “The Transaction – Transaction Overview”.

“**Starlight Group**” means Starlight Group Property Holdings Inc. together with its affiliates and associates.

“**Starlight Investors**” has the meaning ascribed to it under “The Transaction – The Purchase Agreements and Ancillary Agreements – Investor Rights Agreement”.

“**Starlight Nomination Right**” has the meaning ascribed to it under “The Transaction – The Purchase Agreements and Ancillary Agreements – Investor Rights Agreement”.

“**Starlight Portfolio**” means the four properties located in Ontario and Alberta, beneficially owned by the Starlight Vendor.

“**Starlight Purchase Agreement**” means the purchase and sale agreement between the Fund and the Starlight Vendor in respect of the Starlight Portfolio.

“**Starlight Transaction**” means the acquisition of the Starlight Portfolio pursuant to the Starlight Purchase Agreement.

“**Starlight Vendor**” means DDAP.

“**Subdivision**” has the meaning ascribed to it under “The Transaction – Amendments to the Declaration of Trust”.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time.

“**Tax Proposals**” has the meaning ascribed to it under “Certain Canadian Federal Income Tax Considerations”

“**TC Core Vendor**” means TC Core LP.

“**TDAM**” means TD Asset Management Inc.

“**TDAM Vendors**” means TC Green Limited Partnership and Prairie MUR Limited Partnership.

“**Tenant Board**” has the meaning ascribed to it under “Description of the Acquisition Properties – Overview of Rent Control Regulation –Ontario”.

“**Transaction**” has the meaning ascribed to it under “The Transaction – Amendments to the Declaration of Trust”.

“**Transaction Issue Price**” means the issue price of \$15.06 per Class C Unit.

“**Transaction Resolution**” means the special resolution approving the Transactions to be considered at the Meeting by the Unitholders, attached as Appendix “H” to this Circular.

“**TSX**” means the Toronto Stock Exchange.

“**Units**” means collectively, the Class A Units, Class C Units and Class F Units.

“**Valuation**” has the meaning ascribed to it under “The Transaction – Independent Formal Valuation of Origin Merchant Partners – Acquisitions Properties Valuation”.

“**Vendor Related Parties**” means Unitholders who are related parties of the Galaxy Vendor and the Starlight Vendor.

“**Vendors**” means collectively, the Galaxy Vendor, the Starlight Vendor and the Winnipeg Vendors.

“**Voting and Support Agreements**” means collectively, each of the voting and support agreements entered into between the Fund, the Vendor Related Parties, Four Quadrant and the trustees who own Units, dated June 12, 2023.

“**VWAP**” has the meaning ascribed to it under “Financing for the Transaction – Issue of Redeemable Units”.

“**Winnipeg Portfolio**” means the four properties located in Manitoba, beneficially owned by the Winnipeg Vendors.

“**Winnipeg Purchase Agreement**” means the purchase and sale agreement between the Fund and the Winnipeg Vendors in respect of the Winnipeg Portfolio.

“**Winnipeg Transaction**” means the acquisition of the Winnipeg Portfolio pursuant to the Winnipeg Purchase Agreement.

“**Winnipeg Vendors**” means, collectively, the TC Core Vendor and the TDAM Vendors.

CONSENT OF ORIGIN MERCHANT PARTNERS

June 30, 2023

To: The Board of Trustees of Northview Fund (the “**Fund**”)

We hereby consent to the references within the management information circular of the Fund dated June 30, 2023 (the “**Circular**”) to the fairness opinion of our firm dated June 12, 2023 (the “**Fairness Opinion**”) and the valuation opinion of our firm in respect of the Galaxy Portfolio and the Starlight Portfolio dated June 12, 2023 (the “**Valuation**”), each of which we prepared for the Special Committee of the Fund and the Board of the Fund in connection with the Transaction, as defined and described in the Circular, and to the inclusion of the full text of the foregoing Fairness Opinion as Appendix “I” to the Circular and the inclusion of the full text of the foregoing Valuation as Appendix “J” to the Circular.

Our Fairness Opinion and our Valuation were each given as at June 12, 2023 subject to the assumptions, limitations, qualifications and other matters set forth therein. In providing such consent, we do not intend that any person other than the Special Committee of the Fund and the Board of the Fund shall be entitled to rely upon our opinion.

ORIGIN MERCHANT PARTNERS

(Signed) “*Origin Merchant Partners*”

APPENDIX "A" – FINANCIAL STATEMENTS – GALAXY PORTFOLIO

Condensed Interim Carve-out financial
statements
12-Pack Properties
(Unaudited)

March 31, 2023

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12-Pack Properties
Condensed interim carve-out statements of financial position (unaudited)

		March 31, 2023	December 31, 2022
	Note	\$	\$
ASSETS			
Current Assets			
Restricted cash	5	1,048,602	1,008,318
Accounts receivable, net	3	366,616	1,090,968
Prepaid expenses and other assets	4	1,254,596	581,542
Total Current Assets		2,669,814	2,680,828
Non-Current Assets			
Investment properties	2	457,240,000	457,240,000
Total Non-Current Assets		457,240,000	457,240,000
TOTAL ASSETS		459,909,814	459,920,828
LIABILITIES			
Current Liabilities			
Trade and other payables	7	10,278,818	11,411,973
Credit facilities	6	134,963,515	132,398,411
Mortgages payable	6	2,480,578	2,464,860
Total Current Liabilities		147,722,911	146,275,244
Non-Current Liabilities			
Mortgages payable	6	151,591,712	152,528,883
Total Non-Current Liabilities		151,591,712	152,528,883
TOTAL LIABILITIES		299,314,623	298,804,127
DIVISIONAL SURPLUS		160,595,191	161,116,701
TOTAL LIABILITIES AND DIVISIONAL SURPLUS		459,909,814	459,920,828

Commitments and contingencies (note 8).

See accompanying notes to the condensed interim carve-out financial statements.

12-Pack Properties
Condensed interim carve-out statements of net loss and comprehensive loss
(unaudited)

		Three months ended March 31, 2023 \$	Three months ended March 31, 2022 \$
	Note		
REVENUE			
Rental revenue	9	7,048,087	5,732,575
Other revenue	9	284,536	208,420
Total Revenue		7,332,623	5,940,995
PROPERTY OPERATING EXPENSES			
Utilities		1,126,089	1,157,825
Repairs and maintenance		650,051	555,185
Realty tax		549,865	514,634
Wages		398,568	445,636
Property management		293,377	229,267
Insurance		198,600	153,876
General and administrative		107,967	109,384
Leasing costs		75,600	31,400
Bad debts	13(a)	90,708	(32,350)
Total Property Operating Expenses		3,490,825	3,164,857
TOTAL PROPERTY OPERATING INCOME		3,841,798	2,776,138
Asset management fees	11	254,804	211,117
Professional and other fees		135,484	45,829
Financing costs from operations	10	3,175,059	2,020,431
Fair value loss on investment properties	2	2,461,822	1,244,163
TOTAL NET LOSS AND COMPREHENSIVE LOSS		(2,185,371)	(745,402)

See accompanying notes to the condensed interim carve-out financial statements.

12-Pack Properties
Condensed interim carve-out statements of changes in divisional surplus
(unaudited)

For the three months ended March 31, 2022

	\$
BALANCE, DECEMBER 31, 2021	98,528,528
Net loss and comprehensive loss	(745,402)
Contributions from owners	3,089,196
Distributions to owners	(7,644,666)
BALANCE, MARCH 31, 2022	93,227,656

For the three months ended March 31, 2023

	\$
BALANCE, DECEMBER 31, 2022	161,116,701
Net loss and comprehensive loss	(2,185,371)
Contributions from owners	1,832,292
Distributions to owners	(168,431)
BALANCE, MARCH 31, 2023	160,595,191

See accompanying notes to the condensed interim carve-out financial statements.

12-Pack Properties

Condensed interim carve-out statements of cash flows (unaudited)

	Note	Three months ended March 31, 2023 \$	Three months ended March 31, 2022 \$
OPERATING ACTIVITIES			
Net loss and comprehensive loss		(2,185,371)	(745,402)
Fair value loss on investment properties	2	2,461,822	1,244,163
Financing costs from operations	10	3,175,059	2,020,431
		3,451,510	2,519,192
Changes in non-cash working capital items			
Accounts receivable, net		724,352	(78,421)
Prepaid expenses and other assets		(673,054)	(543,704)
Trade and other payables		(1,133,155)	(915,554)
Restricted cash		(40,284)	(82,528)
		2,329,369	898,985
INVESTING ACTIVITIES			
Capital expenditures on investment properties	2	(2,461,822)	(1,244,163)
		(2,461,822)	(1,244,163)
FINANCING ACTIVITIES			
Mortgage principal repayments	6	(610,352)	(20,013,301)
Interest paid	10	(3,217,581)	(2,336,160)
Other financing costs	10	(4,181)	(22,747)
Proceeds from mortgage refinancing, net of financing costs	6	(182,825)	50,000,859
Proceeds from credit facilities, net of financing costs	6	2,483,531	1,971,708
Credit facilities repayments	6	-	(24,699,711)
Distributions		(168,431)	(4,555,470)
Contributions		1,832,292	-
		132,453	345,178
Net cash inflow / (outflow) during the year		—	—
Cash, beginning of period		—	—
CASH, END OF PERIOD		—	—

See accompanying notes to the condensed interim carve-out financial statements.

12-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

1. Nature of operations and basis of presentation

12-Pack Properties ("the Properties"), as presented in these condensed interim carve-out financial statements, is not a legal entity. As at March 31, 2023, the Properties and their related assets and liabilities were owned by Galaxy Value Add Fund LP ("GVA" or "the Owner"). GVA is managed by Starlight Group Property Holdings Inc. ("Starlight") and certain of its affiliates.

The registered office of the Owner is 3280 Bloor Street West, Suite 1400, Toronto, Ontario M8X 2X3.

These condensed interim carve-out financial statements have been prepared for the specific purpose of reporting on the financial position, financial performance, changes in divisional surplus and cash flows of the 12 properties which make up the Properties for inclusion in Northview Fund's information circular, which outlines Northview Fund's acquisition of the Properties, and Northview Fund's business acquisition report.

These condensed interim carve-out financial statements have been prepared on a carve-out basis from the financial statements of the Owner and present the financial position, financial performance, changes in divisional surplus and cash flows of the Properties for the periods presented as if the Properties had been accounted for on a stand-alone basis. Management's estimates, when necessary, have been used to prepare such allocations.

These condensed interim carve-out financial statements are not necessarily indicative of the results that would have been attained if the Properties had been operated as a separate legal entity during the periods presented and, therefore, are not necessarily indicative of future operating results.

These condensed interim carve-out financial statements were authorized for issuance on May 12, 2023.

(a) Basis of operations and statement of compliance:

The condensed interim carve-out financial statements are prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). These condensed carve-out interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Properties' annual carve-out financial statements for the year ended December 31, 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These condensed interim carve-out financial statements follow the same accounting policies and critical accounting estimates and judgments as described in the annual carve-out financial statements for the year ended December 31, 2022.

The carve-out financial statements have been prepared on a historical cost basis except for investment properties and an interest rate swap which have been measured at fair value.

12-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

2. Investment properties

A reconciliation of the carrying value for investment properties is set out below:

	Three months ended March 31, 2023 \$	Three months ended March 31, 2022 \$
Investment properties, beginning of period	457,240,000	381,350,000
Fair value loss	(2,461,822)	(1,244,163)
Capital expenditures	2,461,822	1,244,163
Income producing properties, end of period	457,240,000	381,350,000

The fair value methodology for the investment properties is considered level 3, as significant unobservable inputs are required to determine fair value. The fair value of investment properties is based on internal valuations as at March 31, 2023.

The fair value of investment properties is determined using the direct capitalization approach. The following table summarizes the significant unobservable inputs in determining fair value of residential investment properties:

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Capitalization rates	There is an inverse relationship between the capitalization rates and the fair value; in other words, the higher the capitalization rates, the lower the estimated fair value.
Future stabilized cash flows	There is a direct relationship between the future stabilized cash flows and the fair value, in other words, the higher the future stabilized cash flows, the higher the estimated fair value.

The significant valuation assumptions for the Properties are set out in the following table:

	March 31, 2023 %	December 31, 2022 %
Capitalization Rate - Range	4.25 - 5.25	4.25 - 5.25
Weighted Average Capitalization Rate	4.93	4.93
Fair Value	\$ 457,240,000	\$ 457,240,000
Annual Stabilized Future Cash Flows	\$ 22,880,865	\$ 22,880,865

12-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

2. Investment properties (continued)

The fair value of investment properties is sensitive to changes in the significant valuation assumptions. Changes in the capitalization rates would result in a change to the estimated fair value of investment properties as set out in the following table:

	March 31, 2023	March 31, 2023	December 31, 2022	December 31, 2022
	%	%	%	%
Rate Sensitivity	+0.1	-0.1	+0.1	-0.1
Weighted Average Capitalization Rate	5.03	4.83	5.03	4.83
Fair Value	\$ 448,000,000	\$ 466,930,000	\$ 448,000,000	\$ 466,930,000
Change in Fair Value	\$ (9,240,000)	\$ 9,690,000	\$ (9,240,000)	\$ 9,690,000

The impact of a one percent change in the stabilized future cash flows used to value the investment properties as at March 31, 2023 and December 31, 2022 would result in a change to the estimated fair value of investment properties as set out in the following table:

	March 31, 2023	March 31, 2023	December 31, 2022	December 31, 2022
	%	%	%	%
Stabilized Future Cash Flows Sensitivity	+1	-1	+1	-1
Stabilized Future Cash Flows	\$ 23,109,674	\$ 22,652,056	\$ 23,109,674	\$ 22,652,056
Fair Value	\$ 461,920,000	\$ 452,640,000	\$ 461,920,000	\$ 452,640,000
Change in Fair Value	\$ 4,680,000	\$ (4,600,000)	\$ 4,680,000	\$ (4,600,000)

3. Accounts receivable, net

The following table presents details of the accounts receivable, net balance:

	March 31, 2023	December 31, 2022
	\$	\$
Tenant receivables, net	233,850	287,907
Other receivables	132,766	803,061
Total accounts receivable, net	366,616	1,090,968

The Properties hold no collateral in respect of tenant and other receivables.

12-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

4. Prepaid expenses and other assets

The following table presents details of the prepaid expenses and other assets balance:

	March 31, 2023	December 31, 2022
	\$	\$
Prepaid realty taxes	449,106	281,155
Other assets	805,490	300,387
Total prepaid expenses and other assets	1,254,596	581,542

5. Restricted cash

The following table presents details of the restricted cash balance:

	March 31, 2023	December 31, 2022
	\$	\$
Security deposits	1,048,602	1,008,318

6. Credit facilities and mortgages payable

Credit Facilities and mortgages payable consists of the following:

	March 31, 2023	December 31, 2022
	\$	\$
Mortgages payable	151,870,566	152,480,918
Credit facilities	135,154,511	132,673,511
Unamortized mark-to-market adjustments	3,335,466	3,562,721
Unamortized deferred financing costs	(1,324,738)	(1,324,996)
Total	289,035,805	287,392,154

	March 31, 2023	December 31, 2022
	\$	\$
Current credit facilities	134,963,515	132,398,411
Current mortgages payable	2,480,578	2,464,860
Non-current mortgages payable	151,591,712	152,528,883
Total	289,035,805	287,392,154

12-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

6. Credit facilities and mortgages payable (continued)

As at March 31, 2023, the Properties had mortgages with various financial institutions bearing interest at rates between 2.11% and 6.72% per annum (December 31, 2022: between 2.11% and 6.72% per annum), with maturity dates between November 1, 2024 and June 1, 2027.

The mortgages are secured by the investment properties. Repayment terms for mortgages outstanding as at March 31, 2023 are as follows:

	Scheduled Principal Repayments	Principal Maturing During the Period	Total
	\$	\$	\$
2023	1,854,508	-	1,854,508
2024	2,528,350	42,911,661	45,440,011
2025	2,593,514	-	2,593,514
2026	2,134,680	26,476,812	28,611,492
2027	243,094	73,127,947	73,371,041
	9,354,146	142,516,420	151,870,566

In October 2020, the Owner entered into a non-revolving term credit facility with a maturity date of October 30, 2022. In October 2022, this facility was amended to extend the maturity date to October 30, 2023. The credit limit of this facility allocated to the Properties is \$143.5 million.

In November 2022 the Owner entered into a credit agreement for a non-revolving bilateral capital expenditure credit facility with a maturity date of October 30, 2023. The credit limit of this facility allocated to the Properties is \$5.4 million.

These non-revolving term credit facilities are with Canadian chartered banks with \$135.2 million drawn as at March 31, 2023 (December 31, 2022: \$132.7 million)

The credit facilities are subject to interest at the bank's prime rate plus 1.25% (December 31, 2022 : bank's prime rate plus 1.25). There is an option to use banker's acceptances, which bear interest at the Canadian Dollar Offered Rate ("CDOR") plus 2.25% (December 31, 2022: CDOR plus 2.25%).

Certain credit facilities contain financial covenants based on leverage and debt service coverage ratios. As at March 31, 2023, the Properties were in compliance with these covenants.

12-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

6. Credit facilities and mortgages payable (continued)

	Three months ended March 31, 2023 \$	Three months ended March 31, 2022 \$
Balance, beginning of period	\$ 287,392,154	\$ 276,254,622
Mortgage principal repayments	(610,352)	(20,013,301)
Proceeds from mortgage refinancing, net of financing costs	(182,825)	50,000,859
Proceeds from credit facilities, net of financing costs	2,483,531	1,971,708
Credit facilities repayments	-	(24,699,711)
Total cash flow activities	289,082,508	283,514,177
Amortization of deferred financing costs	180,552	269,076
Amortization of mortgage mark-to-market adjustments	(227,255)	(228,942)
Total non-cash activities	(46,703)	40,134
Balance, end of period	\$ 289,035,805	\$ 283,554,311

The fair value of fixed rate mortgages is calculated based on current market rates plus risk-adjusted spreads on discounted cash flows. As at March 31, 2023, the current market rates plus risk-adjusted spreads ranged between 3.87% to 7.41% (December 31, 2022 – between 4.85% to 7.41%) and the fair value of fixed rate mortgages was \$136.3 million (December 31, 2022 - \$134.6 million) and is considered level 2 within the fair value hierarchy. Given the variable nature of the credit facilities, their carrying value approximates their fair value.

7. Trade and other payables

The following table presents the details of trade and other payables:

	March 31, 2023 \$	December 31, 2022 \$
Trade payables	1,831,695	3,065,448
Tenant prepayments	402,821	1,365,556
Accrued utilities, payroll, and other	8,044,302	6,980,969
Total trade and other payables	10,278,818	11,411,973

8. Commitments and Contingencies

The Properties are subject to claims and legal actions that arise in the ordinary course of business. It is the opinion of Management that any ultimate liability that may arise from such matters would not have a significant adverse effect on the financial statements of the Properties.

12-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

9. Revenue

The components of revenue from real estate properties are as follows:

	Three months ended March 31, 2023 \$	Three months ended March 31, 2022 \$
Rental revenue	7,048,087	5,732,575
Parking	128,040	115,331
Laundry	66,014	73,903
Other revenue	90,482	19,186
Total Revenue	7,332,623	5,940,995

Future rent revenue for the periods ended December 31 is as follows:

	\$
2023	14,201,312
2024	1,885,880
2025	23,543
2026	1,697
	16,112,432

10. Financing costs from operations

The components of financing costs from operations are as follows:

	Three months ended March 31, 2023 \$	Three months ended March 31, 2022 \$
Interest on mortgages	1,135,251	990,819
Interest on credit facility	2,082,330	1,345,341
Amortization of deferred financing costs	180,552	269,076
Amortization of mortgage mark-to-market adjustments	(227,255)	(228,942)
(Gain)/loss on interest rate swap	-	(378,610)
Other finance costs	4,181	22,747
Total financing costs from operations	3,175,059	2,020,431

12-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

11. Related party transactions

Starlight is an entity under common management and was appointed as the manager of the Properties. As such, Starlight meets the definition of a "related party" as defined in IAS 24 - "Related party disclosures". Starlight receives an asset management fee and a construction management fee for managing day to day activities for the Owner.

The asset management fee is calculated and payable on a monthly basis in arrears in cash and is calculated based on 0.20% of fair market value of investment properties of the preceding year. The construction management fee is calculated and payable on a monthly basis in arrears in cash and is calculated based on 5.0% of the costs incurred for capital improvements to the common area elements and the upgrades of the suites in the investment properties.

For the three months ended March 31, 2023 and March 31, 2022, asset management fees were incurred in the amount of \$0.3 million and \$0.2 million, respectively. For the three months ended March 31, 2023 and March 31, 2022, construction management fees were incurred in the amount of \$0.1 million and nil, respectively.

12. Capital risk management

The Properties' capital consists of mortgages payable, credit facilities and divisional surplus. The Properties invest capital to achieve business objectives and to generate an acceptable long-term return to the Owner. Primary uses of capital include additions to the investment properties and leasing activities, to the extent not available from cash flows from the property's operations. Capital is monitored by management using tools designed to anticipate cash needs, to maintain adequate working capital and to continue to meet covenant obligations.

The components of the Properties' capital are set out in the table below:

	March 31, 2023 \$	December 31, 2022 \$
Mortgages payable	154,072,290	154,993,743
Credit facilities	134,963,515	132,398,411
Divisional surplus	160,595,191	161,116,701
Total	449,630,996	448,508,855

13. Risk management

In the normal course of business, the Properties' activities expose it to credit risk, market risk and liquidity risk. These risks and the actions taken to manage them are as follows:

(a) Credit risk:

Credit risk is the risk that: (i) counterparties to contractual financial obligations will default; and (ii) the possibility that the residents may experience financial difficulty and be unable to meet their rental obligations. The Properties mitigate the risk of credit loss with respect to residents by evaluating the creditworthiness of new residents, obtaining security deposits wherever permitted by legislation and utilizing third party collection agencies for longstanding balances due from tenants.

The Properties monitor collection experience on a monthly basis and ensure that a stringent policy is adopted to provide for all past due amounts. Subsequent recoveries of amounts previously written-off are credited in the condensed interim carve-out statements of net loss and comprehensive loss.

12-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

13. Risk management (continued)

As at March 31, 2023 and December 31, 2022 the Properties had an allowance for uncollectible amounts of \$0.3 million and \$0.3 million, respectively.

Bad debts expensed within property operating costs for the three months periods ended March 31, 2023 and March 31, 2022 were \$0.1 million and nil, respectively.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of financial assets or liabilities will fluctuate due to movements in market prices, such as interest rates. The investment properties are subject to the risks associated with debt financing, including the risk that mortgages will not be refinanced on terms as favourable as those of the existing indebtedness.

As at March 31, 2023, investment properties have been reported at fair value which reflects the Properties' best estimate of future cash flows and capitalization rates applicable to the investment properties. The capitalization rates used in the valuation of the Properties include consideration of comparable sales transactions for similar properties as well as overall changes in the investment market for multi-family properties up to March 31, 2023.

As at March 31, 2023, a 100 basis-point change in interest rates, assuming all other variables are constant, would result in a \$1.3 million change in the Properties' financing costs over the next 12 months.

(c) Liquidity risk:

Liquidity risk is the risk that the Properties may encounter difficulties in meeting their financial obligations as they come due. The Properties is subject to the risks associated with debt financing, including the risk that debt will not be able to be refinanced. To mitigate the risk associated with liquidity, management's strategy is to ensure, to the extent possible, that it always has sufficient financial assets to meet its financial liabilities when they come due, by forecasting cash flows from operations and anticipated investing and financing activities.

As of March 31, 2023, current liabilities of \$147.7 million (December 31, 2022 - \$146.3 million) exceeded current assets of \$2.7 million (December 31, 2022 - \$2.7 million), resulting in a net working capital deficit of \$145.0 million (December 31, 2022 - \$143.6 million). Current liabilities as of March 31, 2023 include \$135.2 million of credit facilities which mature on October 30, 2023. The Properties' immediate liquidity needs are met through cash flow from operations, refinancing of maturing mortgages and credit facilities and availability on its credit facilities.

An analysis of the contractual cash flows associated with the Properties' financial liabilities as at March 31, 2023 is set out below:

	2023	2024	2025	2026	2027	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	10,278,818	-	-	-	-	10,278,818
Credit facilities	135,154,511	-	-	-	-	135,154,511
Mortgages payable	1,854,508	45,440,011	2,593,514	28,611,492	73,371,041	151,870,566
Total	147,287,837	45,440,011	2,593,514	28,611,492	73,371,041	297,303,895

Carve-out financial statements 12-Pack Properties

As at December 31, 2022, December 31, 2021 and January 1, 2021 and for
the years ended December 31, 2022 and December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the General Partner of Galaxy Value Add Fund LP

Opinion

We have audited the carve out financial statements of 12-Pack Properties (the "Entity"), which comprise:

- The statements of financial position as at December 31, 2022, December 31, 2021 and January 1, 2021
- the statements of net income and comprehensive income for the years ended December 31, 2022 and December 31, 2021
- the statements of changes in divisional surplus for the years ended December 31, 2022 and December 31, 2021
- the statements of cash flows for the years ended December 31, 2022 and December 31, 2021
- and notes to the financial statements, including a summary of significant 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 Entity as at December 31, 2022, December 31, 2021 and January 1, 2021, and its financial performance and its cash flows for the years ended December 31, 2022 and December 31, 2021 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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



We are independent of the Entity 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.

Emphasis of Matter – Basis of Preparation

We draw attention to Note 1 to the financial statements which describes the basis of preparation used in these financial statements and the purpose of the financial statements. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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.

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
April 3, 2023

12-Pack Properties
Carve-out statements of financial position

As at December 31 2022, December 31, 2021, and January 1, 2021

	Note	December 31, 2022 \$	December 31, 2021 \$	January 1, 2021 \$
ASSETS				
Current Assets				
Restricted cash	7	1,008,318	780,034	267,958
Accounts receivable, net	5	1,090,968	899,798	1,228,669
Prepaid expenses and other assets	6	581,542	197,987	414,516
Derivative financial instrument	11	-	404,422	-
Total Current Assets		2,680,828	2,282,241	1,911,143
Non-Current Assets				
Investment properties	4	457,240,000	381,350,000	352,545,540
Total Non-Current Assets		457,240,000	381,350,000	352,545,540
TOTAL ASSETS		459,920,828	383,632,241	354,456,683
LIABILITIES				
Current Liabilities				
Trade and other payables	9	11,411,973	8,849,091	5,220,766
Credit facilities	8	132,398,411	148,889,357	-
Mortgages payable	8	2,464,860	20,785,770	21,433,694
Total Current Liabilities		146,275,244	178,524,218	26,654,460
Non-Current Liabilities				
Mortgages payable	8	152,528,883	106,579,495	77,098,672
Credit facilities	8	-	-	167,161,832
Total Non-Current Liabilities		152,528,883	106,579,495	244,260,504
TOTAL LIABILITIES		298,804,127	285,103,713	270,914,964
DIVISIONAL SURPLUS		161,116,701	98,528,528	83,541,719
TOTAL LIABILITIES AND DIVISIONAL SURPLUS		459,920,828	383,632,241	354,456,683

Commitments and contingencies (note 12).

Subsequent events (note 18).

See accompanying notes to the carve-out financial statements.

12-Pack Properties

Carve-out statements of net income and comprehensive income

For the years ended December 31, 2022 and 2021

		Year ended December 31, 2022	Year ended December 31, 2021
		\$	\$
REVENUE	Note		
Rental revenue	13	24,788,499	22,381,736
Other revenue	13	897,395	747,359
Total Revenue		25,685,894	23,129,095
PROPERTY OPERATING EXPENSES			
Utilities		3,207,235	2,402,949
Realty tax		2,195,185	2,086,212
Wages		2,124,083	1,680,748
Repairs and maintenance		1,846,926	1,871,892
Property management		990,770	894,497
Insurance		638,584	506,824
General and administrative		426,322	345,095
Leasing costs		228,202	239,195
Bad debts	17(a)	216,116	196,873
Total Property Operating Expenses		11,873,423	10,224,285
TOTAL PROPERTY OPERATING INCOME		13,812,471	12,904,810
Asset management fees	15	856,201	818,566
Professional and other fees		255,427	209,222
Financing costs from operations	14	9,859,430	8,454,420
Fair value gain on investment properties	4	(62,235,920)	(17,751,470)
TOTAL NET INCOME AND COMPREHENSIVE INCOME		65,077,333	21,174,072

See accompanying notes to the carve-out financial statements.

12-Pack Properties**Carve-out statements of changes in divisional surplus**For the years ended December 31, 2022 and 2021

For the years ended December 31, 2022 and December 31, 2021

	\$
BALANCE, JANUARY 1, 2021	83,541,719
Net income and comprehensive income	21,174,072
Contributions from owners	296,466
Distributions to owners	(6,483,729)
BALANCE, DECEMBER 31, 2021	98,528,528
Net income and comprehensive income	65,077,333
Contributions from owners	3,089,196
Distributions to owners	(5,578,356)
BALANCE, DECEMBER 31, 2022	161,116,701

See accompanying notes to the carve-out financial statements.

12-Pack Properties

Carve-out statements of cash flows

For the years ended December 31, 2022 and 2021

	Note	Year ended December 31, 2022 \$	Year ended December 31, 2021 \$
OPERATING ACTIVITIES			
Net income and comprehensive income		65,077,333	21,174,072
Items not affecting cash			
Fair value gain on investment properties	4	(62,235,920)	(17,751,470)
Financing costs from operations	14	9,859,430	8,454,420
		12,700,843	11,877,022
Changes in non-cash working capital items			
Accounts receivable, net		(191,170)	328,871
Prepaid expenses and other assets		(383,555)	216,529
Trade and other payables		2,562,882	3,628,325
Restricted cash		(228,284)	(512,076)
		14,460,716	15,538,671
INVESTING ACTIVITIES			
Capital expenditures on investment properties	4	(13,654,080)	(11,052,990)
		(13,654,080)	(11,052,990)
FINANCING ACTIVITIES			
Mortgage principal repayments	8	(21,821,261)	(2,174,129)
Interest paid	14	(9,140,929)	(8,682,862)
Other financing costs	8	(53,582)	(205,765)
Proceeds from mortgage refinancing, net of financing costs	8	50,060,285	31,990,679
Proceeds from credit facilities, net of financing costs	8	7,337,722	4,597,826
Credit facilities repayments	8	(24,699,711)	(23,824,167)
Distributions		(2,489,160)	(6,187,263)
		(806,636)	(4,485,681)
Net cash inflow / (outflow) during the year		—	—
Cash, beginning of year		—	—
CASH, END OF YEAR		—	—

See accompanying notes to the carve-out financial statements.

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

1. Nature of operations and basis of presentation

12-Pack Properties ("the Properties"), as presented in these carve-out financial statements, is not a legal entity. As at December 31, 2022, the Properties and their related assets and liabilities were owned by Galaxy Value Add Fund LP ("GVA" or "the Owner"). GVA is managed by Starlight Group Property Holdings Inc. ("Starlight") and certain of its affiliates.

The registered office of the Owner is 3280 Bloor Street West, Suite 1400, Toronto, Ontario M8X 2X3.

These carve-out financial statements have been prepared for the specific purpose of reporting on the financial position, financial performance, changes in divisional surplus and cash flows of the 12 properties which make up the Properties for inclusion in Northview Fund's information circular, which outlines Northview Fund's acquisition of the Properties, and Northview Fund's business acquisition report.

These carve-out financial statements have been prepared on a carve-out basis from the financial statements of the Owner and present the financial position, financial performance, changes in divisional surplus and cash flows of the Properties for the years presented as if the Properties had been accounted for on a stand-alone basis. Management's estimates, when necessary, have been used to prepare such allocations.

These carve-out financial statements are not necessarily indicative of the results that would have been attained if the Properties had been operated as a separate legal entity during the years presented and, therefore, are not necessarily indicative of future operating results.

These carve-out financial statements were authorized for issuance on April 3, 2023.

(a) Basis of operations and statement of compliance:

The carve-out financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and using the accounting policies described herein. These are the Properties' first carve-out financial statements prepared in accordance with IFRS and the Properties adopted IFRS in accordance with IFRS 1, First-Time Adoption of International Financial Reporting Standards. An explanation or reconciliation of how the transition to IFRS has affected the Properties' carve-out financial position, performance and cash flows has not been presented as the Properties have not presented carve-out financial statements in previous years. The date of transition to IFRS was January 1, 2021.

The carve-out financial statements have been prepared on a historical cost basis except for investment properties and an interest rate swap which have been measured at fair value.

(b) Functional and presentation currency:

These carve-out financial statements are presented in Canadian dollars, which is the functional currency of the Properties and all amounts have been rounded to the nearest dollar except when otherwise indicated.

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

2. Significant accounting policies

(a) Critical judgments and estimates:

The preparation of carve-out financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with prior periods 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 carve-out financial statements. 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 significant estimates and judgments used in determining the recorded amount for assets and liabilities in the carve-out financial statements include the following:

(i) Investment property:

The significant assumptions used when determining the fair value of the investment properties are capitalization rates and future stabilized cash flows. The capitalization rate applied is reflective of the characteristics, location and market of the investment property.

The stabilized future cash flows of the investment properties are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The Properties determine fair values externally utilizing financial information and external market data and capitalization rates provided by independent industry experts.

(b) Investment properties:

The Properties selected the fair value method to account for real estate classified as investment property under IAS 40, Investment Property ("IAS 40"). A property is determined to be an investment property when it is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business. Investment properties include land and building structures, as well as residential suites situated on the property. Subsequent capital expenditures are added to the carrying value of the investment properties only when it is probable that future economic benefits will flow to the property and the cost can be measured reliably. All repairs and maintenance costs are expensed as incurred.

The investment properties are measured initially at cost, including directly attributable acquisition costs, except when acquired through a business combination, where such costs are expensed as incurred. Directly attributable acquisition costs include professional fees, land

transfer taxes and other transaction costs. Subsequent to initial recognition, the investment properties are measured at fair value. Gains and losses arising from changes in the fair value are included in the carve-out statements of net income and comprehensive income in the period in which they arise.

Fair values are primarily determined by using the capitalized net income approach which applies a capitalization rate to the future stabilized cash flows of the property. The capitalization rate applied is reflective of the characteristics, location and market of the property. The stabilized cash flows of the property are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The Properties utilize external valuations performed by independent real estate valuation firms to determine fair value of the investment properties.

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

2. Significant accounting policies (continued)

(c) Restricted cash:

Restricted cash can only be used for specified purposes and consists primarily of tenant security deposits held by the Properties.

(d) Revenue recognition:

The Properties have retained substantially all of the risks and benefits of ownership of their investment properties and, therefore, account for their leases with tenants as operating leases. Revenue recognition under a lease commences when a tenant has a right to use the leased asset and collection is reasonably assured.

Rental revenue includes base rents earned from tenants under operating lease agreements which is allocated to lease components based on relative stand-alone selling prices. The stand-alone selling prices of the rental component are determined using an adjusted market assessment approach and the stand-alone selling prices of the service components are determined using an expected cost plus a margin approach.

Rental revenue from the rental component is recognized on a straight-line basis over the lease term. When the Properties provides incentives to its tenants, the cost of incentives is recognized over the lease term, on a straight-line basis, as a reduction of revenue.

The other components of revenue represent the service component of the Properties' leases and is accounted for in accordance with IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). These services consist primarily of parking, laundry, and other ancillary services where it has been determined the Properties are acting as a principal and is recognized over time when the services are provided.

(e) Finance costs:

Finance costs are comprised of interest expense on secured debt, amortization of mark-to-market adjustments and financing charges and fair value gains and losses on an interest rate swap. Finance costs associated with financial liabilities presented at amortized cost are presented in the statements of net income and comprehensive income using the effective interest method.

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

2. Significant accounting policies (continued)

(f) Financial instruments:

Financial instruments are generally measured at fair value on initial recognition. Financial assets are classified and measured based on one of the following three categories: (i) amortized cost, (ii) fair value through profit and loss ("FVTPL"), and (iii) fair value through other comprehensive income ("FVTOCI"). Financial assets classified at amortized cost are measured using the effective interest method. Financial assets classified as FVTPL are measured at fair value with gains and losses recognized in the consolidated statements of net income and comprehensive income. Financial assets classified as FVTOCI are measured at fair value with gains or losses recognized through other comprehensive income, except for gains and losses pertaining to impairment or foreign exchange which are recognized through the consolidated statements of net income and comprehensive income.

Financial liabilities are classified and measured based on one of the following two categories: (i) amortized cost; and (ii) FVTPL. Financial liabilities classified at amortized cost are measured using the effective interest method. Financial liabilities classified as FVTPL are measured at fair value with changes in fair value attributable to changes in the credit risk of the liability recognized in other comprehensive income, and the remaining amount of change in fair value recognized in the consolidated statements of net income and comprehensive income. The following table summarizes the Properties' classification and measurement of financial assets and liabilities:

	<u>Classification/Measurement</u>
<u>Financial assets:</u>	
Accounts receivable	Amortized cost
Restricted cash	Amortized cost
Interest rate swap	FVTPL
<u>Financial liabilities:</u>	
Mortgages payable	Amortized cost
Credit facilities	Amortized cost
Trade and other payables	Amortized cost

The Properties derecognize a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Properties derecognize a financial liability when, and only when, the Properties' obligations are discharged, canceled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the consolidated statements of net income and comprehensive income.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets or liabilities, other than financial assets and liabilities measured at FVTPL, are accounted for as part of the carrying amount of the respective asset or liability at inception. Transaction costs related to financial instruments measured at amortized cost are amortized using the effective interest rate ("EIR") over the anticipated life of the related instrument. Transaction costs on financial assets and liabilities measured at FVTPL are expensed in the period incurred.

At each reporting date, the Properties assess whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Properties recognizes an impairment loss for financial assets carried at amortized cost as follows: the loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

2. Significant accounting policies (continued)

(f) Financial Instruments (continued):

flows, discounted using the instrument's original EIR. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(g) Income taxes:

The Properties, as presented in these carve-out financial statements, is not a legal entity. As such, any income tax liabilities will be reported by the Owner.

(h) Fair value measurement:

The Properties measure financial instruments, such as interest rate swap and non-financial assets, such as investment properties, at fair value at each balance sheet 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 principal or the most advantageous market must be accessible by the Properties.

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 Properties use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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
- 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 Properties determine 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 period.

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

2. Significant accounting policies (continued)

(h) Fair value measurement (continued):

Restricted cash, accounts receivable and trade and other payables are carried at amortized cost, which, due to their short-term nature, approximates fair value. Additionally, the credit facilities are carried at amortized cost, which, due to their variable rate, approximates fair value.

Management estimates the fair value of mortgages based on the rates that could be obtained for similar debt instruments with similar terms and maturities. Their fair value qualifies as level 2 in the fair value hierarchy above.

The fair value of the interest rate swap is determined using widely accepted valuation techniques, including discounted cash flow analysis on expected cash flows of the derivatives, using observable market-based inputs including interest rate curves and implied volatilities, and is considered level 2 in the fair value hierarchy.

There were no transfers of assets or liabilities between fair value levels during the period presented herein.

3. Adoption of accounting standards

Future accounting policy changes:

There were no new standards, interpretations or improvements to existing standards that were issued by the IASB or by the International Financial Reporting Interpretations Committee ("IFRIC") that either have not yet been adopted by the Properties or that would have a material impact on the Properties' financial condition or financial performance.

4. Investment properties

The following table summarizes the changes in the investment properties for the years ended December 31, 2022 and December 31, 2021:

	2022	2021
	\$	\$
Investment properties, beginning of year	381,350,000	352,545,540
Fair value gain	62,235,920	17,751,470
Capital expenditures	13,654,080	11,052,990
Income producing properties, end of year	457,240,000	381,350,000

The fair value methodology for the investment properties is considered level 3, as significant unobservable inputs are required to determine fair value. The fair value of investment properties is based on internal valuations as at January 1, 2021 and external appraisals at December 31, 2022 and 2021.

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

4. Investment properties (continued)

The fair value of investment properties is determined using the direct capitalization approach. The following table summarizes the significant unobservable inputs in determining fair value of residential properties:

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Capitalization rates	There is an inverse relationship between the capitalization rates and the fair value; in other words, the higher the capitalization rates, the lower the estimated fair value.
Future stabilized cash flows	There is a direct relationship between the future stabilized cash flows and the fair value; in other words, the higher the future stabilized cash flows, the higher the estimated fair value.

The significant valuation assumptions for the Properties are set out in the following table:

	December 31, 2022 %	December 31, 2021 %	January 1, 2021 %
Capitalization Rate - Range	4.25 - 5.25	3.75 - 5.00	3.75 - 5.00
Capitalization Rate - Weighted Average	4.93	4.60	4.42
Fair Value	\$ 457,240,000	\$ 381,350,000	\$ 352,545,540
Stabilized Cash Flows	\$ 22,880,865	\$ 17,671,532	\$ 15,565,200

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

4. Investment properties (continued)

The fair value of investment properties is sensitive to changes in the significant valuation assumptions. Changes in the capitalization rates would result in a change to the estimated fair value of investment properties as set out in the following table:

	December 31, 2022 %	December 31, 2022 %	December 31, 2021 %	December 31, 2021 %	January 1, 2021 %	January 1, 2021 %
Rate Sensitivity	+0.1	-0.1	+0.1	-0.1	+0.1	-0.1
Weighted Average Capitalization Rate	5.03	4.83	4.70	4.50	4.52	4.32
Fair Value	\$ 448,000,000	\$ 466,930,000	\$ 373,250,000	\$ 390,180,000	\$ 344,690,000	\$ 360,770,000
Change in Fair Value	\$ (9,240,000)	\$ 9,690,000	\$ (8,100,000)	\$ 8,830,000	\$ (7,855,540)	\$ 8,224,460

The impact of a one percent change in the stabilized cash flows used to value the investment property as at December 31, 2022, December 31, 2021, and January 1, 2021 would increase/decrease the fair value as set out in the following table:

	December 31, 2022 %	December 31, 2022 %	December 31, 2021 %	December 31, 2021 %	January 1, 2021 %	January 1, 2021 %
Stabilized Cash Flows Sensitivity	+1	-1	+1	-1	+1	-1
Stabilized Cash Flows	\$ 23,109,674	\$ 22,652,056	\$ 17,848,247	\$ 17,494,817	\$ 15,720,852	\$ 15,409,548
Fair Value	\$ 461,920,000	\$ 452,640,000	\$ 385,370,000	\$ 377,660,000	\$ 356,070,000	\$ 349,020,000
Change in Fair Value	\$ 4,680,000	\$ (4,600,000)	\$ 4,020,000	\$ (3,690,000)	\$ 3,524,460	\$ (3,525,540)

The fair value of the Properties is considered a Level 3 measurement in the fair value hierarchy due to the extent of assumptions required beyond observable market data to derive the fair values.

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

5. Accounts receivable, net

The following table presents details of the accounts receivable, net balance:

	December 31, 2022	December 31, 2021	January 1, 2021
	\$	\$	\$
Tenant receivables, net	287,907	115,574	362,082
Other receivables	803,061	784,224	866,587
Total accounts receivable, net	1,090,968	899,798	1,228,669

The Properties hold no collateral in respect of tenant and other receivables.

6. Prepaid expenses and other assets

The following table presents details of the prepaid expenses and other assets balance:

	December 31, 2022	December 31, 2021	January 1, 2021
	\$	\$	\$
Prepaid realty taxes	281,155	197,987	160,677
Other assets	300,387	-	253,839
Total prepaid expenses and other assets	581,542	197,987	414,516

7. Restricted cash

The following table presents details of the restricted cash balance:

	December 31, 2022	December 31, 2021	January 1, 2021
	\$	\$	\$
Security deposits	1,008,318	780,034	267,958

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

8. Credit facilities and mortgages payable

Credit Facilities and mortgages payable consists of the following:

	December 31, 2022 \$	December 31, 2021 \$	January 1, 2021 \$
Mortgages payable	152,480,918	123,101,907	93,044,047
Credit facilities	132,673,511	149,706,623	168,906,824
Unamortized mark-to-market adjustments	3,562,721	4,476,007	5,488,319
Unamortized deferred financing costs	(1,324,996)	(1,029,915)	(1,744,992)
Total	287,392,154	276,254,622	265,694,198

	December 31, 2022 \$	December 31, 2021 \$	January 1, 2021 \$
Current credit facilities	132,398,411	148,889,357	-
Current mortgages payable	2,464,860	20,785,770	21,433,694
Non-current credit facilities	-	-	167,161,832
Non-current mortgages payable	152,528,883	106,579,495	77,098,672
Total	287,392,154	276,254,622	265,694,198

As at December 31, 2022, the Properties had mortgages with various financial institutions bearing interest at rates between 2.11% and 6.72% per annum (December 31, 2021: 2.11% and 4.30% per annum, January 1, 2021: 2.11% and 4.30%), with maturity dates between November 1, 2024 and June 1, 2027.

The mortgages are secured by the investment properties. Repayment terms for mortgages outstanding as at December 31, 2022 are as follows:

	Scheduled Principal Repayments \$	Principal Maturing During the Period \$	Total \$
2023	2,464,860	-	2,464,860
2024	2,528,350	42,911,661	45,440,011
2025	2,593,514	-	2,593,514
2026	2,134,680	26,476,812	28,611,492
2027	243,094	73,127,947	73,371,041
Thereafter	-	-	-
	9,964,498	142,516,420	152,480,918

In October 2020, the Owner entered into a non-revolving term credit facility with a maturity date of October 30, 2022. In October 2022, this facility was amended to extend the maturity date to October 30, 2023. The credit limit of this facility allocated to the Properties is \$143.5 million.

In November 2022 the Owner entered into a credit agreement for a non-revolving bilateral capital expenditure credit facility with a maturity date of October 30, 2023. The credit limit of this facility allocated to the Properties is \$5.4 million.

These non-revolving term credit facilities are with Canadian chartered banks with \$132.7 million drawn as at December 31, 2022 (December 31, 2021: \$149.7 million, January 1, 2021: \$168.9

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

8. Credit facilities and mortgages payable (continued)

million). The credit facilities are subject to interest at the bank's prime rate plus 1.25% (December 31, 2021 and January 1, 2021: bank's prime rate plus 2.13% and the bank's prime rate plus 2.13%, respectively). There is an option to use banker's acceptances, which bear interest at the Canadian Dollar Offered Rate ("CDOR") plus 2.25% (December 31, 2021 and January 1, 2021: CDOR plus 3.13% and CDOR plus 3.13%, respectively).

Certain credit facilities contain financial covenants based on leverage and debt service coverage ratios. As at December 31, 2022, the Properties were in compliance with these covenants.

	Year ended December 31, 2022	Year ended December 31, 2021
	\$	\$
Balance, beginning of year	\$ 276,254,622	\$ 265,694,198
Mortgage principal repayments	(21,821,261)	(2,174,129)
Proceeds from mortgage refinancing, net of financing costs	50,060,285	31,990,679
Proceeds from credit facilities, net of financing costs	7,337,722	6,231,364
Credit facilities repayments	(24,699,711)	(25,457,705)
Total cash flow activities	287,131,657	276,284,407
Amortization of deferred financing costs	1,173,784	982,526
Amortization of mortgage mark-to-market adjustments	(913,287)	(1,012,311)
Total non-cash activities	260,497	(29,785)
Balance, end of year	\$ 287,392,154	\$ 276,254,622

The fair value of fixed rate mortgages is calculated based on current market rates plus risk-adjusted spreads on discounted cash flows. As at December 31, 2022, the current market rates plus risk-adjusted spreads ranged from 4.85% to 7.41% (December 31, 2021 - 1.55% to 2.91%; January 1, 2021 - 1.19% to 2.22%) and the fair value of fixed rate mortgages was \$134.6 million (December 31, 2021 - \$124.8 million; January 1, 2021 - \$109.1 million) and is considered level 2 within the fair value hierarchy. Given the variable nature of the credit facilities, their carrying value approximates their fair value.

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

9. Trade and other payables

The following table presents the details of trade and other payables:

	December 31, 2022	December 31, 2021	January 1, 2021
	\$	\$	\$
Trade payables	3,065,448	2,374,900	598,563
Tenant prepayments	1,365,556	1,178,884	1,003,671
Accrued utilities, payroll, and other	6,980,969	5,295,307	3,618,532
Total accounts payable and accrued liabilities	11,411,973	8,849,091	5,220,766

10. Segmented disclosure

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Oversight Committee of the Owner is the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment. As the chief operating decision maker assesses performance at the property level, each property is determined to be an operating segment, which have been aggregated into one reportable segment on the basis of their similar economic characteristics: multi-residential properties within the Canadian Real Estate industry.

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

11. Derivative financial instrument

The Properties utilized an interest rate swap agreement to exchange the variable interest rate to a fixed rate. The interest rate swap has been reflected in the fair value gain on financing costs from operations. The interest rate swap expired on October 30, 2022.

The following table is a summary of the Properties' interest in the interest rate swap and the respective fair value of the asset:

Instrument	Maturity	Fixed rate	Notional	December 31,	December 31,	January 1,
			amount	2022	2021	2021
			\$ ⁽¹⁾	\$	\$	\$
Interest rate swap	October 31, 2022	0.48900%	105,574,419	-	404,422	-

⁽¹⁾ The interest rate swap was executed by the Owner and allocated to the Properties based on the amount drawn on the credit facilities. The total notional amount of the interest rate swap for the Owner is \$510 million.

The fair value of the interest rate swap is determined using widely accepted valuation techniques, including discounted cash flow analysis on expected cash flows of the derivatives, using observable market-based inputs including interest rate curves and implied volatilities, and is considered level 2 in the fair value hierarchy.

The following table summarizes the beginning and ending fair value of the swap:

	Year ended December 31, 2022	Year ended December 31, 2021
	\$	\$
Balance, beginning of year	404,422	-
Non-cash movement		
Fair value gain	(404,422)	404,422
Balance, end of year	-	404,422

12. Commitments and Contingencies

The Properties are subject to claims and legal actions that arise in the ordinary course of business. It is the opinion of Management that any ultimate liability that may arise from such matters would not have a significant adverse effect on the financial statements of the Properties.

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

13. Revenue

The components of revenue from real estate properties are as follows:

	Year ended December 31, 2022 \$	Year ended December 31, 2021 \$
Rental revenue	24,788,499	22,381,736
Parking	484,849	429,058
Laundry	205,489	216,381
Other revenue	207,057	101,920
Total Revenue	25,685,894	23,129,095

Future rent revenue for the years ended December 31 is as follows:

	\$
2023	15,708,494
2024	153,952
2025	29,970
2026	1,697
2027	-
Thereafter	-
	15,894,113

14. Financing costs from operations

The components of financing costs from operations are as follows:

	Year ended December 31, 2022 \$	Year ended December 31, 2021 \$
Interest on mortgages	4,280,439	2,877,418
Interest on credit facility	4,860,490	5,805,444
Amortization of deferred financing costs	1,173,784	982,526
Amortization of mortgage mark-to-market adjustments	(913,287)	(1,012,311)
(Gain)/loss on interest rate swap	404,422	(404,422)
Other finance costs	53,582	205,765
Total financing costs from operations	9,859,430	8,454,420

12-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and 2021

15. Related party transactions

Starlight is an entity under common management and was appointed as the manager of the Properties. As such, Starlight meets the definition of a "related party" as defined in IAS 24 - "Related party disclosures". Starlight receives an asset management fee and a construction management fee for managing day to day activities for the Owner.

The asset management fee is calculated and payable on a monthly basis in arrears in cash and is calculated based on 0.20% of fair market value of investment properties of the preceding year. The construction management fee is calculated and payable on a monthly basis in arrears in cash and is calculated based on 5.0% of the costs incurred for capital improvements to the common area elements and the upgrades of the suites in the investment properties.

For the years ended December 31, 2022 and December 31, 2021, asset management fees were incurred in the amount of \$0.9 million and \$0.8 million, respectively. For the years ended December 31, 2022 and December 31, 2021, construction management fees were incurred in the amount of \$0.3 million and \$0.3 million, respectively.

16. Capital risk management

The Properties' capital consists of mortgages payable, credit facilities and divisional surplus. The Properties invest capital to achieve business objectives and to generate an acceptable long-term return to the Owner. Primary uses of capital include additions to the investment properties and leasing activities, to the extent not available from cash flows from the property's operations. Capital is monitored by management using tools designed to anticipate cash needs, to maintain adequate working capital and to continue to meet covenant obligations.

The components of the Properties' capital are set out in the table below:

	December 31, 2022	December 31, 2021	January 1, 2021
	\$	\$	\$
Mortgages payable	154,993,743	127,365,265	98,532,366
Credit facilities	132,398,411	148,889,357	167,161,832
Divisional surplus	161,116,701	98,528,528	83,541,719
Total	448,508,855	374,783,150	349,235,917

12-Pack Properties
Notes to the carve-out financial statements
For the years ended December 31, 2022 and 2021

17. Risk management

In the normal course of business, the Properties' activities expose it to credit risk, market risk and liquidity risk. These risks and the actions taken to manage them are as follows:

(a) Credit risk:

Credit risk is the risk that: (i) counterparties to contractual financial obligations will default; and (ii) the possibility that the residents may experience financial difficulty and be unable to meet their rental obligations. The Properties mitigate the risk of credit loss with respect to residents by evaluating the creditworthiness of new residents, obtaining security deposits wherever permitted by legislation and utilizing third party collection agencies for longstanding balances due from tenants.

The Properties monitor collection experience on a monthly basis and ensure that a stringent policy is adopted to provide for all past due amounts. Subsequent recoveries of amounts previously written-off are credited in the carve-out statements of net income and comprehensive income.

As at December 31, 2022, December 31, 2021 and January 1, 2021 the Properties had an allowance for uncollectible amounts of \$0.3 million, \$0.3 million and \$0.2 million, respectively.

Bad debts expensed within property operating costs for the years ended December 31, 2022 and December 31, 2021 were \$0.2 million and \$0.2 million, respectively.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of financial assets or liabilities will fluctuate due to movements in market prices, such as interest rates. The investment properties are subject to the risks associated with debt financing, including the risk that mortgages will not be refinanced on terms as favourable as those of the existing indebtedness.

As at December 31, 2022, investment properties have been reported at fair value which reflects the Properties' best estimate of future cash flows and capitalization rates applicable to the investment properties. The capitalization rates used in the valuation of the Properties include consideration of comparable sales transactions for similar properties as well as overall changes in the investment market for multi-family properties up to December 31, 2022. Subsequent to December 31, 2022, a transaction was entered into for the sale of the Properties for \$452.8 million (note 18).

The Properties analyze interest rate risk and the impact of rising and falling interest rates on operating results and financial condition on a regular basis. An increase of 1.0% per annum in the variable component of the interest rate for the variable rate indebtedness would result in an increase to liabilities and a decrease in net income of \$1.3 million and \$1.5 million for the years ended December 31, 2022 and December 31, 2021, respectively.

(c) Liquidity risk:

Liquidity risk is the risk that the Properties may encounter difficulties in meeting their financial obligations as they come due. To mitigate the risk associated with liquidity, management's strategy is to ensure, to the extent possible, that it always has sufficient financial assets to meet its financial liabilities when they come due, by forecasting cash flows from operations and anticipated investing and financing activities.

As of December 31, 2022, current liabilities of \$146.3 million (December 31, 2021 - \$178.5 million; January 1, 2021 - \$26.7 million) exceeded current assets of \$2.7 million (December 31, 2021 - \$2.3 million; January 1, 2021 - \$1.9 million), resulting in a net working capital deficit of \$143.6 million (December 31, 2021 - \$176.2 million; January 1, 2021 - \$24.8 million). Current liabilities as of December 31, 2022 include \$132.7 million of credit facilities which mature on October 30, 2023. The Properties' immediate liquidity needs are met through cash flow from operations, refinancing of maturing mortgages and credit facilities and availability on its credit facilities.

12-Pack Properties
Notes to the carve-out financial statements
For the years ended December 31, 2022 and 2021

17. Risk management (continued)

(c) Liquidity risk (continued):

An analysis of the contractual cash flows associated with the Properties' financial liabilities is set out below:

	2023	2024	2025	2026	2027	Thereafter	Total
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	11,411,973	-	-	-	-	-	11,411,973
Credit facilities	132,673,511	-	-	-	-	-	132,673,511
Mortgages payable	2,464,860	45,440,011	2,593,514	28,611,492	73,371,041	-	152,480,918
Total	146,550,344	45,440,011	2,593,514	28,611,492	73,371,041	-	296,566,402

18. Subsequent events

Subsequent to December 31, 2022, the Owner entered into an agreement to sell the Properties to Northview Fund for a purchase price of \$452.8 million.

APPENDIX “B” – MD&A – GALAXY PORTFOLIO

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – MARCH 31, 2023

12-PACK PROPERTIES MANAGEMENT’S DISCUSSION AND ANALYSIS

The following management’s discussion and analysis (the “MD&A”) of the carve-out financial results of 12-Pack Properties (the “Properties”) dated May 12, 2023 for the three months ended March 31, 2023 and March 31, 2022, should be read in conjunction with the 12-Pack Properties unaudited condensed interim carve-out financial statements and accompanying notes for these periods. The Properties and its related assets and liabilities are currently owned by Galaxy Value Add Fund LP (“GVA” or “the Owner”). GVA is managed by Starlight Group Property Holdings Inc. (“Starlight”) and certain of its affiliates.

BASIS OF PRESENTATION

The Properties’ condensed interim carve-out financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”). The condensed carve-out interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Properties’ annual carve-out financial statements for the year ended December 31, 2022, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The Properties’ presentation currency is Canadian dollars. Unless otherwise stated, dollar amounts expressed in this MD&A are in Canadian dollars.

For purposes of this MD&A the line items in the 12-Pack Properties unaudited condensed interim carve-out financial statements and accompanying notes for these periods labelled “Investment Properties” is referred to as “Gross Book Value”, “Total Property Operating Income” is referred to as “NOI”.

NON-IFRS MEASURES

Certain terms used in this MD&A such as adjusted funds from operations (“AFFO”), funds from operations (“FFO”), indebtedness (“Indebtedness”) and indebtedness to gross book value (“Indebtedness to Gross Book Value”) are not measures defined under IFRS as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be construed as alternatives to net income and comprehensive income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. The Properties uses these measures to better assess its underlying performance and provides these additional measures so that investors may do the same.

PROPERTY PROFILE

The Properties consists of 12 properties that are located throughout the provinces of Nova Scotia, Alberta and Quebec within Canada. The suite breakdown is as follows:

Suite Type	Sq. Ft. Average	Number of Suites
Bachelor	578	184
1 Bedroom	867	505
1 Bedroom + Den	768	76
2 Bedrooms	955	808
2 Bedrooms + Den	1,007	8
3 Bedrooms	862	507
Average/Total	839	2,088

The 2,088 total suites that comprise the Properties are constructed on a total rentable area of 1.8 million square feet. The Properties contains 1,957 total parking spaces, consisting of 553 indoor and 1,404 outdoor spaces.

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – MARCH 31, 2023

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	As at March 31, 2023	As at December 31, 2022
Operational Information		
Total suites	2,088	2,088
Economic occupancy	95%	92%
AMR	\$ 1,182	\$ 1,147
Summary of Financial Information		
Gross Book Value	\$ 457,240,000	\$ 457,240,000
Indebtedness	\$ 287,025,077	\$ 285,154,429
Indebtedness to Gross Book Value	63%	62%

Economic occupancy is calculated by taking effective net rent after considering vacancy and dividing by gross potential rent.

Average monthly rent (“AMR”) is defined as the total in place rents divided by the total number of multi-family suites occupied as at the reporting date.

Indebtedness is defined as the principal amount of loans payable outstanding at a specific reporting date. Indebtedness is calculated as loans payable less (i) unamortized mark-to-market adjustments and (ii) unamortized deferred financing costs. Indebtedness is presented in this MD&A as management considers this non-IFRS measure to be an important measure of financial condition. The most comparable IFRS measure for indebtedness is loans payable.

FINANCIAL PERFORMANCE

The Properties’ financial performance for the three months ended March 31, 2023 and March 31, 2022 is summarized below:

	Three months ended March 31, 2023	Three months ended March 31, 2022
Revenue	\$ 7,332,623	\$ 5,940,995
Property operating expenses	(3,490,825)	(3,164,857)
NOI	\$ 3,841,798	\$ 2,776,138
NOI margin	52%	47%
Net loss and comprehensive loss	\$ (2,185,371)	\$ (745,402)

RESULTS OF OPERATIONS

REVENUE

Revenue includes the monthly rent charges for the lease of apartment suites and other ancillary income. Other ancillary income may include, but is not limited to, laundry fees and parking fees. Rental revenue is the only material component of total revenue, which accounts for approximately 96% thereof for the three months ended March 31, 2023 and March 31, 2022.

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – MARCH 31, 2023

Rental revenue and total revenue from property operations for the three months ended March 31, 2023 were \$7.0 million and \$7.3 million, respectively. Rental revenue and total revenue from property operations for the three months ended March 31, 2022 were \$5.7 million and \$5.9 million, respectively. Rental demand remained strong during both the periods.

PROPERTY OPERATING EXPENSES

For the three months ended March 31, 2023, the main components of property operating expenses as a percentage of total property operating expenses include, but are not limited to, utility costs of approximately 32% (2022: 37%), repairs and maintenance of approximately 19% (2022: 18%), realty taxes of approximately 16% (2022: 16%) and wages of approximately 11% (2022: 14%).

NOI

For the three months ended March 31, 2023 and March 31, 2022, NOI increased to \$3.8 million from \$2.8 million respectively, primarily attributable to the strengthening of AMR, partially offset by increasing property operating expenses.

NOI Margin is defined as NOI divided by revenue from property operations. For the three months ended March 31, 2023 and March 31, 2022, the NOI margin increased to 52% from 47% respectively, primarily attributable to the strengthening of AMR, partially offset by increasing property operating expenses.

FUNDS FROM OPERATIONS ("FFO") / ADJUSTED FUNDS FROM OPERATIONS ("AFFO")

The following table shows a reconciliation of FFO and AFFO to net loss and comprehensive loss.

	Three months ended March 31, 2023	Three months ended March 31, 2022
Net loss and comprehensive loss	\$ (2,185,371)	\$ (745,402)
Add (deduct)		
Fair value adjustment on investment properties	2,461,822	1,244,163
FFO	\$ 276,451	\$ 498,761
Amortization adjustments	(46,703)	40,134
AFFO	\$ 229,748	\$ 538,895

FFO is defined as net loss and comprehensive loss in accordance with IFRS, excluding fair value adjustments of the investment properties. FFO is a measure of operating performance based on the funds generated from the business before reinvestment or provision for other capital needs. FFO is presented in this MD&A as management considers this non-IFRS measure to be an important measure of operating performance. The most comparable IFRS measures to FFO are cash flow from operating activities and net loss and comprehensive loss.

AFFO is defined as FFO subject to certain additional adjustments, including, but not limited to, amortization of fair value mark-to-market adjustments on loans assumed and amortization of deferred financing costs, as determined by management. Other adjustments may be made to AFFO as determined by management. AFFO is presented in this MD&A as management considers this non-IFRS measure to be an important performance measure to determine the sustainability of future distributions paid to the Owner after a provision for maintenance capital expenditures. AFFO should not be interpreted as an indicator of cash generated from operating activities, as it does not consider changes in working capital. The most comparable IFRS measures to AFFO are cash flow from operating activities and net loss and comprehensive loss.

OTHER INCOME AND EXPENSES

FINANCE COSTS FROM OPERATIONS

The Properties' finance costs from operations for the three months ended March 31, 2023 and March 31, 2022 are summarized below:

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – MARCH 31, 2023

	Three months ended March 31, 2023	Three months ended March 31, 2022
Interest on mortgages	\$ 1,135,251	\$ 990,819
Interest on credit facility	2,082,330	1,345,341
Amortization of deferred financing costs	180,552	269,076
Amortization of mortgage mark-to-market adjustments	(227,255)	(228,942)
(Gain)/loss on interest rate swap	-	(378,610)
Other finance costs	4,181	22,747
Total financing costs from operations	\$ 3,175,059	\$ 2,020,431

ASSET MANAGEMENT FEES

Starlight is an entity under common management and was appointed as the manager of the Properties. As such, Starlight meets the definition of a "related party" as defined in IAS 24 - "Related party disclosures". Starlight receives an asset management fee and a construction management fee for managing day to day activities for the Owner.

The asset management fee is calculated and payable on a monthly basis in arrears in cash and is calculated based on 0.20% of fair market value of investment properties. The construction management fee is calculated and payable on a monthly basis in arrears in cash and is calculated based on 5.0% of the costs incurred for capital improvements to the common area elements and the upgrades of the suites in the investment properties.

For the three months ended March 31, 2023 and March 31, 2022, asset management fees were incurred in the amount of \$0.3 million and \$0.2 million, respectively. For the three months ended March 31, 2023 and March 31, 2022, construction management fees were incurred in the amount of \$0.1 million and nil, respectively. The construction management fee is capitalized and included within capital expenditures for the Properties.

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – MARCH 31, 2023

INVESTMENT PROPERTY – FAIR VALUE ADJUSTMENTS

The Properties selected the fair value method to account for real estate classified as investment property. A property is determined to be an investment property when it is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business. The investment properties are measured initially at cost and subsequently at fair value. Gains and losses arising from changes in the fair value are included in the carve-out statements of net loss and comprehensive loss in the period in which they arise.

Fair values are primarily determined by using the capitalized net income approach which applies a capitalization rate to the future stabilized cash flows of the property. The capitalization rate applied is reflective of the characteristics, location and market of the property. The stabilized cash flows of the property are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The Properties utilize external valuations performed by independent real estate valuation firms to determine fair value of the investment properties.

For the three months ended March 31, 2023 and March 31, 2022, the Properties recorded fair value decreases of \$2.5 million and \$1.2 million, respectively.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2023, current liabilities of \$147.7 million (December 31, 2022 – \$146.3 million) exceeded current assets of \$2.7 million (December 31, 2022 - \$2.7 million), resulting in a net working capital deficit of \$145.0 million (December 31, 2022 - \$143.6 million). Current liabilities as of March 31, 2023 include \$135.2 million of credit facilities which mature on October 30, 2023. The Properties’ immediate liquidity needs are met through cash flow from operations, refinancing of maturing mortgages and credit facilities and availability on its credit facilities.

CAPITAL INVESTMENTS

The Properties requires capital expenditures to be incurred in order to maintain its productive capacity and to sustain its rental income generating potential over its useful life. In accordance with IFRS, capital expenditures are added to the carrying value of the investment properties only when it is probable that future economic benefits will flow to the property and the cost can be measured reliably. Capital expenditures for the three months ended March 31, 2023 and March 31, 2022 were \$2.5 million and \$1.2 million, respectively. These amounts may differ each period due to the seasonality and the cyclical nature of such costs and are estimated and managed based on a combination of third-party property condition assessment reports and management’s expertise, which provide an estimate of sustaining capital expenditures required based on the quality of construction, age of the building and anticipated future maintenance requirements. Management believes the use of these property assessment reports to estimate sustaining capital expenditure amounts is appropriate given the third party’s engineering and structural expertise as well their knowledge and experience with real estate.

CASH FLOWS

Cash flow provided by operating activities represents the primary source of liquidity to fund debt service, capital improvements, and other costs. The Properties’ cash flow from operating activities is dependent upon the occupancy of its investment properties, the rental rates on its leases, the collectability of rent from its tenants, the level of operating and other expenses and other factors. Material changes in these factors may adversely affect the Properties’ net cash flow from operating activities and liquidity. The Properties expects to be able to meet all of its obligations as they become due. Any liquidity remaining after meeting all of the Properties’ obligations is entirely distributed to the Owner within the period, and the Properties will always have a nil cash balance at the end of each reporting period as a result of this.

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – MARCH 31, 2023

The following table details the changes in cash for the three months ended March 31, 2023 and March 31, 2022:

	Three months ended March 31, 2023	Three months ended March 31, 2022
Cash provided by operating activities	\$ 2,329,369	\$ 898,985
Cash used in investing activities	(2,461,822)	(1,244,163)
Cash provided by financing activities	132,453	345,178
Net cash inflow / (outflow) during the year	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

Cash provided by operating activities

Cash provided by operating activities during the three months ended March 31, 2023 and March 31, 2022 was \$2.3 million and \$0.9 million, respectively, which consisted primarily of NOI generated from operations.

Cash used in investing activities

Cash used in investing activities for the three months ended March 31, 2023 and March 31, 2022 was \$2.5 million and \$1.2 million, respectively, which was entirely related to capital expenditures on investment properties.

Cash provided by financing activities

Cash provided by financing activities for the three months ended March 31, 2023 and March 31, 2022 was \$0.1 million and \$0.3 million, respectively. For both periods, this primarily related to proceeds from debt, partially offset by payment of debt obligations and distributions.

DEBT PROFILE

The Properties’ credit facilities and mortgages payable consisted of the following:

	As at March 31, 2023	As at December 31, 2022
Mortgages payable	\$ 151,870,566	\$ 152,480,918
Credit facilities	135,154,511	132,673,511
Unamortized mark-to-market adjustments	3,335,466	3,562,721
Unamortized deferred financing costs	(1,324,738)	(1,324,996)
Total	\$ 289,035,805	\$ 287,392,154

The following table shows a reconciliation of total credit facilities and mortgages payable to total indebtedness.

	As at March 31, 2023	As at December 31, 2022
Current credit facilities	\$ 134,963,515	\$ 132,398,411
Current mortgages payable	2,480,578	2,464,860
Non-current mortgages payable	151,591,712	152,528,883
Loans payable	\$ 289,035,805	\$ 287,392,154
Less: Unamortized mark-to-market adjustments	(3,335,466)	(3,562,721)
Less: Unamortized deferred financing costs	1,324,738	1,324,996
Total indebtedness	\$ 287,025,077	\$ 285,154,429

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – MARCH 31, 2023

The mortgages are secured by the investment properties. Repayment terms for mortgages outstanding as at March 31, 2023 are as follows:

	Scheduled principal repayments	Principal maturing during the period	Total
2023	\$ 1,854,508	\$ -	\$ 1,854,508
2024	2,528,350	42,911,661	45,440,011
2025	2,593,514	-	2,593,514
2026	2,134,680	26,476,812	28,611,492
2027	243,094	73,127,947	73,371,041
Total	\$ 9,354,146	\$ 142,516,420	\$ 151,870,566

The Properties’ credit facilities are non-revolving term and have a maturity date of October 30, 2023.

COMMITMENTS AND CONTINGENCIES

The Properties are subject to claims and legal actions that arise in the ordinary course of business. It is the opinion of management that any ultimate liability that may arise from such matters would not have a significant adverse effect on the financial statements of the Properties.

SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

The condensed interim carve-out financial statements follow the same accounting policies as described in the annual carve-out financial statements for the year ended December 31, 2022.

FUTURE OUTLOOK

The objective of the Properties is to generate stable cash flows, while maximizing the Properties’ value through an active asset management strategy, which includes plans to stabilize operations and to establish property-specific business plans to improve NOI. There will be a focus on increasing rental rates through value-add initiatives to common areas, clubhouse and in-suite upgrades and the use of yield management software, increasing ancillary revenue, reducing operating expenses through active asset management, utilizing reputable best-in-class property managers and economies of scale.

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

12-PACK PROPERTIES MANAGEMENT’S DISCUSSION AND ANALYSIS

The following management’s discussion and analysis (the “MD&A”) of the carve-out financial results of 12-Pack Properties (the “Properties”) dated April 3, 2023 for the years ended December 31, 2022 and December 31, 2021, should be read in conjunction with the 12-Pack Properties carve-out financial statements and accompanying notes for these periods. The Properties and its related assets and liabilities are currently owned by Galaxy Value Add Fund LP (“GVA” or “the Owner”). GVA is managed by Starlight Group Property Holdings Inc. (“Starlight”) and certain of its affiliates.

BASIS OF PRESENTATION

The Properties’ carve-out financial statements as at January 1, 2021, December 31, 2021 and December 31, 2022 and for the years ended December 31, 2021 and December 31, 2022 are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and using the accounting policies described therein. These are the Properties’ first carve-out financial statements prepared in accordance with IFRS and the Properties adopted IFRS in accordance with IFRS 1, First-Time Adoption of International Financial Reporting Standards. An explanation or reconciliation of how the transition to IFRS has affected the Properties’ carve-out financial position, performance and cash flows has not been presented as the Properties have not presented carve-out financial statements in previous years. The date of transition to IFRS was January 1, 2021. The Properties’ presentation currency is Canadian dollars. Unless otherwise stated, dollar amounts expressed in this MD&A are in Canadian dollars, except Average Monthly Rent (“AMR”) information.

For purposes of this MD&A the line items in the 12-Pack Properties carve-out financial statements and accompanying notes for these periods labelled “Investment Properties” is referred to as “Gross Book Value”, “Total Property Operating Income” is referred to as “NOI”.

NON-IFRS MEASURES

Certain terms used in this MD&A such as adjusted funds from operations (“AFFO”) funds from operations (“FFO”), indebtedness (“Indebtedness”) and indebtedness to gross book value (“Indebtedness to Gross Book Value”) are not measures defined under IFRS as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be construed as alternatives to net income and comprehensive income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. The Properties uses these measures to better assess its underlying performance and provides these additional measures so that investors may do the same.

PROPERTY PROFILE

The Properties consists of 12 properties that are located throughout the provinces of Nova Scotia, Alberta and Quebec within Canada. The suite breakdown is as follows:

Suite Type	Sq. Ft. Average	Number of Suites
Bachelor	558	184
1 Bedroom	847	505
1 Bedroom + Den	768	76
2 Bedrooms	962	808
2 Bedrooms + Den	1,055	8
3 Bedrooms	876	507
Average/Total	844	2,088

The 2,088 total suites that comprise the Properties are constructed on a total rentable area of 1.8 million square feet. The Properties contains 1,957 total parking spaces, consisting of 553 indoor and 1,404 outdoor spaces.

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	As at December 31, 2022	As at December 31, 2021
Operational Information		
Total suites	2,088	2,088
Economic occupancy	92%	88%
AMR	\$ 1,147	\$ 928
Summary of Financial Information		
Gross Book Value	\$ 457,240,000	\$ 381,350,000
Indebtedness	\$ 285,154,429	\$ 272,808,530
Indebtedness to Gross Book Value	62%	72%

Economic occupancy is calculated by taking effective net rent after considering vacancy and dividing by gross potential rent.

AMR is defined as the total in place rents divided by the total number of multi-family suites occupied as at the reporting date.

Indebtedness is defined as the principal amount of loans payable outstanding at a specific reporting date. Indebtedness is calculated as loans payable less (i) unamortized mark-to-market adjustments and (ii) unamortized deferred financing costs. Indebtedness is presented in this MD&A as management considers this non-IFRS measure to be an important measure of financial condition. The most comparable IFRS measure for indebtedness is loans payable.

FINANCIAL PERFORMANCE

The Properties’ financial performance for the years ended December 31, 2022 and December 31, 2021 is summarized below:

	As at December 31, 2022	As at December 31, 2021
Revenue	\$ 25,685,894	\$ 23,129,095
Property operating expenses	(11,873,423)	(10,224,285)
NOI	\$ 13,812,471	\$ 12,904,810
NOI margin	54%	56%
Net income and comprehensive income	\$ 65,077,333	\$ 21,174,072

RESULTS OF OPERATIONS

REVENUE

Revenue includes the monthly rent charges for the lease of apartment suites and other ancillary income. Other ancillary income may include, but is not limited to, laundry fees and parking fees. Rental revenue is the only material component of total revenue, which accounts for approximately 97% thereof for the years ended December 31, 2022 and December 31, 2021.

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

Rental revenue and total revenue from property operations for the year ended December 31, 2022 were \$24.8 million and \$25.7 million, respectively. Rental revenue and total revenue from property operations for the year ended December 31, 2021 were \$22.4 million and \$23.1 million, respectively. Rental demand remained strong during both the periods.

PROPERTY OPERATING EXPENSES

For the year ended December 31, 2022, the main components of property operating expenses as a percentage of total property operating expenses include, but are not limited to, utility costs of approximately 27% (2021: 24%), realty taxes of approximately 18% (2021: 20%), wages of approximately 18% (2021: 16%), and repairs and maintenance of approximately 16% (2021: 18%).

NOI

For the years ended December 31, 2022 and December 31, 2021, NOI increased to \$13.8 million from \$12.9 million, primarily attributable to the strengthening of AMR, partly offset by increasing property operating expenses.

NOI margin is defined as NOI divided by revenue from property operations. For the years ended December 31, 2022 and December 31, 2021, the NOI margin decreased to 54% from 56%, primarily attributable to increasing property expenses offsetting the impact strengthening AMR had on this margin.

FUNDS FROM OPERATIONS ("FFO") / ADJUSTED FUNDS FROM OPERATIONS ("AFFO")

The following table shows a reconciliation of FFO and AFFO to net income and comprehensive income.

	Year ended December 31, 2022	Year ended December 31, 2021
Net income and comprehensive income	\$ 65,077,333	\$ 21,174,072
Add (deduct)		
Fair value adjustment on investment property	(62,235,920)	(17,751,470)
FFO	\$ 2,841,413	\$ 3,422,602
Amortization adjustments	260,497	(29,785)
AFFO	\$ 3,101,910	\$ 3,392,817

FFO is defined as net income and comprehensive income in accordance with IFRS, excluding fair value adjustments of the investment properties. FFO is a measure of operating performance based on the funds generated from the business before reinvestment or provision for other capital needs. FFO is presented in this MD&A as management considers this non-IFRS measure to be an important measure of operating performance. The most comparable IFRS measures to FFO are cash flow from operating activities and net income and comprehensive income.

AFFO is defined as FFO subject to certain additional adjustments, including, but not limited to, amortization of fair value mark-to-market adjustments on loans assumed and amortization of deferred financing costs, as determined by management. Other adjustments may be made to AFFO as determined by management. AFFO is presented in this MD&A as management considers this non-IFRS measure to be an important performance measure to determine the sustainability of future distributions paid to the Owner after a provision for maintenance capital expenditures. AFFO should not be interpreted as an indicator of cash generated from operating activities, as it does not consider changes in working capital. The most comparable IFRS measures for AFFO are cash flow from operating activities and net income and comprehensive income.

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

OTHER INCOME AND EXPENSES

FINANCE COSTS FROM OPERATIONS

The Properties’ finance costs from operations for the years ended December 31, 2022 and December 31, 2021 are summarized below.

	Year ended December 31, 2022	Year ended December 31, 2021
Interest on mortgages	\$ 4,280,439	\$ 2,877,418
Interest on credit facility	4,860,490	5,805,444
Amortization of deferred financing costs	1,173,784	982,526
Amortization of mortgage mark-to-market adjustments	(913,287)	(1,012,311)
(Gain)/loss on interest rate swap	404,422	(404,422)
Other finance costs	53,582	205,765
Total financing costs from operations	\$ 9,859,430	\$ 8,454,420

ASSET MANAGEMENT FEES

Starlight is an entity under common management and was appointed as the manager of the Properties. As such, Starlight meets the definition of a "related party" as defined in IAS 24 - "Related party disclosures". Starlight receives an asset management fee and a construction management fee for managing day to day activities for the Owner.

The asset management fee is calculated and payable on a monthly basis in arrears in cash and is calculated based on 0.20% of fair market value of investment properties. The construction management fee is calculated and payable on a monthly basis in arrears in cash and is calculated based on 5.0% of the costs incurred for capital improvements to the common area elements and the upgrades of the suites in the income producing properties.

For the years ended December 31, 2022 and December 31, 2021, asset management fees were incurred in the amount of \$0.9 million and \$0.8 million, respectively. For the years ended December 31, 2022 and December 31, 2021, construction management fees were incurred in the amount of \$0.3 million and \$0.3 million, respectively. The construction management fee is capitalized and included within capital expenditures for the Properties.

INVESTMENT PROPERTY – FAIR VALUE ADJUSTMENTS

The Properties selected the fair value method to account for real estate classified as investment property. A property is determined to be an investment property when it is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business. The investment properties are measured initially at cost and subsequently at fair value. Gains and losses arising from changes in the fair value are included in the carve-out statements of net income and comprehensive income in the period in which they arise.

Fair values are primarily determined by using the capitalized net income approach which applies a capitalization rate to the future stabilized cash flows of the property. The capitalization rate applied is reflective of the characteristics, location and market of the property. The stabilized cash flows of the property are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The Properties utilize external valuations performed by independent real estate valuation firms to determine fair value of the investment properties.

For the years ended December 31, 2022 and December 31, 2021, the Properties recorded fair value increases of \$62.2 million and \$17.8 million, respectively.

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2022, current liabilities of \$146.3 million (December 31, 2021 – \$178.5 million) exceeded current assets of \$2.7 million (December 31, 2021 - \$2.3 million), resulting in a net working capital deficit of \$143.6 million (December 31, 2021 - \$176.2 million). Current liabilities as of December 31, 2022 include \$132.7 million of credit facilities which mature on October 30, 2023. The Properties’ immediate liquidity needs are met through cash flow from operations, refinancing of maturing mortgages and credit facilities and availability on its credit facilities.

CAPITAL INVESTMENTS

The Properties requires capital expenditures to be incurred in order to maintain its productive capacity and to sustain its rental income generating potential over its useful life. In accordance with IFRS, capital expenditures are added to the carrying value of the investment properties only when it is probable that future economic benefits will flow to the property and the cost can be measured reliably. Capital expenditures for the years ended December 31, 2022 and December 31, 2021 were \$13.7 million and \$11.1 million, respectively. These amounts may differ each period due to the seasonality and the cyclical nature of such costs and are estimated and managed based on a combination of third-party property condition assessment reports and management’s expertise, which provide an estimate of sustaining capital expenditures required based on the quality of construction, age of the building and anticipated future maintenance requirements. Management believes the use of these property assessment reports to estimate sustaining capital expenditure amounts is appropriate given the third party’s engineering and structural expertise as well their knowledge and experience with real estate.

CASH FLOWS

Cash flow provided by operating activities represents the primary source of liquidity to fund debt service, capital improvements, and other costs. The Properties’ cash flow from operating activities is dependent upon the occupancy level of its investment property, the rental rates on its leases, the collectability of rent from its tenants, the level of operating and other expenses and other factors. Material changes in these factors may adversely affect the Properties’ net cash flow from operating activities and liquidity. The Properties expects to be able to meet all of its obligations as they become due. Any liquidity remaining after meeting all of the Properties’ obligations is entirely distributed to the Owner within the period, the Properties will always have a nil cash balance at the end of each reporting period as a result of this.

The following table details the changes in cash for the years ended December 31, 2022 and December 31, 2021:

	Year ended December 31, 2022	Year ended December 31, 2021
Cash provided by operating activities	\$ 14,460,716	\$ 15,538,671
Cash used in investing activities	(13,654,080)	(11,052,990)
Cash used in financing activities	(806,636)	(4,485,681)
Net cash inflow / (outflow) during the year	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

Cash provided by operating activities

Cash provided by operating activities during the years ended December 31, 2022 and December 31, 2021 was \$14.5 million and 15.5 million, respectively, which consisted primarily of NOI generated from operations.

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

Cash used in investing activities

Cash used in investing activities for the years ended December 31, 2022 and December 31, 2021 was \$13.7 million and \$11.1 million, respectively, which was entirely related to capital expenditures on investment properties.

Cash used in financing activities

Cash used in financing activities for the years ended December 31, 2022 and December 31, 2021 was \$0.8 million and \$4.5 million, respectively. For both periods, this primarily related to payment of debt obligations and distributions to the Owner, partly offset by proceeds from debt refinancings.

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

DEBT PROFILE

The Properties’ credit facilities and mortgages payable are entered by the Owner and consists of the following:

	As at December 31, 2022	As at December 31, 2021
Mortgages payable	\$ 152,480,918	\$ 123,101,907
Credit facilities	132,673,511	149,706,623
Unamortized mark-to-market adjustments	3,562,721	4,476,007
Unamortized deferred financing costs	(1,324,996)	(1,029,915)
Total	\$ 287,392,154	\$ 276,254,622

The following table shows a reconciliation of total credit facilities and mortgages payable to total indebtedness.

	As at December 31, 2022	As at December 31, 2021
Current credit facilities	\$ 132,398,411	\$ 148,889,357
Non-current credit facilities	-	-
Current mortgages payable	2,464,860	20,785,770
Non-current mortgages payable	152,528,883	106,579,495
Loans payable	\$ 287,392,154	\$ 276,254,622
Less: Unamortized mark-to-market adjustments	(3,562,721)	(4,476,007)
Less: Unamortized deferred financing costs	1,324,996	1,029,915
Total indebtedness	\$ 285,154,429	\$ 272,808,530

The mortgages are secured by the income producing properties. Repayment terms for mortgages outstanding as at December 31, 2022 are as follows:

	Scheduled principal repayments	Principal maturing during the period	Total
2023	\$ 2,464,860	\$ -	\$ 2,464,860
2024	2,528,350	42,911,661	45,440,011
2025	2,593,514	-	2,593,514
2026	2,134,680	26,476,812	28,611,492
2027	243,094	73,127,947	73,371,041
Thereafter	-	-	-
Total	\$ 9,964,498	\$ 142,516,420	\$ 152,480,918

The Properties’ credit facilities are non-revolving term and have a maturity date of October 30, 2023.

COMMITMENTS AND CONTINGENCIES

The Properties are subject to claims and legal actions that arise in the ordinary course of business. It is the opinion of management that any ultimate liability that may arise from such matters would not have a significant adverse effect on the financial statements of the Properties.

SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

A summary of the significant accounting policies is provided in Note 2 of the carve-out financial statements of the Properties as at January 1, 2021, December 31, 2021 and December 31, 2022 and for the years ended December 31, 2021 and December 31, 2022.

12-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

CRITICAL JUDGMENTS AND ESTIMATES

The preparation of carve-out financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with prior periods 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 the carve-out financial statements. 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 significant estimates and judgments used in determining the recorded amount for assets and liabilities in the carve-out financial statements include the following:

INVESTMENT PROPERTIES

The significant assumptions used when determining the fair value of the investment properties are capitalization rates and future stabilized cash flows. The capitalization rate applied is reflective of the characteristics, location and market of the investment property.

The stabilized future cash flows of the investment properties are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The Properties determine fair values externally utilizing financial information and external market data and capitalization rates provided by independent industry experts.

FUTURE ACCOUNTING POLICY CHANGES

There were no new standards, interpretations or improvements to existing standards that were issued by the IASB or by the International Financial Reporting Interpretations Committee (“IFRIC”) that either have not yet been adopted by the Properties or that would have a material impact on the Properties’ financial condition or financial performance.

FUTURE OUTLOOK

The objective of the Properties is to generate stable cash flows, while maximizing the Properties’ value through an active asset management strategy, which includes plans to stabilize operations and to establish property-specific business plans to improve NOI. There will be a focus on increasing rental rates through value-add initiatives to common areas, clubhouse and in-suite upgrades and the use of yield management software, increasing ancillary revenue, reducing operating expenses through active asset management, utilizing reputable best-in-class property managers and economies of scale.

SUBSEQUENT EVENTS

Subsequent to December 31, 2022, the Owner entered into an agreement to sell the Properties to Northview Fund for a purchase price of \$452.8 million.

APPENDIX “C” – FINANCIAL STATEMENTS – STARLIGHT PORTFOLIO

Condensed Interim Carve-out financial
statements
4-Pack Properties
(Unaudited)

March 31, 2023

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4-Pack Properties
Condensed interim carve-out statements of financial position

As at March 31, 2023 and December 31, 2022 (unaudited)

	Notes	March 31, 2023 \$	December 31, 2022 \$
ASSETS			
Current Assets			
Restricted cash		42,629	50,218
Accounts receivable, net	3	397,317	408,466
Prepaid expenses and other assets		227,085	77,694
Total Current Assets		667,031	536,378
Non-Current Assets			
Investment properties	2	113,603,944	113,600,000
TOTAL ASSETS		114,270,975	114,136,378
LIABILITIES			
Current Liabilities			
Trade and other payables	4	1,836,734	1,939,343
Mortgages payable	5	34,548,454	34,764,856
Total Current Liabilities		36,385,188	36,704,199
Non-Current Liabilities			
Mortgages payable	5	34,667,075	34,667,075
Total Non-Current Liabilities		34,667,075	34,667,075
TOTAL LIABILITIES		71,052,263	71,371,274
PARTNERS' SURPLUS		43,218,712	42,765,104
TOTAL LIABILITIES AND PARTNERS' SURPLUS		114,270,975	114,136,378

Commitments and contingencies (note 7)

See accompanying notes to the condensed interim carve-out financial statements.

4-Pack Properties

Condensed interim carve-out statements of net loss and comprehensive loss

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

	Notes	Three months ended March 31, 2023 \$	Three months ended March 31, 2022 \$
Revenue			
Rental	8	1,448,472	1,272,028
Other revenue	8	71,838	27,916
		1,520,310	1,299,944
Expenses			
Utilities		276,801	276,074
Realty tax		170,153	178,622
Wages		61,534	75,543
Repairs and maintenance		668,660	445,459
Property management		44,302	59,291
Insurance		48,664	42,034
General and administrative		57,803	42,254
Bad debt	12 (a)	137,075	71,830
Total property operating expenses		1,464,992	1,191,107
Total property operating income		55,318	108,837
Other expenses			
Asset management fees	10	85,873	79,392
Financing costs from operations	9	641,111	623,439
		726,984	702,831
Net loss and comprehensive loss		(671,666)	(593,994)

See accompanying notes to the condensed interim carve-out financial statements.

4-Pack Properties

Condensed interim carve-out statements of changes in partners' surplus

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

	Three months ended March 31, 2023	Three months ended March 31, 2022
	\$	\$
Partners' surplus beginning of period	42,765,104	23,852,311
Contributions	1,125,274	7,835,192
Distributions	—	(6,362,083)
Net loss and comprehensive loss	(671,666)	(593,994)
Partners' surplus end of period	43,218,712	24,731,426

See accompanying notes to the condensed interim carve-out financial statements.

4-Pack Properties**Condensed interim carve-out statements of cash flows**

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

		Three months ended March 31, 2023	Three months ended March 31, 2022
	Notes	\$	\$
OPERATING ACTIVITIES			
Net loss		(671,666)	(593,994)
Items not affecting cash			
Financing costs from operations	9	641,111	623,439
		(30,555)	29,445
Changes in non-cash working capital items			
Accounts receivable, net		11,149	79,566
Prepaid expenses and other assets		(149,391)	(130,365)
Trade and other payables		(138,969)	82,070
Restricted cash		7,589	(63,090)
		(300,177)	(2,374)
INVESTING ACTIVITIES			
Capital expenditures and other	2	(3,944)	(650,822)
FINANCING ACTIVITIES			
Mortgage principal repayments	5	(258,362)	(243,332)
Interest paid	9	(562,791)	(576,581)
Distributions		—	(6,362,083)
Contributions		1,125,274	7,835,192
		304,121	653,196
Net cash inflow / (outflow) during the period		—	-
Cash, beginning of period		—	-
CASH, END OF PERIOD		—	-

See accompanying notes to the condensed carve-out financial statements.

4-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

1. Nature of operations and basis of presentation

The 4-Pack Properties (the "Properties"), as presented in these condensed interim carve-out financial statements, is not a legal entity. As at March 31, 2023, the Properties and their related assets and liabilities were owned by D.D. Acquisitions Partnership ("DDA") and Mustang DDAP Partnership ("Mustang DDAP"), collectively the "Partnerships" or the "Partners". The Partnerships are managed by Starlight Group Property Holdings Inc. ("Starlight") and certain of its affiliates.

For the periods presented prior to February 1, 2022, the Properties operated under common control and/or common management (collectively, the "Legacy Portfolio"). On February 1, 2022, one of the four Properties was acquired by the Partners is now under common control and continues to be operated under common management by its new parent. The results of the acquired property are reflected in all the periods presented in the carve-out financial statements as a result of it operating under common management during that time period. The Legacy Portfolio as presented in these carve-out financial statements is not a legal entity.

The registered office of the Partners is 3280 Bloor Street West, Suite 1400, Toronto, Ontario M8X 2X3.

The Properties are managed by third party property managers under the direction of the management of Starlight. Starlight also manages the assets of entities with which the Properties transact business in the normal course of operations. Title to the Properties is held by individual nominee corporations in trust for the Partners.

These condensed interim carve-out financial statements have been prepared for the specific purpose of reporting on the financial position, financial performance, changes in partner's surplus and cash flows of the four properties which make up the Properties for inclusion in the Northview Fund's information circular, which outlines the Northview Fund's acquisition of the Properties, and the Northview Fund's business acquisition report.

These condensed interim carve-out financial statements have been prepared on a carve-out basis from the financial statements of the Partnerships and present the financial position, financial performance, changes in Partners' surplus and cash flows of the Properties for the periods presented as if the Properties had been accounted for on a stand-alone basis as a separate legal entity and will remain as a single economic entity for the foreseeable future.

These condensed interim carve-out financial statements are not necessarily indicative of the results that would have been attained if the Properties had operated as a separate legal entity during the quarters presented and, therefore, are not necessarily indicative of future operating results.

These condensed interim carve-out financial statements were authorized for issuance on May 23, 2023.

Basis of operations and statement of compliance:

The condensed interim carve-out financial statements are prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These condensed carve-out interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Properties' annual carve-out financial statements for the year ended December 31, 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These condensed interim carve-out financial statements follow the same accounting policies and critical accounting estimates and judgments as described in the annual carve-out financial statements for the year ended December 31, 2022.

4-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

1. Nature of operations and basis of presentation (continued)

These condensed interim carve-out financial statements have been prepared on a historical cost basis except for investment properties which have been measured at fair value.

2. Investment properties

The following table summarizes the changes in investment properties for the three months ended March 31, 2023 and March 31, 2022.

	Three months ended March 31, 2023	Three months ended March 31, 2022
	\$	\$
Balance, beginning of period	113,600,000	95,895,950
Capital expenditures	3,944	650,822
Balance, end of period	113,603,944	96,546,772

The fair value methodology for the investment properties is considered level 3, as significant unobservable inputs and assumptions are required beyond observable market data to determine fair value. The fair value of investment properties is based on internal valuations as internal appraisals at March 31, 2023 and March 31, 2022.

The fair value of investment properties is determined using the capitalized net income approach. The following table summarizes the significant unobservable inputs in determining the fair value of residential properties:

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Capitalization rates	There is an inverse relationship between the capitalization rates and the fair value; in other words, the higher the capitalization rates, the lower the estimated fair value.
Future stabilized cash flows	There is a direct relationship between the future stabilized cash flows and the fair value; in other words, the higher the future stabilized cash flows, the higher the estimated fair value.

4-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

2. Investment properties (continued)

The key valuation assumptions for the Properties are set out in the following table:

	March 31, 2023 %	December 31, 2022 %
Capitalization Rate - Range	4.00-4.25%	4.00 - 4.25%
Capitalization Rate - Weighted Average	4.05	4.05
Fair Value	\$ 113,603,944	\$ 113,600,000
Stabilized Cash Flows	\$ 4,603,911	\$ 4,603,911

The fair value of investment properties is sensitive to changes in the significant valuation assumptions. Changes in the capitalization rates would result in a change to the estimated fair value of investment properties as set out in the following table:

	March 31, 2023 %	March 31, 2023 %	December 31, 2022 %	December 31, 2022 %
Rate Sensitivity	+0.1	-0.1	+0.1	-0.1
Weighted Average Capitalization Rate	4.15	3.95	4.15	3.95
Fair Value	\$ 111,010,000	\$ 116,640,000	\$ 111,010,000	\$ 116,640,000
Change in Fair Value	\$ (2,590,000)	\$ 3,040,000	\$ (2,590,000)	\$ 3,040,000

The impact of a one percent change in the stabilized cash flows used to value the investment properties as at March 31, 2023 and December 31, 2022 would increase/(decrease) the fair value as set out in the following table:

	March 31, 2023 %	March 31, 2023 %	December 31, 2022 %	December 31, 2022 %
Stabilized Cash Flows Sensitivity	+1	-1	+1	-1
Stabilized Cash Flows	4,649,950	4,557,872	4,649,950	4,557,872
Fair Value	\$ 114,890,000	\$ 112,610,000	\$ 114,890,000	\$ 112,610,000
Change in Fair Value	\$ 1,290,000	\$ (990,000)	\$ 1,290,000	\$ (990,000)

4-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

3. Accounts receivable, net

The following table presents details of the accounts receivable, net balance:

	March 31, 2023	December 31, 2022
	\$	\$
Accounts receivable	825,128	702,325
Allowance for doubtful accounts	(427,811)	(293,859)
Accounts receivable, net	397,317	408,466

The Properties hold no collateral in respect of tenant and other receivables.

4. Trade and other payables

	March 31, 2023	December 31, 2022
	\$	\$
Trade payables	855,330	1,174,821
Tenant prepayments	538,568	553,426
Accrued utilities, payroll and other	442,836	211,096
Trade and other payables	1,836,734	1,939,343

Included in trade payables is accrued interest on mortgages payable in the amount of \$188,213 as at March 31, 2023 (as at December 31, 2022 - \$151,854).

5. Mortgages payable

As at March 31, 2023 and December 31, 2022 the Properties mortgage obligations were as follows:

	March 31, 2023	December 31, 2022
	\$	\$
Fixed rate mortgages payable	69,445,209	69,689,170
Unamortized deferred financing costs	(229,680)	(257,239)
	69,215,529	69,431,931

	March 31, 2023	December 31, 2022
	\$	\$
Current mortgages payable	34,548,454	34,764,856
Non-current mortgages payable	34,667,075	34,667,075
Mortgages payable, net	69,215,529	69,431,931

The Properties had fixed-rate mortgages payable, net of deferred financing costs, of \$69,215,529 as at March 31, 2023 (\$69,431,931 as at December 31, 2022) with interest rates ranging between 1.41% and 6.00% (December 31, 2022: 1.41% and 6.00%).

The mortgages are secured by an assignment of rents, general security agreements, portfolio investments and first and second charges on specific investment properties.

4-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

5. Mortgages payable (continued)

The Properties capitalized all costs specifically related to the financing and re-financing of its mortgages. Total unamortized deferred financing costs amounted to \$229,680 as at March 31, 2023 (\$257,239 as at December 31, 2022).

Repayment terms for the mortgages outstanding as at March 31, 2023 were as follows:

	Schedule Principal Repayments	Principal Maturing During the Period	Total
	\$	\$	\$
2023	741,065	33,950,000	34,691,065
2024	688,115	12,201,350	12,889,465
2025	570,752	6,110,326	6,681,078
2026	584,764	-	584,764
2027	607,655	-	607,655
Thereafter	2,042,061	11,949,121	13,991,182
	5,234,412	64,210,797	69,445,209

The fair value of fixed rate mortgages is calculated based on current market rates plus risk-adjusted spreads on discounted cash flows. As at March 31, 2023, the current market rates plus risk-adjusted spreads ranged from 5.04% to 7.41% (December 31, 2022 - 5.04% to 7.41%) and the fair value of fixed rate mortgages was \$66.6 million (December 31, 2022 - \$65 million) and is considered level 2 within the fair value hierarchy.

6. Segmented disclosure

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The oversight committee of the Partnerships is the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment. As the chief operating decision maker assesses performance at the property level, each property is determined to be an operating segment, which have been aggregated into one reportable segment on the basis of their similar economic characteristics: multi-residential properties within the Canadian real estate industry.

7. Commitments and contingencies

The Properties are subject to claims and legal actions that arise in the ordinary course of business. It is the opinion of Management that any ultimate liability that may arise from such matters would not have a significant adverse effect on the condensed interim carved-out financial statements of the Properties. The Properties had no existing commitments or contingencies as at March 31, 2023.

4-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

8. Revenue

The components of revenue from investment properties are as follows:

	Three months ended March 31, 2023 \$	Three months ended March 31, 2022 \$
Rental revenue	1,448,472	1,272,028
Parking	34,231	7,530
Laundry	27,120	20,386
Other revenue	10,487	—
Total revenue	<u>1,520,310</u>	<u>1,299,944</u>

Future rent revenue for the years ended December 31 is as follows:

	Total \$
2023	3,248,467
2024	243,213
Thereafter	—
	<u>3,491,680</u>

9. Financing costs

	Three months ended March 31, 2023 \$	Three Months ended March 31, 2022 \$
Mortgage interest	601,965	578,640
Amortization of deferred financing costs	41,960	39,973
Other financing costs, net	(2,814)	4,826
	<u>641,111</u>	<u>623,439</u>

10. Related party transactions

Starlight is an entity under common management and was appointed as the manager of the Properties. As such, Starlight meets the definition of a "related party" as defined in IAS 24 - "Related party disclosures". Starlight receives an asset management fee and a construction management fee for managing day to day activities for the Partners.

The asset management fee is calculated and payable on a monthly basis in arrears in cash and is calculated based on 0.20% of the fair market value of investment properties for the preceding year.

For the three months ended March 31, 2023 and March 31, 2022, asset management fees were incurred in the amount of \$0.1 million and \$0.1 million, respectively.

For the three months ended March 31, 2023 and March 31, 2022, there were no construction management fees for both periods.

4-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

11. Capital risk management

The Properties' capital consists of mortgages payable and Partners' surplus. The Properties invest capital to achieve business objectives and to generate an acceptable long-term return to the Partners. Primary uses of capital include additions to the investment properties and leasing activities, to the extent not available from cash flows from the Properties' operations. Capital is monitored by management using tools designed to anticipate cash needs, to maintain adequate working capital and to continue to meet covenant obligations.

The components of the Properties' capital are set out in the table below:

	March 31, 2023	December 31, 2022
	\$	\$
Mortgages payable	69,215,529	69,431,931
Partners' surplus	43,218,712	42,765,104
	112,434,241	112,197,035

12. Risk management

In the normal course of business, the Properties' activities expose it to credit risk, market risk, liquidity risk and interest rate risk. These risks and the actions taken to manage them are as follows:

(a) *Credit risk:*

Credit risk is the risk that: (i) counterparties to contractual financial obligations will default; and (ii) the possibility that the residents may experience financial difficulty and be unable to meet their rental obligations. The Properties mitigate the risk of credit loss with respect to residents by evaluating the creditworthiness of new residents, obtaining security deposits wherever permitted by legislation and utilizing third party collection agencies for longstanding balances due from tenants.

The Properties monitor collection experience on a monthly basis and ensure that a stringent policy is adopted to provide for all past due amounts. Subsequent recoveries of amounts previously written-off are credited in the condensed interim carve-out statements of net loss and comprehensive loss.

As at March 31, 2023 and December 31, 2022 the Properties had an allowance for uncollectible amounts of \$0.4 million and \$0.3 million, respectively.

Bad debts expensed within property operating costs for the periods ended March 31, 2023 and March 31, 2022 were \$0.1 million and \$0.1 million, respectively.

(b) *Market risk:*

Market risk is the risk that the fair value or future cash flows of financial assets or liabilities will fluctuate due to movements in market prices, such as interest rates. The investment properties are subject to the risks associated with debt financing, including the risk that mortgages will not be refinanced on terms as favourable as those of the existing indebtedness.

As at March 31, 2023, investment properties have been reported at fair value which reflects the Properties' best estimate of future cash flows and capitalization rates applicable to the investment properties. The capitalization rates used in the valuation of the Properties include consideration of comparable sales transactions for similar properties as well as overall changes in the investment market for multi-family properties as at March 31, 2023.

4-Pack Properties

Notes to the condensed interim carve-out financial statements

For the three months ended March 31, 2023 and March 31, 2022 (unaudited)

12. Risk management (continued)

(c) Liquidity risk:

Liquidity risk is the risk that the Properties may encounter difficulties in meeting their financial obligations as they come due. To mitigate the risk associated with liquidity, management's strategy is to ensure, to the extent possible, that it always has sufficient financial assets to meet its financial liabilities when they come due, by forecasting cash flows from operations and anticipated investing and financing activities.

As at March 31, 2023, current liabilities due to non-related parties of \$36.4 million (December 31, 2022 - \$36.7 million) exceeded current assets of \$0.7 million (December 31, 2022 - \$0.5 million), resulting in a net working capital deficit of \$35.7 million (December 31, 2022 - \$36.2 million). The Properties' immediate liquidity needs are met through cash flow from operations and the refinancing of maturing mortgages.

An analysis of the contractual cash flows associated with the Properties' financial liabilities as at March 31, 2023 set out below:

	2023	2024	2025	2026	Thereafter	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	1,836,734	-	-	-	-	1,836,734
Mortgages Payable	34,691,065	12,889,465	6,681,078	584,764	14,598,837	69,445,209
Total	36,527,799	12,889,465	6,681,078	584,764	14,598,837	71,281,943

(d) Interest rate risk:

The Properties have fixed rate mortgages and are exposed to interest rate risk. This risk of unfavorable interest rate changes is managed by the staggering of the terms to maturity of the mortgages and the potential use of interest rate swaps.

Carve-out financial statements 4-Pack Properties

As at December 31, 2022, December 31, 2021 and January 1, 2021 and for
the years ended December 31, 2022 and December 31, 2021

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Independent Auditor's Report

To the Board of Directors of
Starlight Group of Companies

Opinion

We have audited the carve-out financial statements of 4-Pack Properties (the "Properties"), which comprise the carve-out statements of financial position as at December 31, 2022 and 2021 and January 1, 2021, and the carve-out statements of net income (loss) and comprehensive income (loss), changes in partners' surplus and cash flows for the years ended December 31, 2022 and 2021, and notes to the carve-out financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Properties as at December 31, 2022 and 2021 and January 1, 2021, and its financial performance and its cash flows for the years ended December 31, 2022 and 2021, in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Emphasis of Matter – Basis of Preparation

We draw attention to Note 1 to the financial statements which describes the basis of preparation used in these financial statements and the purpose of the financial statements. Our opinion is not modified in respect of this matter.

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, 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 Properties' 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 Properties or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Properties' 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 GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Properties' 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 Properties' 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 Properties to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Deloitte LLP

Chartered Professional Accountants

Licensed Public Accountants

May 24, 2023

4-Pack Properties

Carve-out statements of financial position

As at December 31, 2022, December 31, 2021 and January 1, 2021

	Notes	December 31, 2022 \$	December 31, 2021 \$	January 1, 2021 \$
ASSETS				
Current Assets				
		50,218	67,336	31,742
	5	408,466	343,781	105,847
		77,694	41,767	2,488
Total Current Assets		536,378	452,884	140,077
Non-Current Assets				
	2 (b), 4	113,600,000	95,895,950	32,600,000
TOTAL ASSETS		114,136,378	96,348,834	32,740,077
LIABILITIES				
Current Liabilities				
	6	1,939,343	2,260,500	353,088
	7	-	20,835	-
	7	34,764,856	798,592	518,105
Total Current Liabilities		36,704,199	3,079,927	871,193
Non-Current Liabilities				
	7	34,667,075	69,437,431	18,846,260
Total Non-Current Liabilities		34,667,075	69,437,431	18,846,260
TOTAL LIABILITIES		71,371,274	72,517,358	19,717,453
PARTNERS' SURPLUS		42,765,104	23,831,476	13,022,624
TOTAL LIABILITIES AND PARTNERS' SURPLUS		114,136,378	96,348,834	32,740,077

Commitments and contingencies (note 9)

See accompanying notes to the carve-out financial statements.

4-Pack Properties

Carve-out statements of net income (loss) and comprehensive income (loss)

For the years ended December 31, 2022 and December 31, 2021

		Year ended December 31, 2022	Year ended December 31, 2021
	Notes	\$	\$
Revenue			
Rental revenue	10	5,440,519	3,156,229
Other revenue	10	235,332	221,465
Total Revenue		5,675,851	3,377,694
Property Operating Expenses			
Utilities		717,742	471,841
Realty tax		683,115	429,967
Wages		267,003	227,235
Repairs and maintenance		1,906,526	1,222,952
Property management		216,715	115,088
Insurance		172,096	79,689
General and administrative		162,314	117,848
Leasing costs		1,925	736
Bad debt	14 (a)	190,828	97,212
Total property operating expenses		4,318,264	2,762,568
Total property operating income		1,357,587	615,126
Other (income) expenses			
Asset management fees	12	341,780	833,049
Financing costs from operations	11	2,493,776	1,477,805
Fair value gain on investment properties	4	(13,051,365)	(22,095)
		(10,215,809)	2,288,759
Net income (loss) and comprehensive income (loss) for the year		11,573,396	(1,673,633)

See accompanying notes to the carve-out financial statements.

4-Pack Properties

Carve-out statements of changes in partners' surplus

For the years ended December 31, 2022 and December 31, 2021

	Year ended December 31, 2022	Year ended December 31, 2021
	\$	\$
Partners' surplus		
beginning of year	23,831,476	13,022,624
Contributions	11,180,195	12,530,182
Distributions	(3,819,963)	(47,697)
Net income (loss) and comprehensive income (loss)	11,573,396	(1,673,633)
Partners' surplus end of year	42,765,104	23,831,476

See accompanying notes to the carve-out financial statements.

4-Pack Properties**Carve-out statements of cash flows**

For the years ended December 31, 2022 and December 31, 2021

		Year ended December 31, 2022	Year ended December 31, 2021
	Notes	\$	\$
OPERATING ACTIVITIES			
Net income (loss)		11,573,396	(1,673,633)
Items not affecting cash			
Fair value gain on investment properties	4	(13,051,365)	(22,095)
Financing costs from operations	11	2,493,776	1,477,805
		1,015,807	(217,923)
Changes in non-cash working capital items			
Accounts receivable, net	5	(64,685)	(237,934)
Prepaid expenses and other assets		(15,092)	(60,111)
Trade and other payables	6	(310,539)	1,787,257
Restricted cash		17,118	(35,594)
		642,609	1,235,695
INVESTING ACTIVITIES			
Acquisition of investment properties	4	—	(62,161,223)
Capital expenditures	4	(4,652,685)	(1,112,632)
		(4,652,685)	(63,273,855)
FINANCING ACTIVITIES			
Mortgage principal repayments	7	(966,380)	(798,915)
Proceeds from credit facilities, net of financing costs		—	20,835
Credit facilities repayments		(20,835)	—
Interest paid	7	(2,362,941)	(1,219,458)
Proceeds from mortgage financing, net of financing costs	7	—	51,553,213
Distributions		(3,819,963)	(47,697)
Contributions		11,180,195	12,530,182
		4,010,076	62,038,160
Net cash inflow / (outflow) during the year		—	—
Cash, beginning of year		—	—
CASH, END OF YEAR		—	—

See accompanying notes to the carve-out financial statements.

4-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and December 31, 2021

1. Nature of operations and basis of presentation

The 4-Pack Properties (the "Properties"), as presented in these carve-out financial statements, is not a legal entity. As at December 31, 2022, the Properties and their related assets and liabilities were owned by D.D. Acquisitions Partnership ("DDA") and Mustang DDAP Partnership ("Mustang DDAP"), collectively the "Partnerships" or the "Partners". The Partnerships are managed by Starlight Group Property Holdings Inc. ("Starlight") and certain of its affiliates.

For the periods presented prior to February 1, 2022, the Properties operated under common control and/or common management (collectively, the "Legacy Portfolio"). On February 1, 2022, one of the four Properties was acquired by the Partners is now under common control and continues to be operated under common management by its new parent. The results of the acquired property are reflected in all the periods presented in the carve-out financial statements as a result of it operating under common management during that time period. The Legacy Portfolio as presented in these carve-out financial statements is not a legal entity.

The registered office of the Partners is 3280 Bloor Street West, Suite 1400, Toronto, Ontario M8X 2X3.

The Properties are managed by third party property managers under the direction of the management of Starlight. Starlight also manages the assets of entities with which the Properties transact business in the normal course of operations. Title to the Properties is held by individual nominee corporations in trust for the Partners.

These carve-out financial statements have been prepared for the specific purpose of reporting on the financial position, financial performance, changes in partners' surplus and cash flows of the four properties which make up the Properties for inclusion in the Northview Fund's information circular, which outlines the Northview Fund's acquisition of the Properties, and the Northview Fund's business acquisition report.

These carve-out financial statements have been prepared on a carve-out basis from the financial statements of the Partnerships and present the financial position, financial performance, changes in partners' surplus and cash flows of the Properties for the years presented as if the Properties had been accounted for on a stand-alone basis as a separate legal entity and will remain as a single economic entity for the foreseeable future. Management's estimates, when necessary, have been used to prepare such allocations.

These carve-out financial statements are not necessarily indicative of the results that would have been attained if the Properties had operated as a separate legal entity during the years presented and, therefore, are not necessarily indicative of future operating results.

These carve-out financial statements were authorized for issuance on May 23, 2023.

(a) Basis of operations and statement of compliance:

These carve-out financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and using the accounting policies described herein. These are the Properties' first carve-out financial statements prepared in accordance with IFRS and the Properties adopted IFRS in accordance with IFRS 1, First-Time Adoption of International Financial Reporting Standards. An explanation or reconciliation of how the transition to IFRS has affected the Properties' carve-out financial position, performance and cash flows has not been presented as the Properties have not presented carve-out financial statements in previous years. The date of transition to IFRS was January 1, 2021.

These carve-out financial statements have been prepared on a historical cost basis except for investment properties which have been measured at fair value.

4-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and December 31, 2021

1. Nature of operations and basis of presentation (continued)

(b) Functional and presentation currency:

These carve-out financial statements are presented in Canadian dollars, which is the functional currency of the Properties and all amounts have been rounded to the nearest dollar except when otherwise indicated.

2. Significant accounting policies

(a) *Critical judgments and estimates:*

The preparation of carve-out financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with prior periods 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 carve-out financial statements. 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 significant estimates and judgments used in determining the recorded amount for assets and liabilities in the carve-out financial statements include the following:

(i) *Investment properties:*

The significant assumptions used when determining the fair value of the investment properties are capitalization rates and future stabilized cash flows. The capitalization rate applied is reflective of the characteristics, location and market of the investment property.

The stabilized future cash flows of the investment properties are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The Properties determine fair values externally utilizing financial information and external market data and capitalization rates provided by independent industry experts.

(b) *Investment properties:*

The Properties selected the fair value method to account for real estate classified as investment property under IAS 40, Investment Property ("IAS 40"). A property is determined to be an investment property when it is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business. Investment properties include land and building structures, as well as residential suites situated on the property. Subsequent capital expenditures are added to the carrying value of the investment properties only when it is probable that future economic benefits will flow to the property and the cost can be measured reliably. All repairs and maintenance costs are expensed as incurred.

The investment properties are measured initially at cost, including directly attributable acquisition costs, except when acquired through a business combination, where such costs are expensed as incurred. Directly attributable acquisition costs include professional fees, land transfer taxes and other transaction costs. Subsequent to initial recognition, the investment properties are measured at fair value. Gains and losses arising from changes in the fair value are included in the carve-out statements of net income (loss) and comprehensive income (loss) in the period in which they arise.

4-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and December 31, 2021

2. Significant accounting policies (continued)

(b) *Investment properties (continued):*

Fair values are primarily determined by using the capitalized net income approach which applies a capitalization rate to the future stabilized cash flows of the property.

(c) *Restricted cash:*

Restricted cash can only be used for specified purposes and consists primarily of tenant security deposits held by the Properties.

(d) *Revenue recognition:*

The Properties have retained substantially all of the risks and benefits of ownership of their investment properties and, therefore, account for their leases with tenants as operating leases. Revenue recognition under a lease commences when a tenant has a right to use the leased asset and collection is reasonably assured.

Rental revenue includes base rents earned from tenants under operating lease agreements which is allocated to lease components based on relative stand-alone selling prices. The stand-alone selling prices of the rental component are determined using an adjusted market assessment approach and the stand-alone selling prices of the service components are determined using an expected cost plus a margin approach.

Rental revenue from the rental component is recognized on a straight-line basis over the lease term. When the Properties provide incentives to their tenants, the cost of incentives is recognized over the lease term, on a straight-line basis, as a reduction of revenue.

The other components of revenue represent the service component of the Properties' leases and is accounted for in accordance with IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). These services consist primarily of parking, laundry, and other ancillary services where it has been determined the Properties are acting as a principal and is recognized over time when the services are provided.

(e) *Finance costs:*

Finance costs are comprised of interest expense on mortgages, amortization of mark-to-market adjustments and financing charges. Finance costs associated with financial liabilities presented at amortized cost are presented in the carve-out statements of net income (loss) and comprehensive income (loss) using the effective interest rate method.

(f) *Financial instruments:*

Financial instruments are generally measured at fair value on initial recognition. Financial assets are classified and measured based on one of the following three categories: (i) amortized cost; (ii) fair value through profit and loss ("FVTPL"); and (iii) fair value through other comprehensive income ("FVTOCI"). Financial assets classified as amortized cost are measured using the effective interest method. Financial assets classified as FVTPL are measured at fair value with gains and losses recognized in the carve-out statements of net income (loss) and comprehensive income (loss). Financial assets classified as FVTOCI are measured at fair value with gains or losses recognized through other comprehensive income, except for gains and losses pertaining to impairment or foreign exchange which are recognized through the carve-out statements of net income (loss) and comprehensive income (loss).

4-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and December 31, 2021

2. Significant accounting policies (continued)

(f) *Financial instruments (continued):*

Financial liabilities are classified and measured based on one of the following two categories: (i) amortized cost; and (ii) FVTPL. Financial liabilities classified as amortized cost are measured using the effective interest method.

The following table summarizes the Properties' classification and measurement of financial assets and liabilities:

<u>Financial assets</u>	<u>Classification/Measurement</u>
Accounts receivable, net	Amortized cost
Restricted cash	Amortized cost
<u>Financial liabilities:</u>	
Mortgages payable	Amortized cost
Credit facilities	Amortized cost
Trade and other payables	Amortized cost

The Properties derecognize a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Properties derecognize a financial liability when, and only when, the Properties' obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the carve-out statements of net income (loss) and comprehensive income (loss).

Transaction costs that are directly attributable to the acquisition or issuance of financial assets or liabilities, other than financial assets and liabilities measured at FVTPL, are accounted for as part of the carrying amount of the respective asset or liability at inception. Transaction costs related to financial instruments measured at amortized cost are amortized using the effective interest rate ("EIR") over the anticipated life of the related instrument. Transaction costs on financial assets and liabilities measured at FVTPL are expensed in the period incurred.

At each reporting date, the Properties assess whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Properties recognize an impairment loss for financial assets carried at amortized cost as follows: the loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original EIR. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(g) *Income taxes:*

The Properties, as presented in these carve-out financial statements, are not a legal entity. As such, any income tax liabilities will be reported by the Partners.

4-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and December 31, 2021

2. Significant accounting policies (continued)

(h) Fair value measurement:

The Properties measure non-financial assets, such as investment properties, at fair value at each balance sheet 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 principal or the most advantageous market must be accessible by the Properties.

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 Properties use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable 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
- 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 Properties determine 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 period.

Restricted cash, accounts receivable, net, credit facilities and trade and other payables are carried at amortized cost, which, due to their short-term nature, approximates fair value.

Management estimates the fair value of mortgages based on the rates that could be obtained for similar debt instruments with similar terms and maturities. Their fair value qualifies as level 2 in the fair value hierarchy above.

3. Adoption of accounting standards

Future accounting policy changes:

There were no new standards, interpretations or improvements to existing standards that were issued by the IASB or by the International Financial Reporting Interpretations Committee ("IFRIC")

4-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and December 31, 2021

3. Adoption of accounting standards (continued)

that either have not yet been adopted by the Properties or that would have a material impact on the Properties' financial condition or financial performance.

4. Investment properties

During 2021, 129 Wellington Street and 150 Darling Street in Brantford, Ontario were acquired for an aggregate purchase price of \$62.2 million. All properties were accounted for as asset acquisitions. The following table summarizes the changes in the investment properties for the years ended December 31, 2022 and December 31, 2021:

	December 31, 2022	December 31 2021
	\$	\$
Balance, beginning of year	95,895,950	32,600,000
Acquisition of investment properties	—	62,163,301
Capital expenditures	4,652,685	1,110,554
Fair value adjustment	13,051,365	22,095
Balance, end of year	113,600,000	95,895,950

Financing of the acquisitions in 2021 was provided as follows:

	December 31, 2021
	\$
Contributions	10,606,548
Proceeds from new mortgages	51,553,213
Assumption of working capital, tenant rental deposits and other liabilities	—
	<u>3,540</u>
	<u>62,163,301</u>

The fair value methodology for the investment properties is considered level 3, as significant unobservable inputs are required to determine fair value. The fair value of investment properties is based on internal valuations as at January 1, 2021 and external appraisals at December 31, 2022 and December 31, 2021.

The fair value of investment properties is determined using the capitalized net income approach. The following table summarizes the significant unobservable inputs in determining the fair value of residential properties:

4-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and December 31, 2021

4. Investment properties (continued)

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Capitalization rates	There is an inverse relationship between the capitalization rates and the fair value; in other words, the higher the capitalization rate, the lower the estimated fair value.
Future stabilized cash flows	There is a direct relationship between the future stabilized cash flows and the fair value; in other words, the higher the future stabilized cash flows, the higher the estimated fair value.

The key valuation assumptions for the Properties are set out in the following table:

	December 31, 2022 %	December 31, 2021 %	January 1, 2021 %
Capitalization Rate - Range	4.00 - 4.25%	3.75 - 4.50%	4.00 - 4.75%
Capitalization Rate - Weighted Average	4.05	4.07	4.42
Fair Value	\$ 113,600,000	\$ 95,895,950	\$ 32,600,000
Stabilized Cash Flows	\$ 4,603,911	\$ 3,891,328	\$ 1,441,500

The fair value of investment properties is sensitive to changes in the significant valuation assumptions. Changes in the capitalization rates would result in a change to the estimated fair value of investment properties as set out in the following table:

	December 31, 2022 %	December 31, 2022 %	December 31, 2021 %	December 31, 2021 %	January 1, 2021 %	January 1, 2021 %
Rate Sensitivity	+0.1	-0.1	+0.1	-0.1	+0.1	-0.1
Weighted Average Capitalization Rate	4.15	3.95	4.17	3.97	4.52	4.32
Fair Value	\$ 111,010,000	\$ 116,640,000	\$ 93,300,000	\$ 98,000,000	\$ 31,870,000	\$ 33,360,000
Change in Fair Value	\$ (2,590,000)	\$ 3,040,000	\$ (2,595,950)	\$ 2,104,050	\$ (730,000)	\$ 760,000

The impact of a one percent change in the stabilized cash flows used to value the investment properties as at December 31, 2022, December 31, 2021, and January 1, 2021 would increase/decrease the fair value as set out in the following table:

4-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and December 31, 2021

4. Investment properties (continued)

	December 31, 2022 %	December 31, 2022 %	December 31, 2021 %	December 31, 2021 %	January 1, 2021 %	January 1, 2021 %
Stabilized Cash Flows Sensitivity	+1	-1	+1	-1	+1	-1
Stabilized Cash Flows	4,649,950	4,557,872	3,930,241	3,852,415	1,455,915	1,427,085
Fair Value	\$ 114,890,000	\$ 112,610,000	\$ 96,550,000	\$ 94,630,000	\$ 32,930,000	\$ 32,270,000
Change in Fair Value	\$ 1,290,000	\$ (990,000)	\$ 654,050	\$ (1,265,950)	\$ 330,000	\$ (330,000)

The fair value of the investment properties is considered a Level 3 measurement in the fair value hierarchy due to the extent of assumptions required beyond observable market data to derive the fair values.

5. Accounts receivable, net

The following table presents details of the accounts receivable, net balance:

	December 31, 2022 \$	December 31, 2021 \$	January 1, 2021 \$
Accounts receivable	702,325	383,370	195,087
Allowance for doubtful accounts	(293,859)	(39,589)	(89,240)
Accounts receivable, net	408,466	343,781	105,847

The Properties hold no collateral in respect of tenant and other receivables.

6. Trade and other payables

	December 31, 2022 \$	December 31, 2021 \$	January 1, 2021 \$
Trade payables	956,777	1,018,008	52,179
Tenant prepayments	553,426	507,406	117,544
Accrued utilities, payroll and other	429,140	735,086	183,365
Trade and other payables	1,939,343	2,260,500	353,088

Included in trade payables is accrued interest on mortgages payable in the amount of \$151,854 (December 31, 2021 - \$183,310; January 1, 2021 - \$42,319).

4-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and December 31, 2021

7. Mortgages payable and credit facilities

	December 31, 2022	December 31, 2021	January 1, 2021
	\$	\$	\$
Mortgages payable	69,689,170	70,650,050	19,732,300
Credit facilities	-	20,835	-
Unamortized deferred financing costs	(257,239)	(414,027)	(367,935)
Total	69,431,931	70,256,858	19,364,365

	December 31, 2022	December 31, 2021	January 1, 2021
	\$	\$	\$
Current credit facilities	-	20,835	-
Current mortgages payable	34,764,856	798,592	518,105
Non-current mortgages payable	34,667,075	69,437,431	18,846,260
Total	69,431,931	70,256,858	19,364,365

As at December 31, 2022, the Properties had mortgages with various financial institutions bearing interest at rates between 1.41% and 6.00% per annum (December 31, 2021: between 1.41% and 6.00% per annum, January 1, 2021: between 1.41% and 3.26% per annum), with maturity dates between August 1, 2023 and March 1, 2031. The mortgages are in compliance as at December 31, 2022.

The mortgages are secured by an assignment of rents, general security agreements, portfolio investments and first and second charges on specific investment properties.

Interest of \$2,246,074 in 2022 (\$1,352,959 in 2021) relating to mortgages payable is included in financing costs on the carve-out statements of net income (loss) and comprehensive income (loss).

The Properties capitalized all costs specifically related to the financing and re-financing of its mortgages. Total deferred financing costs amounted to \$257,239 as at December 31, 2022 (\$414,027 as at December 31, 2021).

4-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and December 31, 2021

7. Mortgages payable and credit facilities (continued)

The payment terms for the mortgages outstanding as at December 31, 2022 were as follows:

	Scheduled Principal Repayments	Principal Maturing During the Period	Total
	\$	\$	\$
2023	985,026	33,950,000	34,935,026
2024	688,115	12,201,350	12,889,465
2025	570,752	6,110,326	6,681,078
2026	584,764	-	584,764
2027	607,655	-	607,655
Thereafter	2,042,061	11,949,121	13,991,182
	5,478,373	64,210,797	69,689,170

As at December 31, 2021, the Partners had a revolving credit facility with \$20,835 outstanding with a Canadian chartered bank mainly used to fund early development costs and major repairs and maintenance at the Properties. The facility is due on demand and bears interest at the prime rate plus 0.95%. The Partners had the option to draw on this credit facility using banker's acceptance, which bears interest at the CDOR rate plus 1.95%. The facility is guaranteed by the Partners. The facility had a maturity date of September 1, 2023 and was repaid on February 1, 2022.

The fair value of fixed rate mortgages is calculated based on current market rates plus risk-adjusted spreads on discounted cash flows. As at December 31, 2022, the current market rates plus risk-adjusted spreads ranged between 5.04% and 7.41% (December 31, 2021 between 1.29% and 2.58%; January 1, 2021 between 1.29% and 1.46%) and the fair value of fixed rate mortgages was \$65.0 million (December 31, 2021 - \$70.8 million; January 1, 2021 - \$19.7 million) and is considered level 2 within the fair value hierarchy.

8. Segmented disclosure

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The oversight committee of the Partners is the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment. As the chief operating decision maker assesses performance at the property level, each property is determined to be an operating segment, which have been aggregated into one reportable segment on the basis of their similar economic characteristics: multi-residential properties within the Canadian real estate industry.

9. Commitments and contingencies

The Properties are subject to claims and legal actions that arise in the ordinary course of business. It is the opinion of Management that any ultimate liability that may arise from such matters would not have a significant adverse effect on the carve-out financial statements of the Properties. The Properties had no existing commitments or contingencies as at December 31, 2022 and December 31, 2021.

4-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and December 31, 2021

10. Revenue

The components of revenue from real estate properties were as follows:

	December 31, 2022	December 31, 2021
	\$	\$
Rental revenue	5,440,519	3,156,229
Parking	134,222	91,634
Laundry	88,664	46,939
Other revenue	12,446	82,892
Total revenue	5,675,851	3,377,694

Future rent revenue for the years ended December 31 is as follows:

	Total
	\$
2023	4,331,289
2024	243,213
Thereafter	—
	<u>4,574,502</u>

11. Financing costs from operations

The components of financing costs were as follows:

	December 31, 2022	December 31, 2021
	\$	\$
Mortgage interest	2,246,074	1,352,959
Amortization of deferred financing costs	162,288	117,359
Other financing costs	85,414	7,487
	2,493,776	1,477,805

12. Related party transactions

Starlight is an entity under common management and was appointed as the manager of the Properties. As such, Starlight meets the definition of a "related party" as defined in IAS 24 - "Related party disclosures". Starlight receives an asset management fee and a construction management fee for managing day to day activities for the Partners.

The asset management fee is calculated and payable on a monthly basis in arrears in cash and is calculated based on 0.20% of the fair market value of investment properties of the preceding year.

For the years ended December 31, 2022 and December 31, 2021, asset management fees were incurred in the amount of \$0.3 million and \$0.8 million, respectively.

4-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and December 31, 2021

13. Capital risk management

The Properties' capital consists of mortgages payable, partners' surplus and credit facilities. The Properties invest capital to achieve business objectives and to generate an acceptable long-term return to the Partners. Primary uses of capital include additions to the investment properties and leasing activities, to the extent not available from cash flows from the Properties' operations. Capital is monitored by management using tools designed to anticipate cash needs, to maintain adequate working capital.

The components of the Properties' capital are set out in the table below:

	December 31, 2022	December 31, 2021	January 31, 2021
	\$	\$	\$
Mortgages payable	69,431,931	70,236,023	19,364,365
Partners' surplus	42,765,104	23,831,476	13,022,624
Credit facilities	—	20,835	—
	112,197,035	94,088,334	32,386,989

14. Risk management

In the normal course of business, the Properties' activities expose it to credit risk, market risk, liquidity risk and interest rate risk. These risks and the actions taken to manage them are as follows:

(a) *Credit risk:*

Credit risk is the risk that: (i) counterparties to contractual financial obligations will default; and (ii) the possibility that the residents may experience financial difficulty and be unable to meet their rental obligations. The Properties mitigate the risk of credit loss with respect to residents by evaluating the creditworthiness of new residents, obtaining security deposits wherever permitted by legislation and utilizing third party collection agencies for longstanding balances due from tenants.

The Properties monitor collection experience on a monthly basis and ensure that a stringent policy is adopted to provide for all past due amounts. Subsequent recoveries of amounts previously written-off are credited in the carve-out statements of net income (loss) and comprehensive income (loss).

As at December 31, 2022, December 31, 2021 and January 1, 2021 the Properties had an allowance for uncollectible amounts of \$0.3 million, \$0.1 million and \$0.1 million, respectively. Bad debts expensed within property operating costs for the years ended December 31, 2022 and December 31, 2021 were \$0.2 million and \$0.1 million, respectively.

On March 11, 2020, the World Health Organization characterized the outbreak of COVID-19 as a global pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The Properties undertook actions to mitigate the effect on the operations of the business. Rent relief and rescheduling rent payment programs were provided by the Properties to tenants experiencing hardships. Property values were minimally impacted.

4-Pack Properties

Notes to the carve-out financial statements

For the years ended December 31, 2022 and December 31, 2021

14. Risk management (continued)

(b) *Market risk:*

Market risk is the risk that the fair value or future cash flows of financial assets or liabilities will fluctuate due to movements in market prices, such as interest rates. The investment properties are subject to the risks associated with debt financing, including the risk that mortgages will not be refinanced on terms as favourable as those of the existing indebtedness. As at December 31, 2022, investment properties have been reported at fair value which reflects the Properties' best estimate of future cash flows and capitalization rates applicable to the investment properties. The capitalization rates used in the valuation of the Properties include consideration of comparable sales transactions for similar properties as well as overall changes in the investment market for multi-family properties as at December 31, 2022, December 31, 2021 and January 1, 2021.

(c) *Liquidity risk:*

Liquidity risk is the risk that the Properties may encounter difficulties in meeting their financial obligations as they come due. To mitigate the risk associated with liquidity, management's strategy is to ensure, to the extent possible, that it always has sufficient financial assets to meet its financial liabilities when they come due, by forecasting cash flows from operations and anticipated investing and financing activities.

As at December 31, 2022, current liabilities due to non-related parties of \$36.7 million (December 31, 2021 - \$3.1 million; January 1, 2021 - \$0.9 million) exceeded current assets of \$0.5 million (December 31, 2021 - \$0.5 million; January 1, 2021 - \$0.1 million), resulting in a net working capital deficit of \$36.2 million (December 31, 2021 - \$2.6 million; January 1, 2021 - \$0.8 million). The Properties' immediate liquidity needs are met through cash flow from operations and the refinancing of maturing mortgages.

An analysis of the contractual cash flows associated with the Properties financial liabilities as at December 31, 2022 are set out in the table below:

	2023	2024	2025	2026	2027	Thereafter	Total
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	1,939,343	-	-	-	-	-	1,939,343
Mortgages payable	34,935,026	12,889,465	6,681,078	584,764	607,655	13,991,182	69,689,170
Total	36,874,369	12,889,465	6,681,078	584,764	607,655	13,991,182	71,628,513

(d) *Interest rate risk:*

The Properties have fixed rate mortgages and are exposed to interest rate risk on the mortgages. This risk of unfavorable interest rate changes is managed by the staggering of the terms to maturity of the mortgages and the potential use of interest rate swaps.

APPENDIX “D” – MD&A – STARLIGHT PORTFOLIO

4-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – MARCH 31, 2023

4-PACK PROPERTIES MANAGEMENT’S DISCUSSION AND ANALYSIS

The following management’s discussion and analysis (the “MD&A”) of the carve-out financial results of the 4-Pack Properties (the “Properties”) dated May 24, 2023 for the three months ended March 31, 2023 and March 31, 2022, should be read in conjunction with the Properties’ condensed interim carve-out financial statements and accompanying notes for these periods. The Properties and their related assets and liabilities were owned by D.D. Acquisitions Partnership (“DDA”) and Mustang DDAP Partnership (“Mustang DDAP”), collectively the “Partnerships” or the “Partners”. The Partnerships are managed by Starlight Group Property Holdings Inc. (“Starlight”) and certain of its affiliates.

BASIS OF PRESENTATION

The condensed interim carve-out financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. These condensed carve-out interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Properties’ annual carve-out financial statements for the year ended December 31, 2022, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

These condensed interim carve-out financial statements follow the same accounting policies and critical accounting estimates and judgements as described in the annual carve-out financial statements for the year ended December 31, 2022.

For purposes of this MD&A the line items in the Properties’ condensed interim carve-out financial statements and accompanying notes for these periods labelled “Investment Properties” is referred to as “Gross Book Value”, “Property Operating Income” is referred to as “NOI”.

NON-IFRS MEASURES

Certain terms used in this MD&A such as adjusted funds from operations (“AFFO”)and funds from operations (“FFO”)are not measures defined under IFRS as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be construed as alternatives to net income and comprehensive income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. The Properties use these measures to assess their underlying performance and provides these additional measures so that investors may do the same. These terms are defined in the Funds from Operations/Adjusted Funds from Operations section.

PROPERTY PROFILE

The Properties consist of four properties that are located in the provinces of Ontario and Alberta within Canada. The suite breakdown is as follows :

Suite Type	Sq. Ft. Average	Number of Suites
Bachelor	512	28
1 Bedroom	632	129
1 Bedroom + Den	836	14
2 Bedrooms	880	143
2 Bedrooms + Den	1034	2
3 Bedrooms	923	52
Average/Total	803	368

The 368 total suites that comprise the Properties are constructed on a total rentable area of 0.3 million square feet. The Properties contain 503 total parking spaces, consisting of 436 indoor and 67 outdoor spaces.

4-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – MARCH 31, 2023

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	As at March 31, 2023	As at December 31, 2022
Operational Information		
Total suites	368	368
Economic occupancy	90%	90%
AMR	\$ 1,390	\$ 1,359
Summary of Financial Information		
Gross Book Value	\$ 113,603,944	\$ 113,600,000
Indebtedness	\$ 69,215,529	\$ 69,431,931
Indebtedness to Gross Book Value	61%	61%

Economic occupancy is actual rental property earned against its total potential. It is calculated by dividing rent for occupied units by gross potential rent.

Average Monthly (“AMR”) is defined as the total in place rents divided by the total number of multi-family suites occupied as at the reporting date.

Indebtedness is defined as the principal amount of mortgages payable outstanding at a specific reporting date.

FINANCIAL PERFORMANCE

The Properties’ financial performance for the three months ended March 31, 2023 and March 31, 2022 is summarized below:

	Three months ended March 31, 2023	Three months ended March 31, 2022
Revenue	\$ 1,520,310	\$ 1,299,944
Property operating expenses	(1,464,992)	(1,191,107)
NOI	\$ 55,318	\$ 108,837
NOI margin	4%	8%
Net loss and comprehensive loss	\$ (671,666)	\$ (593,994)

4-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – MARCH 31, 2023

RESULTS OF OPERATIONS

REVENUE

Revenue includes the monthly rent charges for the lease of apartment suites and other ancillary income. Other ancillary income may include, but is not limited to, parking fees, laundry fees and antenna income. Rental revenue is the only material component of total revenue, which accounts for approximately 95.3% and 97.9% thereof for the three months ended March 31, 2023 and March 31, 2022, respectively.

Rental revenue and total revenue for the three months ended March 31, 2023 were \$1.4 million and \$1.5 million, respectively. Rental revenue and total revenue for the three months ended March 31, 2022 were \$1.3 million and \$1.3 million, respectively. Rental demand remained strong during both periods.

PROPERTY OPERATING EXPENSES

For the three months ended March 31, 2023, the main components of property operating expenses as a percentage of total property operating expenses included, but were not limited to, repairs and maintenance of approximately 45.6% (2022: 37.4%), utility costs of approximately 18.9% (2022: 23.2%), realty tax of approximately 11.6% (2022: 15.0%) and bad debt expense of approximately 9.4% (2022: 6.0%).

NOI

For the three months ended March 31, 2023 and March 31, 2022, NOI was \$0.1 million in both periods.

NOI Margin is defined as NOI divided by revenue. For the three months ended March 31, 2023 and March 31, 2022, the NOI margin decreased to 4% from 8%, due primarily to increased property operating expenses, partially offset by strengthened AMR.

FUNDS FROM OPERATIONS ("FFO") / ADJUSTED FUNDS FROM OPERATIONS ("AFFO")

The following table shows a reconciliation of FFO and AFFO to net loss and comprehensive loss.

	Three months ended March 31, 2023	Three months ended March 31, 2022
Net loss and comprehensive loss	\$ (671,666)	\$ (593,994)
Deduct		
Fair value adjustment on investment property	-	-
FFO	\$ (671,666)	\$ (593,994)
Deduct		
Amortization of deferred financing costs	41,960	39,973
AFFO	\$ (629,706)	\$ (554,021)

4-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – MARCH 31, 2023

FFO is defined as net loss and comprehensive loss in accordance with IFRS, excluding fair value gain of the investment properties. FFO is a measure of operating performance based on the funds generated from the business before reinvestment or provision for other capital needs. FFO is presented in this MD&A as management considers this non-IFRS measure to be an important measure of operating performance. The most comparable IFRS measures to FFO is net loss and comprehensive loss. The definition of FFO is consistent with Real Property Association of Canada (REALPac).

AFFO is defined as FFO subject to certain additional adjustments, including, but not limited to, amortization of deferred financing costs, as determined by management. Other adjustments may be made to AFFO as determined by management. AFFO is presented in this MD&A as management considers this non-IFRS measure to be an important performance measure to determine the sustainability of future distributions paid to the Partners after a provision for maintenance capital expenditures. AFFO should not be interpreted as an indicator of cash generated from operating activities, as it does not consider changes in working capital. The most comparable IFRS measures to AFFO is net loss and comprehensive loss. The definition of FFO is consistent with Real Property Association of Canada (REALPac).

OTHER INCOME AND EXPENSES

FINANCING COSTS FROM OPERATIONS

The Properties' financing costs from operations for the three months ended March 31, 2023 and March 31, 2022 are summarized below:

	Three months ended March 31, 2023	Three months ended March 31, 2022
Mortgage interest	\$ 601,965	\$ 578,640
Amortization of deferred financing costs	\$ 41,960	\$ 39,973
Other financing costs	(2,814)	4,826
Total financing costs from operations	\$ 641,111	\$ 623,439

ASSET MANAGEMENT FEES

Starlight is an entity under common management and was appointed as the manager of the Properties. As such, Starlight meets the definition of a "related party" as defined in IAS 24 - "Related party disclosures". Starlight receives an asset management fee and a construction management fee for managing day to day activities for the Partners. There were no construction management fees incurred for the three months ended March 31, 2023 and 2022.

The asset management fee is calculated and payable on a monthly basis in arrears in cash and is calculated based on 0.20% of the fair market value of investment properties for the preceding year.

For the three months ended March 31, 2023 and March 31, 2022, asset management fees were incurred in the amount of \$0.1 million and \$0.1 million, respectively.

INVESTMENT PROPERTIES – FAIR VALUE ADJUSTMENTS

The Properties selected the fair value method to account for real estate classified as investment properties. A property is determined to be an investment property when it is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business. The investment properties are measured initially at cost and subsequently at fair value. Gains and losses arising from changes in the fair value are included in the condensed interim carve-out statements of net loss and comprehensive loss in the period in which they arise.

Fair values are primarily determined by using the capitalized net income approach which applies a capitalization rate to the future stabilized cash flows of the property. The capitalization rate applied is reflective of the characteristics, location and market of the property. The stabilized cash flows of the property are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases.

4-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – MARCH 31, 2023

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2023, current liabilities due to non-related parties of \$36.4 million (December 31, 2022 – \$36.7 million) exceeded current assets of \$0.7 million (December 31, 2022 - \$0.5 million), resulting in a net working capital deficit of \$35.7 million (December 31, 2022 - \$36.2 million). The Properties’ immediate liquidity needs are met through cash flow from operations, refinancing of maturing mortgages and contributions from the Partners.

The Properties’ capital consists of mortgages payable and Partners’ surplus. The Properties invest capital to achieve business objectives and to generate an acceptable long-term return to the Partners. Primary uses of capital include additions to the investment properties and leasing activities, to the extent not available from cash flows from the Properties’ operations. Capital is monitored by management using tools designed to anticipate cash needs, to maintain adequate working capital and to continue to meet covenant obligations.

The components of the Properties’ capital are set out in the table below:

	March 31, 2023	December 31, 2022
	\$	\$
Mortgages payable	69,215,529	69,431,931
Partners’ surplus	43,218,712	42,765,104
	112,434,241	112,197,035

CAPITAL INVESTMENTS

The Properties require capital expenditures to be incurred in order to maintain its productive capacity and to sustain its rental income generating potential over its useful life. In accordance with IFRS, capital expenditures are added to the carrying value of the investment properties only when it is probable that future economic benefits will flow to the property and the cost can be measured reliably. Capital expenditures for the three months ended March 31, 2023 and March 31, 2022 were \$0.1 million and \$0.7 million, respectively. These amounts may differ each period due to the seasonality and the cyclical nature of such costs and are estimated and managed based on a combination of third-party property condition assessment reports and management’s expertise, which provide an estimate of sustaining capital expenditures required based on the quality of construction, age of the building and anticipated future maintenance requirements. Management believes the use of these property assessment reports to estimate sustaining capital expenditure amounts is appropriate given the third party’s engineering and structural expertise as well their knowledge and experience with real estate.

CASH FLOWS

Cash used in operating activities represents the primary source of liquidity to fund debt service, capital expenditures, and other costs. The Properties’ cash used in operating activities is dependent upon the occupancy of its investment properties, the rental rates on its leases, the collectability of rent from its tenants, the level of operating and other expenses and other factors. Material changes in these factors may adversely affect the Properties’ net cash flow from operating activities and liquidity. The Properties expect to be able to meet all of their obligations as they become due. Any liquidity remaining after meeting all of the Properties’ obligations is entirely distributed to the Partners within the period, and the Properties are expected to have a nil cash balance at the end of each reporting period as a result.

4-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – MARCH 31, 2023

The following table details the changes in cash for the three months ended March 31, 2023 and March 31, 2022:

	Three months ended March 31, 2023	Three months ended March 31, 2022
Cash used in operating activities	(300,177)	(2,374)
Cash used in investing activities	(3,944)	(650,822)
Cash provided by financing activities	304,121	653,196
Net cash inflow / (outflow) during the period	-	-
Cash, beginning of period	-	-
Cash, end of period	-	-

Cash used in operating activities

Cash used in operating activities during the three months ended March 31, 2023 and March 31, 2022 was \$0.3 million and \$0.1 million, respectively, which consisted primarily of NOI generated from operations less other expenses.

Cash used in investing activities

Cash used in investing activities for the three months ended March 31, 2023 and March 31, 2022 was \$0.1 million and \$0.7 million, respectively, which was primarily related to capital expenditures on investment properties of \$0.1 million and \$0.7 million, respectively.

Cash provided by financing activities

Cash provided by financing activities for the three months ended March 31, 2023 and March 31, 2022 was \$0.3 million and \$0.7 million, respectively. For both periods, the cash provided by financing activities related primarily to proceeds from contributions, partially offset by distributions and the payment of debt obligations.

DEBT PROFILE

The Properties’ credit facilities and mortgages payable consisted of the following:

	As at March 31, 2023	As at December 31, 2022
Mortgages payable	\$ 69,445,209	\$ 69,689,170
Less: Deferred financing costs	(229,680)	(257,239)
Total carrying value	\$ 69,215,529	\$ 69,431,931

4-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – MARCH 31, 2023

The mortgages were secured by the investment properties. Repayment terms for mortgages outstanding as at March 31, 2023 were as follows:

	Scheduled principal repayments	Principal maturing during the period	Total
2023	\$ 741,065	\$ 33,950,000	\$ 34,691,065
2024	688,115	12,201,350	12,889,465
2025	570,752	6,110,326	6,681,078
2026	584,764	-	584,764
2027	607,655	-	607,655
Thereafter	2,042,061	11,949,121	13,991,182
Total	\$ 5,234,412	\$ 64,210,797	\$ 69,445,209

COMMITMENTS AND CONTINGENCIES

The Properties are subject to claims and legal actions that arise in the ordinary course of business. It is the opinion of management that any ultimate liability that may arise from such matters would not have a significant adverse effect on the financial statements of the Properties.

SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

The condensed interim carve-out financial statements follow the same accounting policies as described in the annual carve-out financial statements for the year ended December 31, 2022.

FUTURE OUTLOOK

The objective of the Properties is to generate stable cash flows, while maximizing the Properties' value through an active asset management strategy, which includes plans to stabilize operations and to establish property-specific business plans to improve NOI. There will be a focus on increasing rental rates through value-add initiatives to common areas, clubhouse and in-suite upgrades and the use of yield management software, increasing ancillary revenue, reducing operating expenses through active asset management, utilizing reputable best-in-class property managers and economies of scale.

4-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – DECEMBER 31, 2022

4-PACK PROPERTIES MANAGEMENT’S DISCUSSION AND ANALYSIS

The following management’s discussion and analysis (the “MD&A”) of the carve-out financial results of the 4-pack Properties (the “Properties”) dated May 24, 2023 for the years ended December 31, 2022 and 2021, should be read in conjunction with the Properties’ carve-out financial statements and accompanying notes for these periods. The Properties and their related assets and liabilities were owned by D.D. Acquisitions Partnership (“DDA”) and Mustang DDAP Partnership (“Mustang DDAP”), collectively the “Partnerships” or the “Partners”. The Partnerships are managed by Starlight Group Property Holdings Inc. (“Starlight”) and certain of its affiliates.

BASIS OF PRESENTATION

The Properties’ carve-out financial statements as at December 31, 2022, December 31, 2021 and January 1, 2021, and for the years ended December 31, 2022 and 2021 are prepared in accordance with International Financial Reporting Standards (“IFRS”) and using the accounting policies described therein. These are the Properties’ first carve-out financial statements prepared in accordance with IFRS and the Properties adopted IFRS in accordance with IFRS 1, First-Time Adoption of International Financial Reporting Standards. An explanation or reconciliation of how the transition to IFRS has affected the Properties’ carve-out financial position, financial performance and cash flows has not been presented as the Properties have not presented carve-out financial statements in previous years. The date of transition to IFRS was January 1, 2021.

These carve-out financial statements have been prepared on a historical cost basis except for investment properties which have been measured at fair value.

For purposes of this MD&A the line items in the Properties’ carve-out financial statements and accompanying notes for these periods labelled “Investment Properties” is referred to as “Gross Book Value” and “Property Operating Income” is referred to as “NOI”.

NON-IFRS MEASURES

Certain terms used in this MD&A such as adjusted funds from operations (“AFFO”) and funds from operations (“FFO”), are not measures defined under IFRS, do not have standardized meanings prescribed by IFRS and should not be construed as alternatives to net income and comprehensive income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. The Properties use these measures to assess their underlying performance and provides these additional measures so that investors may do the same. These terms are defined in the Funds from Operations/Adjusted Funds from Operations section.

PROPERTY PROFILE

The Properties consist of four properties that are located in the provinces of Ontario and Alberta within Canada. The suite breakdown is as follows:

Suite Type	Sq. Ft. Average	Number of Suites
Bachelor	512	28
1 Bedroom	632	129
1 Bedroom + Den	836	14
2 Bedrooms	880	143
2 Bedrooms + Den	1034	2
3 Bedrooms	923	52
Average/Total	803	368

The 368 total suites that comprise the Properties are constructed on a total rentable area of 0.3 million square feet. The Properties contain 503 total parking spaces, consisting of 436 indoor and 67 outdoor spaces.

4-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – DECEMBER 31, 2022

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	As at December 31, 2022	As at December 31, 2021	As at January 1, 2021
Operational Information			
Total suites	368	368	118
Economic occupancy	90%	88%	83%
AMR	\$ 1,359	\$ 1,150	\$ 1,054
Summary of Financial Information			
Gross Book Value	\$ 113,600,000	\$ 95,895,950	\$ 32,600,000
Indebtedness	\$ 69,431,931	\$ 70,256,858	\$ 19,364,365
Indebtedness to Gross Book Value	61%	73%	59%

Economic occupancy is actual rental property earned against its total potential. It is calculated by dividing rent for occupied units by gross potential rent.

Average Monthly Rent (“AMR”) is defined as the total in place rents divided by the total number of multi-family suites occupied as at the reporting date.

Gross Book Value is defined as the fair market value of the investment properties as determined in accordance with IFRS. Gross Book Value is presented in this MD&A as Management considers this an important measure of financial condition. The most comparable IFRS measure for Gross Book Value is investment properties.

Indebtedness is defined as the principal amount of credit facilities and mortgages payable outstanding at a specific reporting date.

FINANCIAL PERFORMANCE

The Properties’ financial performance for the years ended December 31, 2022 and December 31, 2021 is summarized below:

	As at December 31, 2022	As at December 31, 2021
Revenue	\$ 5,675,851	\$ 3,377,694
Property operating expenses	(4,318,264)	(2,762,568)
NOI	\$ 1,357,587	\$ 615,126
NOI margin	24%	18%
Net income (loss) and comprehensive income (loss)	\$ 11,573,396	\$ (1,673,633)

4-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – DECEMBER 31, 2022

RESULTS OF OPERATIONS

REVENUE

Revenue includes the monthly rent charges for the lease of apartment suites and other ancillary income. Other ancillary income may include, but is not limited to, parking fees, laundry fees and antenna income. Rental revenue is the only material component of total revenue, which accounts for approximately 95.9% and 93.4% thereof for the years ended December 31, 2022 and December 31, 2021, respectively.

Rental revenue and total revenue for the year ended December 31, 2022 were \$5.4 million and \$5.7 million, respectively. Rental revenue and total revenue for the year ended December 31, 2021 were \$3.2 million and \$3.4 million, respectively. Rental demand remained strong during both periods. The increase of rental revenue is the result of acquisitions August 2021. The full impact of the four properties are reflected in 2022.

PROPERTY OPERATING EXPENSES

For the year ended December 31, 2022, the main components of property operating expenses as a percentage of total property operating expenses included, but were not limited to, repairs and maintenance of approximately 44.2% (2021: 44.3%), utilities of approximately 16.6% (2021: 17.1%), realty tax of approximately 15.8% (2021: 15.6%) and wages of approximately 6.2% (2021: 8.2%). The increase of operating is the result of acquisitions August 2021. The full impact of the four properties are reflected in 2022.

NOI

For the years ended December 31, 2022 and December 31, 2021, NOI increased to \$1.4 million from \$0.6 million, due primarily to strengthened AMR, partially offset by increased property operating expenses.

NOI Margin is defined as NOI divided by revenue. For the years ended December 31, 2022 and December 31, 2021, the NOI margin increased to 23.9% from 18.2%, due primarily to strengthened AMR, partially offset by increased property operating expenses.

FUNDS FROM OPERATIONS ("FFO") / ADJUSTED FUNDS FROM OPERATIONS ("AFFO")

The following table shows a reconciliation of FFO and AFFO to net income (loss) and comprehensive income (loss).

	Year ended December 31, 2022	Year ended December 31, 2021
Net income (loss) and comprehensive income (loss)	\$ 11,573,396	\$ (1,673,633)
Deduct		
Fair value adjustment on investment property	(13,051,365)	(22,095)
FFO	\$ (1,477,969)	\$ (1,695,728)
Deduct		
Amortization of deferred financing costs	162,288	117,359
AFFO	\$ (1,315,681)	\$ (1,578,369)

FFO is defined as net income (loss) and comprehensive income (loss) in accordance with IFRS, excluding fair value gains of the investment properties. FFO is a measure of operating performance based on the funds generated from the business before reinvestment or provision for other capital needs. FFO is presented in this MD&A as management considers this non-IFRS measure to be an important measure of operating performance. The most comparable IFRS measures to FFO is net income (loss) and comprehensive income (loss). The definition of FFO is consistent with Real Property Association of Canada (REALPac).

4-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – DECEMBER 31, 2022

AFFO is defined as FFO subject to certain additional adjustments, including, but not limited to, and amortization of deferred financing costs, as determined by management. Other adjustments may be made to AFFO as determined by management. AFFO is presented in this MD&A as management considers this non-IFRS measure to be an important performance measure to determine the sustainability of future distributions paid to the Partners after a provision for maintenance capital expenditures. AFFO should not be interpreted as an indicator of cash generated from operating activities, as it does not consider changes in working capital. The most comparable IFRS measures to AFFO is net income (loss) and comprehensive income (loss). The definition of AFFO is consistent with REALPac.

OTHER INCOME AND EXPENSES

FINANCING COSTS FROM OPERATIONS

The Properties’ financing costs from operations for the years ended December 31, 2022 and December 31, 2021 are summarized below.

	Year ended December 31, 2022	Year ended December 31, 2021
Mortgage interest	\$ 2,246,074	\$ 1,352,959
Amortization of deferred financing costs	\$ 162,288	\$ 117,359
Other financing costs	\$ 85,414	\$ 7,487
Total financing costs from operations	\$ 2,493,776	\$ 1,477,805

ASSET MANAGEMENT FEES

Starlight is an entity under common management and was appointed as the manager of the Properties. As such, Starlight meets the definition of a "related party" as defined in IAS 24 - "Related party disclosures". Starlight receives an asset management fee and a construction management fee for managing day to day activities for the Partners. There were no construction management fees in 2022.

The asset management fee is calculated and payable on a monthly basis in arrears in cash and is calculated based on 0.2% of fair market value of investment properties for the preceding year.

For the years ended December 31, 2022 and December 31, 2021, asset management fees were incurred in the amount of \$0.3 million and \$0.8 million, respectively.

INVESTMENT PROPERTIES – FAIR VALUE ADJUSTMENTS

The Properties selected the fair value method to account for real estate classified as investment properties. A property is determined to be an investment property when it is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business. The investment properties are measured initially at cost and subsequently at fair value. Gains and losses arising from changes in the fair value are included in the carve-out statements of net income (loss) and comprehensive income (loss) in the period in which they arise.

Fair values are primarily determined by using the capitalized net income approach which applies a capitalization rate to the future stabilized cash flows of the property. The capitalization rate applied is reflective of the characteristics, location and market of the property. The stabilized cash flows of the property are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The Properties utilize external valuations performed by independent real estate valuation firms to determine fair value of the investment properties.

For the years ended December 31, 2022 and December 31, 2021, the Properties recorded fair value increases of \$13.1 million and \$0.1 million, respectively.

4-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – DECEMBER 31, 2022

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2022, current liabilities due to non-related parties of \$36.7 million (December 31, 2021 – \$3.1 million; January 1, 2021 - \$0.9 million) exceeded current assets of \$0.5 million (December 31, 2021 - \$0.5 million; January 1, 2021 – \$0.1 million), resulting in a net working capital deficit of \$36.2 million (December 31, 2021 - \$2.6 million; January 1, 2021 - \$0.8 million). The Properties’ immediate liquidity needs are met through cash flow from operations, refinancing of maturing mortgages and contributions from the partners.

The Properties’ capital consists of mortgages payable, partners’ surplus and credit facilities. The Properties invest capital to achieve business objectives and to generate an acceptable long-term return to the Partners. Primary uses of capital include additions to the investment properties and leasing activities, to the extent not available from cash flows from the Properties’ operations. Capital is monitored by management using tools designed to anticipate cash needs, to maintain adequate working capital.

The components of the Properties’ capital are set out in the table below:

	December 31, 2022	December 31, 2021	January 31, 2021
	\$	\$	\$
Mortgages payable	69,431,931	70,236,023	19,364,365
Partners' surplus	42,765,104	23,831,476	13,022,624
Credit facilities	—	20,835	—
	112,197,035	94,088,334	32,386,989

CAPITAL INVESTMENTS

The Properties require capital expenditures to be incurred in order to maintain its productive capacity and to sustain its rental income generating potential over its useful life. In accordance with IFRS, capital expenditures are added to the carrying value of the investment properties only when it is probable that future economic benefits will flow to the property and the cost can be measured reliably. Capital expenditures for the years ended December 31, 2022 and December 31, 2021 were \$4.7 million and \$1.1 million, respectively. These amounts may differ each period due to the seasonality and the cyclical nature of such costs and are estimated and managed based on a combination of third-party property condition assessment reports and management’s expertise, which provide an estimate of sustaining capital expenditures required based on the quality of construction, age of the building and anticipated future maintenance requirements. Management believes the use of these property assessment reports to estimate sustaining capital expenditure amounts is appropriate given the third party’s engineering and structural expertise as well their knowledge and experience with real estate.

CASH FLOWS

Cash provided by operating activities represents the primary source of liquidity to fund debt service, capital expenditures, and other costs. The Properties’ cash provided by operating activities is dependent upon the occupancy level of its investment properties, the rental rates on its leases, the collectability of rent from its tenants, the level of operating and other expenses and other factors. Material changes in these factors may adversely affect the Properties’ net cash flow from operating activities and liquidity. The Properties expect to be able to meet all of their obligations as they become due. Any liquidity remaining after meeting all of the Properties’ obligations is entirely distributed to the Partners within the period and the Properties are expected to have a nil cash balance at the end of each reporting period as a result.

The following table details the changes in cash for the years ended December 31, 2022 and December 31, 2021:

4-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – DECEMBER 31, 2022

	Year ended December 31, 2022	Year ended December 31, 2021
Cash provided by operating activities	642,609	1,235,695
Cash used in investing activities	(4,652,685)	(63,273,855)
Cash provided by financing activities	4,010,076	62,038,160
Net cash inflow / (outflow) during the year	-	-
Cash, beginning of year	-	-
Cash, end of year	-	-

Cash provided by operating activities

Cash provided by operating activities during the years ended December 31, 2022 and December 31, 2021 was \$0.6 million and \$1.2 million, respectively, which consisted primarily of NOI generated from operations.

Cash used in investing activities

Cash used in investing activities for the years ended December 31, 2022 and December 31, 2021 was \$4.7 million and \$63.3 million, respectively, which was primarily related to capital expenditures on investment properties (\$4.7 million in 2022 and \$1.1 million in 2021) and the acquisition (\$62.2 million in 2021) of investment properties.

Cash provided by financing activities

Cash provided by financing activities for the years ended December 31, 2022 and December 31, 2021 was \$4.0 million and \$62.0 million, respectively. For both periods, cash provided by financing activities related primarily to proceeds from contributions and debt financings, partially offset by the payment of debt obligations and distributions.

DEBT PROFILE

The Properties’ mortgages payable and credit facilities consisted of the following:

The mortgages were secured by the investment properties. Repayment terms for mortgages outstanding as at December 31, 2022 were as follows:

	Year ended December 31, 2022	Year ended December 31, 2021	As at January 1, 2021
Mortgages payable	\$ 69,689,170	\$ 70,650,050	\$ 19,732,300
Credit facilities	-	20,835	-
Less: Deferred financing costs	(257,239)	(414,027)	(367,935)
Total carrying value	\$ 69,431,931	\$ 70,256,858	\$ 19,364,365

As at December 31, 2021, the Partners had a revolving credit facility with \$20,835 outstanding with a Canadian chartered bank mainly used to fund early development costs and major repairs and maintenance at the Properties. The facility is due on demand and bears interest at the prime rate plus 0.95%. The Partners had the option to draw on this credit facility using banker’s acceptance, which bears interest at the CDOR rate plus 1.95%. The facility is guaranteed by the Partners. The facility had a maturity date of September 1, 2023 and was repaid on February 1, 2022.

COMMITMENTS AND CONTINGENCIES

The Properties are subject to claims and legal actions that arise in the ordinary course of business. It is the opinion of management that any ultimate liability that may arise from such matters would not have a significant adverse effect on the financial statements of the Properties.

4-PACK PROPERTIES – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A) – DECEMBER 31, 2022

SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

A summary of the significant accounting policies is provided in Note 2 of the carve-out financial statements of the Properties as at December 31, 2022, December 31, 2021 and January 1, 2021 and for the years ended December 31, 2022 and December 31, 2021.

CRITICAL JUDGMENTS AND ESTIMATES

The preparation of carve-out financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with prior periods 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 the carve-out financial statements. 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 significant estimates and judgments used in determining the recorded amount for assets and liabilities in the carve-out financial statements include the following:

INVESTMENT PROPERTIES

The significant assumptions used when determining the fair value of the investment properties are capitalization rates and future stabilized cash flows. The capitalization rate applied is reflective of the characteristics, location and market of the investment property.

The stabilized future cash flows of the investment properties are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The Properties determine fair values externally utilizing financial information and external market data and capitalization rates provided by independent industry experts.

FUTURE ACCOUNTING POLICY CHANGES

There were no new standards, interpretations or improvements to existing standards that were issued by the IASB or by the International Financial Reporting Interpretations Committee (“IFRIC”) that either have not yet been adopted by the Properties or that would have a material impact on the Properties’ financial condition or financial performance.

FUTURE OUTLOOK

The objective of the Properties is to generate stable cash flows, while maximizing the Properties’ value through an active asset management strategy, which includes plans to stabilize operations and to establish property-specific business plans to improve NOI. There will be a focus on increasing rental rates through value-add initiatives to common areas, clubhouse and in-suite upgrades and the use of yield management software, increasing ancillary revenue, reducing operating expenses through active asset management, utilizing reputable best-in-class property managers and economies of scale.

APPENDIX “E” – FINANCIAL STATEMENTS – WINNIPEG PORTFOLIO

Interim condensed combined carve-out financial statements of

Winnipeg Portfolio

For the three months ended March 31, 2023
(Unaudited)

Winnipeg Portfolio

Interim Condensed Combined Carve-out Statement of Financial Position (Unaudited)

As at March 31, 2023, with comparative information for 2022

(in thousands of Canadian dollars)

	Note	March 31, 2023	December 31, 2022
Assets			
Investment properties	5	\$ 179,937	\$ 180,117
Tenant receivables		879	1,009
Prepaid expenses and other assets		2,041	1,525
		182,857	182,651
Liabilities and Equity			
Liabilities:			
Mortgages payable	6	67,377	67,895
Tenant deposits and prepaid rent		1,228	1,186
Due to manager	7	122	69
Accounts payable and other liabilities		2,432	2,166
		71,159	71,316
Equity		111,698	111,335
		\$ 182,857	\$ 182,651

See accompanying notes to financial statements.

Winnipeg Portfolio

Interim Condensed Combined Carve-out Statement of Income (Loss) and Comprehensive Income (Loss)
(Unaudited)

For the three months ended March 31, 2023, with comparative information for 2022

(in thousands of Canadian dollars)

	Note	Three months ended March 31,	
		2023	2022
Revenue from property operations	8	\$ 3,172	\$ 2,749
Expenses:			
Property taxes		395	357
Utilities		583	534
Repairs and maintenance		399	252
Salaries and benefits		384	280
Other property operating		268	234
Property management fees	7	132	115
Corporate general and administration		32	106
		2,193	1,878
Income before the undernoted items		979	871
Project management fees	7	(54)	(44)
Financing costs	9	(507)	(522)
Fair value loss on investment properties	5	(1,464)	(1,475)
Net loss and comprehensive loss		\$ (1,046)	\$ (1,170)

See accompanying notes to financial statements.

Winnipeg Portfolio

Interim Condensed Combined Carve-out Statement of Changes in Equity (Unaudited)

For the three months ended March 31, 2023, with comparative information for 2022

(in thousands of Canadian dollars)

	Note	Three months ended March 31,	
		2023	2022
Retained earnings, beginning of period	\$	111,335	\$ 111,727
Co-owners' contributions		1,409	1,698
Distributions to Co-owners		-	(855)
Net loss and comprehensive loss		(1,046)	(1,170)
Retained earnings, end of period		111,698	111,400
Total equity, end of period	\$	111,698	\$ 111,400

See accompanying notes to financial statements.

Winnipeg Portfolio

Interim Condensed Combined Carve-out Statement of Cash Flows (Unaudited)

For the three months ended March 31, 2023, with comparative information for 2022

(in thousands of Canadian dollars)

	Three months ended March 31,	
	2023	2022
Cash flows from (used in) operating activities:		
Net loss and comprehensive loss	\$ (1,046)	\$ (1,170)
Adjustments for:		
Fair value loss on investment properties	1,464	1,475
Financing costs	507	522
Change in non-cash operating items:		
Tenant receivables	130	271
Prepaid expenses and other assets	(516)	42
Accounts payable and other liabilities	268	350
Due to Manager	53	(52)
Tenant deposits and prepaid rent	42	(188)
	902	1,250
Cash flows from (used in) financing activities		
Mortgage principal repayments	(552)	(537)
Interest and financing costs	(475)	(490)
Contributions from Co-owners	1,409	1,698
Distributions to Co-owners	-	(855)
	382	(184)
Cash flows used in investing activities:		
Capital improvement to investment properties	(1,284)	(1,066)
	(1,284)	(1,066)
Increase in cash	-	-
Cash, beginning of period	-	-
Cash, end of period	\$ -	\$ -

See accompanying notes to financial statements.

Winnipeg Portfolio

Notes to the interim condensed combined carve-out financial statements (unaudited)

As at and for the three months ended March 31, 2023, with comparative information for 2022

(in thousands of Canadian dollars)

1. ORGANIZATION

These interim condensed combined carve-out financial statements and notes thereto represent the combination of four multi-residential properties (collectively, the "Winnipeg Portfolio" or the "Properties") located in the province of Manitoba, Canada and owned by more than one legal entity.

The Properties and their related assets and liabilities are currently held within entities controlled by TD Asset Management and by TC Core LP, collectively referred to as the "Co-owners".

2. BASIS OF PRESENTATION

The interim condensed combined carve-out financial statements of the Properties have been prepared by the Manager and are prepared in accordance with IAS 34 *Interim Financial Reporting* on the basis that the Properties will continue to operate as a going concern.

The interim condensed combined carve-out financial statements were authorized for issue by the Manager on May 19, 2023.

These interim condensed combined carve-out financial statements have been prepared on a historical cost basis, except for investment properties, which are stated at their fair values.

The interim condensed combined carve-out financial statements are presented in Canadian dollars, which is the Properties' functional currency.

3. BASIS OF COMBINATION

These interim condensed combined carve-out financial statements include the assets, liabilities, revenues and expenses of the Properties.

In preparing these interim condensed combined carve-out financial statements:

(i) all assets and liabilities directly attributable to the Properties have been allocated to these interim condensed combined carve-out;

(ii) all expenses directly attributable to the Properties have been allocated to the interim condensed combined carve-out financial statements;

(iii) no provision for income tax has been recorded in these interim condensed combined carve-out financial statements as the Properties are held within entities treated as partnerships or are exempt from income taxes under Section 149(1) of the Income Tax Act (Canada) for income tax purposes; and

(iv) the Properties do not have a bank account. Any cash receipts and disbursements are made to or from the Co-owners on behalf of the Properties and recorded as contributions or distributions, respectively, in the equity.

Winnipeg Portfolio

Notes to the interim condensed combined carve-out financial statements (unaudited)

As at and for the three months ended March 31, 2023, with comparative information for 2022

(in thousands of Canadian dollars)

4. MATERIAL ACCOUNTING POLICIES

The interim condensed combined carve-out financial statements have been prepared in accordance with the accounting policies included in the Properties' combined carve-out financial statements as at December 31, 2022. These accounting policies are based on the IFRS applicable at that time. The condensed combined carve-out interim financial statements do not include all of the disclosures included in the combined carve-out financial statements as at December 31, 2022 and accordingly, should be read in conjunction with the combined carve-out financial statements as at December 31, 2022 and notes thereto.

(a) Accounting standards implemented in 2023

The new standards, interpretations or amendments that were effective in the year did not have an impact on the Properties' interim condensed combined carve-out financial statements. The Properties have not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Definition of Accounting Estimates (Amendments to IAS 8) ("IAS 8")

On February 12, 2021, the International Accounting Standards Board ("IASB") issued amendments to IAS 8 to assist entities to distinguish between accounting policies and accounting estimates.

The amendments introduce a new definition for accounting estimates, clarifying 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 entities develop an accounting estimate to achieve the objective set out by an accounting policy.

Disclosure initiative - Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

On February 12, 2021, the IASB issued *Disclosure Initiative - Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements)*. The amendments help entities provide useful accounting policy disclosures. The key amendments include:

- requiring entities to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to an entity's financial statements.

Winnipeg Portfolio

Notes to the interim condensed combined carve-out financial statements (unaudited)

As at and for the three months ended March 31, 2023, with comparative information for 2022

(in thousands of Canadian dollars)

5. INVESTMENT PROPERTIES

	March 31, 2023		December 31, 2022	
Balance, beginning of period	\$	180,117	\$	180,804
Capital improvements to investment properties		1,284		4,559
Fair value loss on investment properties		(1,464)		(5,246)
Balance, end of period	\$	179,937	\$	180,117

Investment properties include multi-residential units that are leased to third parties. Refer to note 8 for further information about these leases.

The fair value measurement has been categorized as a Level 3 fair value based on the inputs to the valuation technique used. The fair value is based on valuations by an independent external appraiser accredited by professional institutes with recent experience in the location of the property being valued. The independent appraisers provide the fair value of the Properties every quarter.

The following table shows the valuation technique used in measuring the fair value of investment properties:

Valuation technique	Inter-relationship between key unobservable inputs and fair value measurement
Direct capitalization method:	The estimated fair value would increase (decrease) if:
The valuation model is based on the conversion of stabilized net operating income generated from the property to estimated market value. The stabilized net operating income for the current fiscal year is capitalized with an overall rate which reflects the investment characteristics offered by the asset (quality of building and amenities, location and existing commercial rent potential, if applicable).	<ul style="list-style-type: none"> – Overall capitalization rates were lower (higher) – Stabilized net operating income was higher (lower)

The key valuation assumptions for the Properties derived from external valuations totaling are set out in the following table:

	March 31, 2023		December 31, 2022	
Capitalization rates:				
Range		4.25% - 6.25%		4.25% - 6.25%
Weighted average		4.56%		4.59%
Stabilized net operating income	\$	8,286	\$	8,308

The fair values of the Properties are sensitive to changes in the key valuation assumptions. A 25 basis-point (“bps”) change in the capitalization rates would result in a change to the estimated fair value of the Properties as at March 31, 2023 as set out in the following table:

Change	March 31, 2023		December 31, 2022	
25 bps increase		(9,445)		(9,349)
25 bps decrease		10,540		10,427

In addition, a 1% increase in stabilized net operating income would result in a higher fair value of \$1,817 (2022 - \$1,810). A 1% decrease in stabilized net operating income would result in a lower fair value of \$1,817 (2022 - \$1,810).

Winnipeg Portfolio

Notes to the interim condensed combined carve-out financial statements (unaudited)

As at and for the three months ended March 31, 2023, with comparative information for 2022

(in thousands of Canadian dollars)

6. MORTGAGES PAYABLE

	March 31, 2023		December 31, 2022	
Mortgages payable	\$	68,146	\$	68,698
Unamortized financing costs		(769)		(803)
	\$	67,377	\$	67,895

Mortgages are secured by investment properties to which they relate, and bear interest at rates ranging between 1.86% and 3.42% (2022 - 1.86% to 3.42%) with a weighted average rate of 2.79% as at March 31, 2023 (2022 - 2.79%) and maturing between 2028 and 2030 (2022 - between 2028 to 2030).

	Regular principal				Total	
	repayments	Balance due on maturity				
Remainder of 2023	\$	1,680	\$	-	\$	1,680
2024		2,296		-		2,296
2025		2,362		-		2,362
2026		2,430		-		2,430
2027		2,500		-		2,500
Thereafter		3,213		53,665		56,878
	\$	14,481	\$	53,665	\$	68,146

7. RELATED PARTY TRANSACTIONS AND BALANCES

Except as disclosed elsewhere in these interim condensed combined carve-out financial statements, related party transactions include the following transactions and balances.

Hazelview Investments Inc. and its subsidiaries (collectively, the "Manager") are responsible for the management and development of the Properties. The Manager and the Properties are related by virtue of common management.

For the three months ended March 31, 2023, in accordance with the applicable management agreement, the Manager charged the Properties the following management fees: property management fee of \$132 (2022 - \$115) and project management fee of \$54 (2022 - \$44).

As at March 31, 2023, \$122 was payable to the Manager (December 31, 2022 - \$69).

Winnipeg Portfolio

Notes to the interim condensed combined carve-out financial statements (unaudited)

As at and for the three months ended March 31, 2023, with comparative information for 2022

(in thousands of Canadian dollars)

8. REVENUE

The Properties' revenue, disaggregated to lease income and service revenue, is presented below:

	March 31, 2023		March 31, 2022	
Revenue from property operations:				
Lease revenue	\$	1,594	\$	1,476
Service revenue		1,084		822
Other miscellaneous revenue		494		451
Total revenue from property operations	\$	3,172	\$	2,749

The Properties lease residential rental properties under operating leases generally with a term of not more than one year and, in many cases, tenants lease rental space on a month-to-month basis.

As at March 31, 2023 and 2022, under its non-cancellable operating leases, the Properties were entitled to the following minimum future rental payments:

	Remainder of year		2 - 5 years		Over 5 years	
As at March 31, 2023	\$	5,121	\$	850	\$	-
As at March 31, 2022		2,606		514		-

9. FINANCING COSTS

	March 31, 2023		March 31, 2022	
Interest on mortgages payable	\$	473	\$	488
Amortization of financing costs		34		34
	\$	507	\$	522

The following table reconciles the changes in cash flows for liabilities from financing activities:

	March 31, 2023		March 31, 2022	
Balance, beginning of period	\$	67,895	\$	69,938
Mortgage principal repayments		(552)		(537)
Total financing cash activities		(552)		(537)
Amortization of financing costs		34		34
Total financing non-cash activities		34		34
Balance, end of period	\$	67,377	\$	69,435

10. CAPITAL RISK MANAGEMENT

The Properties' capital consists mainly of the Co-owners net investment. The Manager monitors capital using tools designated to anticipate cash needs and to maintain working capital.

Winnipeg Portfolio

Notes to the interim condensed combined carve-out financial statements (unaudited)

As at and for the three months ended March 31, 2023, with comparative information for 2022

(in thousands of Canadian dollars)

11. RISK MANAGEMENT AND FAIR VALUES

In the normal course of operations, the Properties are exposed to various financial risks, including changes in interest rates and government regulatory controls. The following describes these financial risks and how they are managed by the Properties:

(a) Financial risk management

(i) Interest rate risk

The Manager regularly reviews the Properties' mortgages payable and upcoming mortgage renewals for opportunities to convert existing debt into more favourable terms and rates. The Manager also staggers the term of mortgage maturities to minimize the Properties' exposure to interest rate fluctuations in any one particular year. Generally, the Manager seeks to fix the term of long-term debt within a range from five to ten years.

As at March 31, 2023 and December 31, 2022, the Properties had no mortgages payable which bore interest at variable rates.

(ii) Credit risk

The Properties are exposed to credit risk by the collection of accounts receivable from tenants. The Manager routinely obtains credit history reports on prospective tenants before entering into a tenancy agreement. In addition, the Manager obtains security deposits from tenants in geographic regions, where permitted by law.

(iii) Liquidity risk

Liquidity risk is the risk that the Properties will encounter difficulty in meeting its financial obligations as they become due. This risk can arise in the normal course of operations and from unforeseen capital expenditures.

The following are the contractual maturities of financial liabilities as at March 31, 2023, including expected interest payments, where applicable:

	Carrying amount	Contractual cash flows	Within 1 year	2 - 5 years	Over 5 years
Mortgages payable	\$ 67,377	\$ 78,298	\$ 4,107	\$ 16,428	\$ 57,763
Tenant deposits	654	654	654	-	-
Due to Manager	122	122	122	-	-
Accounts payable and other liabilities	2,432	2,432	2,432	-	-
	\$ 70,585	\$ 81,506	\$ 7,315	\$ 16,428	\$ 57,763

The following are the contractual maturities of financial liabilities as at December 31, 2022, including expected interest payments, where applicable:

	Carrying amount	Contractual cash flows	Within 1 year	2 - 5 years	Over 5 years
Mortgages payable	\$ 67,895	\$ 79,324	\$ 4,107	\$ 16,428	\$ 58,789
Tenant deposits	641	641	641	-	-
Due to Manager	69	69	69	-	-
Accounts payable and other liabilities	2,166	2,166	2,166	-	-
	\$ 70,771	\$ 82,200	\$ 6,983	\$ 16,428	\$ 58,789

Winnipeg Portfolio

Notes to the interim condensed combined carve-out financial statements (unaudited)

As at and for the three months ended March 31, 2023, with comparative information for 2022

(in thousands of Canadian dollars)

(b) Fair values of financial instruments

The fair values of the Properties' financial assets and liabilities, which include cash, tenant receivables, due to manager, accounts payable and other liabilities, and tenant deposits approximate their carrying values at December 31, 2022 due to their short-term nature.

As at March 31, 2023, the estimated fair market value (Level 2) of the mortgages payable was \$72,005 (2022 - \$73,691). The fair market value of the mortgages payable has been determined by discounting the cash flows of the mortgages using estimated market rates determined by the yield on a Government of Canada bond with the nearest maturity date to the underlying mortgages, plus an estimated risk premium at the reporting date.

12. COMMITMENTS AND CONTINGENCIES

The Properties have entered into contractual agreements for certain capital improvements. The commitments as at March 31, 2023 were \$257.

Combined carve-out financial statements of

Winnipeg Portfolio

And Independent Auditor's Report thereon

Year ended December 31, 2022

Independent auditor's report

To the Management of the
Winnipeg Portfolio

Opinion

We have audited the combined carve-out financial statements of the **Winnipeg Portfolio**, which comprise the combined carve-out balance sheets as at December 31, 2022 and 2021, and the combined carve-out statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies [collectively, the "financial statements"].

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Winnipeg Portfolio as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRSs"].

Basis for opinion

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

Emphasis of matter – combined carve-out financial statements

We draw attention to the fact that, as described in Note 1 to the financial statements, due to the inherent limitations of carving out activities from larger entities, these financial statements may not necessarily reflect the Winnipeg Portfolio's results of operations, financial position and cash flows for future periods, nor do they necessarily reflect the results of operations, financial position and cash flows that would have been realized had the Winnipeg Portfolio been a stand-alone entity during the periods presented.

Other information

Management is responsible for the other information, The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 IFRSs, 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 Winnipeg Portfolio'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 Winnipeg Portfolio or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Winnipeg Portfolio'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 Winnipeg Portfolio'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 Winnipeg Portfolio to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Toronto, Canada
May 19, 2023

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants



A member firm of Ernst & Young Global Limited

Winnipeg Portfolio

Combined Carve-out Balance Sheet

December 31, 2022, with comparative information for 2021

(in thousands of Canadian dollars)

	Note	2022	2021
Assets			
Investment properties	5	\$ 180,117	\$ 180,804
Tenant receivables		1,009	770
Prepaid expenses and other assets	6	1,525	3,075
		182,651	184,649
Liabilities and Equity			
Liabilities:			
Mortgages payable	7	67,895	69,938
Tenant deposits and prepaid rent		1,186	963
Due to manager	8	69	68
Accounts payable and other liabilities		2,166	1,953
		71,316	72,922
Equity		111,335	111,727
Commitments and contingencies	13		
		\$ 182,651	\$ 184,649

See accompanying notes to financial statements.

Winnipeg Portfolio

Combined Carve-out Statement of Income (Loss) and Comprehensive Income (Loss)

Year ended December 31, 2022, with comparative information for 2021

(in thousands of Canadian dollars)

	Note	2022	2021
Revenue from property operations	9	\$ 11,294	\$ 10,240
Expenses:			
Property taxes		1,431	1,509
Utilities		1,780	1,416
Repairs and maintenance		1,429	1,465
Salaries and benefits		1,394	1,299
Other property operating		1,103	895
Property management fees	8	471	426
Corporate general and administration		158	135
		7,766	7,145
Income before the undernoted items		3,528	3,095
Project management fees	8	(179)	(166)
Financing costs	10	(2,067)	(2,129)
Fair value loss on investment properties	5	(5,246)	(3,682)
Write-down of due from vendor	6	-	(2,105)
Net loss and comprehensive loss		\$ (3,964)	\$ (4,987)

See accompanying notes to financial statements.

Winnipeg Portfolio

Combined Carve-out Statement of Changes in Equity

Year ended December 31, 2022, with comparative information for 2021

(in thousands of Canadian dollars)

	Note	2022	2021
Retained earnings, beginning of year	\$	111,727	\$ 108,492
Co-owners' contributions		5,896	9,624
Distributions to Co-owners		(2,324)	(1,402)
Net loss and comprehensive loss		(3,964)	(4,987)
Retained earnings, end of year		111,335	111,727
Total equity, end of year	\$	111,335	\$ 111,727

See accompanying notes to financial statements.

Winnipeg Portfolio

Combined Carve-out Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

(in thousands of Canadian dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Net loss and comprehensive loss	\$ (3,964)	\$ (4,987)
Adjustments for:		
Fair value loss on investment properties	5,246	3,682
Write-down of due from vendor	-	2,105
Financing costs	2,067	2,129
Change in non-cash operating items:		
Tenant receivables	(239)	(252)
Prepaid expenses and other assets	1,550	(1,340)
Accounts payable and other liabilities	230	(1,194)
Due to Manager	1	57
Tenant deposits and prepaid rent	223	326
	5,114	526
Cash flows from (used in) financing activities		
Mortgage principal repayments	(2,170)	(2,110)
Interest and financing costs	(1,957)	(1,998)
Contributions from Co-owners	5,896	9,624
Distributions to Co-owners	(2,324)	(1,402)
	(555)	4,114
Cash flows used in investing activities:		
Capital improvement to investment properties	(4,559)	(4,640)
	(4,559)	(4,640)
Increase in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

See accompanying notes to financial statements.

Winnipeg Portfolio

Notes to the combined carve-out financial statements

For the year ended December 31, 2022, with comparative information for 2021

(in thousands of Canadian dollars)

1. ORGANIZATION

These combined carve-out financial statements and notes thereto represent the combination of four multi-residential properties (collectively, the "Winnipeg Portfolio" or the "Properties") located in the province of Manitoba, Canada and owned by more than one legal entity, and do not include all the assets, liabilities, revenues or expenses of the legal entities holding ownership. The Winnipeg Portfolio as presented in these combined carve-out financial statements do not form a legal entity.

The Properties and their related assets and liabilities are currently held within entities controlled by TD Asset Management and by TC Core LP, collectively referred to as the "Co-owners".

2. BASIS OF PRESENTATION

(a) Statement of compliance

The combined carve-out financial statements of the Winnipeg Portfolio have been prepared by the Manager and are prepared in accordance with International Financial Reporting Standards ("IFRS").

The combined carve-out interim financial statements were authorized for issue by the Manager on May 19, 2023.

(b) Basis of measurement

These combined carve-out financial statements have been prepared on a historical cost basis, except for investment properties, which are stated at their fair values.

(c) Functional and presentation currency

The combined carve-out financial statements are presented in Canadian dollars, which is the Winnipeg Portfolio's functional currency.

(d) Cash and cash equivalents

The Properties do not have a bank account. Any cash receipts and disbursements are made to or from the Co-owners on behalf of the Properties and recorded as contributions or distributions, respectively, in the equity.

3. BASIS OF COMBINATION

These combined carve-out financial statements include the assets, liabilities, revenues and expenses of the Properties.

In preparing these combined carve-out financial statements:

(i) all assets and liabilities directly attributable to the Properties have been allocated to these combined carve-out financial statements;

(ii) all expenses directly attributable to the Properties have been allocated to the combined carve-out financial statements;

(iii) no provision for income tax has been recorded in these combined carve-out financial statements as the Properties are held within entities treated as partnerships or are exempt from income taxes under Section 149(1) of the Income Tax Act (Canada) for income tax purposes.

Due to the inherent limitations of carving out activities from larger entities, these combined carve-out financial statements may not necessarily reflect the Winnipeg Portfolio's results of operations, financial position and cash flows for future periods, nor do they necessarily reflect the results of operations, financial position and cash flows that would have been realized had the Winnipeg Portfolio been a stand-alone entity during the periods presented.

Winnipeg Portfolio

Notes to the combined carve-out financial statements

For the year ended December 31, 2022, with comparative information for 2021

(in thousands of Canadian dollars)

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements, except as described in note 4(f):

(a) Investment properties

The Properties account for real estate classified as investment properties under International Accounting Standard ("IAS") 40, Investment Property ("IAS 40"), using the fair value method. A property is determined to be an investment property when it is principally held to earn rental income, capital appreciation, or both. Investment properties are initially measured at cost, including transaction costs associated with acquiring the property. Subsequent to initial recognition, investment properties are measured at fair value.

The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases as well as cash outflows and, when applicable, future capital expenditures that could be expected in respect of the Properties. It also reflects capitalization rates applicable to the investment properties.

The fair value of investment properties is generally determined on a quarterly basis by generally using a direct capitalization method but may also use alternative valuation methods, such as a discounted fair value method or sales comparison approach. The Manager engages external appraisers to estimate the fair value of the Properties, subject to review and oversight processes explained hereunder.

The Manager has established a Valuation Committee that has overall responsibility for overseeing the fair value measurement. The Valuation Committee regularly reviews significant unobservable inputs and valuation adjustments but will use market observable data when available. Where third party information, such as appraisal services, is used to measure fair value, the Valuation Committee 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 related gain or loss in fair value is recognized in net income (loss) and comprehensive income (loss) in the year in which it arises.

Subsequent, capital expenditures are charged to investment properties only when it is probable that future economic benefits of the expenditure will flow to the Properties 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 carrying amount and are recognized in the statement of income (loss) and comprehensive income (loss) in the year of disposal.

(b) Revenue recognition

Revenue from investment properties includes rents from tenants under leases and property management and ancillary income (such as utilities, parking and laundry) paid by the tenants under the terms of their existing leases.

Rental income from tenants under leases included lease components within the scope of IFRS 16, *Leases* ("IFRS 16") and are comprised of rental income and a recovery of property taxes and insurance. Rental income is accounted for on a straight-line basis over the lease term. Property tax and insurance recoveries are recognized as revenue in the period in which they are earned.

Property management and ancillary income are considered non-lease components and are within the scope of IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"). The performance obligation for property management and ancillary services is satisfied over time. Rents charged to tenants are generally charged on a gross basis, inclusive of property management and ancillary services.

If a contract is separated into more than one performance obligation, the Properties allocate the total transaction price to each performance obligation in an amount based on an expected cost plus a margin approach. The Properties apply the practical expedient in paragraph 121 of IFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

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(in thousands of Canadian dollars)

(c) Financial instruments

Tenant receivables and the mortgages payable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Properties become 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 and loss ("FVTPL"), 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: amortized cost; fair value through other comprehensive income ("FVOCI") - debt instrument; FVOCI - equity instrument; or FVTPL. The Properties have 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 at 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 a specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

All financial assets not classified as measured at amortized cost as described above are measured at FVTPL.

The Properties subsequently measure 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 statement of income (loss) and comprehensive income (loss). Financial assets measured at FVTPL are remeasured at each balance sheet reporting period end date with net gains and losses, including interest or dividend income, recognized in statement of income (loss) and comprehensive income (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 the statement of income (loss) and comprehensive income (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 the statement of income (loss) and comprehensive income (loss).

The Properties do not hold derivative financial instruments for hedging purposes.

The Properties recognize 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 balance sheet. Impairment losses, if incurred, would be recorded in the general and administrative expenses in the statement of income (loss) and comprehensive income (loss).

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 (loss) and comprehensive income (loss). 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.

(d) Fair value

The Properties measure financial instruments, such as investment properties at fair value at each balance sheet 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

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- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Properties.

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.

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 Properties determine whether transfers have occurred between levels in the hierarchy by reassessing 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 Properties have 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) Critical judgments and estimates

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 and 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 significant estimates and judgments used in determining the recorded amount for assets and liabilities in the financial statements include the following:

(i) Investment properties

The critical estimates and assumptions underlying the valuation of investment properties are described in note 4(a). In applying this policy, judgment is applied in determining certain assumptions, such as capitalization rates, future rental income and operating expenses 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 investment properties are described in note 5.

(f) Accounting standards implemented in 2022

The new standards, interpretations or amendments that were effective in the year did not have an impact on the Properties. The Properties have not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(g) Future changes in accounting policies

Definition of Accounting Estimates (Amendments to IAS 8) ("IAS 8")

On February 12, 2021, the International Accounting Standards Board ("IASB") issued amendments to IAS 8 to assist entities to distinguish between accounting policies and accounting estimates. The amendments apply to annual periods beginning on or after January 1, 2023. Earlier adoption is permitted.

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(in thousands of Canadian dollars)

The amendments introduce a new definition for accounting estimates, clarifying 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 Properties develop an accounting estimate to achieve the objective set out by an accounting policy.

The amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted.

The Properties will adopt the amendments in their financial statements beginning on January 1, 2023. The Properties are assessing the potential impact of the amendments, however, do not expect them to have a material impact on their financial statements.

Disclosure initiative - Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

On February 12, 2021, the IASB issued *Disclosure Initiative - Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements)*. The amendments help companies provide useful accounting policy disclosures. The key amendments include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to Properties' financial statements.

The amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted.

The Properties will adopt the amendments in their financial statements beginning on January 1, 2023. The Properties are assessing the potential impact of the amendments, however, do not expect them to have a material impact on their financial statements.

Amendments to IAS 1, Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Properties are monitoring the developments and are assessing the impact the amendment will have on their financial statements.

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5. INVESTMENT PROPERTIES

	2022	2021
Balance, beginning of year	\$ 180,804	\$ 179,846
Capital improvements to investment properties	4,559	4,640
Fair value loss on investment properties	(5,246)	(3,682)
Balance, end of year	\$ 180,117	\$ 180,804

Investment properties include multi-residential units that are leased to third parties. Refer to note 9 for further information about these leases.

The fair value measurement has been categorized as a Level 3 fair value based on the inputs to the valuation technique used (note 4(d)). The fair value is based on valuations by an independent external appraiser accredited by professional institutes with recent experience in the location of the property being valued. The independent appraisers provide the fair value of the Properties every quarter.

The following table shows the valuation technique used in measuring the fair value of investment properties:

Valuation technique	Inter-relationship between key unobservable inputs and fair value measurement
Direct capitalization method:	The estimated fair value would increase (decrease) if:
The valuation model is based on the conversion of stabilized net operating income generated from the property to estimated market value. The stabilized net operating income for the current fiscal year is capitalized with an overall rate which reflects the investment characteristics offered by the asset (quality of building and amenities, location and existing commercial rent potential, if applicable).	<ul style="list-style-type: none"> – Overall capitalization rates were lower (higher) – Stabilized net operating income was higher (lower)

The key valuation assumptions for the Properties derived from external valuations are set out in the following table:

	2022	2021
Capitalization rates:		
Range	4.25% - 6.25%	4.25% - 6.25%
Weighted average	4.59%	4.53%
Stabilized net operating income	\$ 8,308	\$ 8,173

The fair values of the Properties are sensitive to changes in the key valuation assumptions. The estimated fair value would increase by \$10,427 (2021 - \$10,539) if overall capitalization rates were lower by 25 basis-points and decrease by \$9,349 (2021 - \$9,436) if the overall capitalization rates were higher by 25 basis-points.

In addition, a 1% increase in stabilized net operating income would result in a higher fair value of \$1,810 (2021 - \$1,804). A 1% decrease in stabilized net operating income would result in a lower fair value of \$1,810 (2021 - \$1,804).

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6. PREPAID EXPENSES AND OTHER ASSETS

During the year ended December 31, 2021, a \$2,105 write-down was recorded against due from vendor. The amount represents the remaining balance of lease receivable and development costs incurred by the Properties, which were collectible from the vendor in accordance with the purchase and sale agreement and the lease agreement.

7. MORTGAGES PAYABLE

		2022		2021
Mortgages payable	\$	68,698	\$	70,868
Unamortized financing costs		(803)		(930)
	\$	67,895	\$	69,938

Mortgages are secured by the Properties to which they relate, and bear interest at rates ranging between 1.86% and 3.42% (2021 - 1.86% to 3.42%) with a weighted average rate of 2.79% as at December 31, 2022 (2021 - 2.79%) and maturing between 2028 and 2030 (2021 - between 2028 to 2030).

	Regular principal repayments		Balance due on maturity		Total
2023	\$	2,232	\$	-	\$ 2,232
2024		2,296		-	2,296
2025		2,362		-	2,362
2026		2,430		-	2,430
2027		2,500		-	2,500
Thereafter		3,213		53,665	56,878
	\$	15,033	\$	53,665	\$ 68,698

8. RELATED PARTY TRANSACTIONS AND BALANCES

Except as disclosed elsewhere in these interim condensed combined carve-out financial statements, related party transactions include the following transactions and balances.

Hazelview Investments Inc. and its subsidiaries (collectively, the "Manager") are responsible for the management and development of the Properties. The Manager and the Properties are related by virtue of common management.

For the year ended December 31, 2022, in accordance with the applicable management agreement, the Manager charged the Properties the following management fees: property management fee of \$471 (2021 - \$426) and project management fee of \$179 (2021 - \$166).

As at December 31, 2022, \$69 was payable to the Manager (2021 - \$68). There was nil receivable from the Co-owners as at December 31, 2022 (2021 - \$33).

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Notes to the combined carve-out financial statements

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(in thousands of Canadian dollars)

9. REVENUE

The Properties' revenue, disaggregated to lease income and service revenue, is presented below:

		2022		2021
Revenue from property operations:				
Lease revenue ¹	\$	6,325	\$	5,941
Service revenue ²		3,269		2,812
Other miscellaneous revenue ²		1,700		1,487
Total revenue from property operations	\$	11,294	\$	10,240

¹ Accounted for under IFRS 16

² Accounted for under IFRS 15

The Properties lease residential rental properties under operating leases generally with a term of not more than one year and, in many cases, tenants lease rental space on a month-to-month basis.

Under its non-cancellable operating leases, the Properties were entitled to the following minimum future rental payments:

		Within 1 year		2 - 5 years		Over 5 years
As at December 31, 2022	\$	6,043	\$	80	\$	-
As at December 31, 2021		6,884		2,970		-

10. FINANCING COSTS

		2022		2021
Interest on mortgages payable	\$	1,931	\$	1,993
Amortization of financing costs		136		136
	\$	2,067	\$	2,129

The following table reconciles the changes in cash flows for liabilities from financing activities:

		2022		2021
Balance, beginning of year	\$	69,938	\$	71,912
Mortgage principal repayments		(2,170)		(2,110)
Financing costs paid		(9)		-
Total financing cash activities		(2,179)		(2,110)
Amortization of financing costs		136		136
Total financing non-cash activities		136		136
Balance, end of year	\$	67,895	\$	69,938

Winnipeg Portfolio

Notes to the combined carve-out financial statements

For the year ended December 31, 2022, with comparative information for 2021

(in thousands of Canadian dollars)

11. CAPITAL RISK MANAGEMENT

The Properties' capital consists mainly of the Co-owners net investment. The Manager monitors capital using tools designated to anticipate cash needs and to maintain working capital.

12. RISK MANAGEMENT AND FAIR VALUES

In the normal course of operations, the Properties are exposed to various financial risks, including changes in interest rates and government regulatory controls. The following describes these financial risks and how they are managed by the Properties:

(a) Financial risk management

(i) Interest rate risk

The Manager regularly reviews the Properties' mortgages payable and upcoming mortgage renewals for opportunities to convert existing debt into more favourable terms and rates. The Manager also staggers the term of mortgage maturities to minimize the Properties' exposure to interest rate fluctuations in any one particular year. Generally, the Manager seeks to fix the term of long-term debt within a range from five to ten years.

As at December 31, 2022 and 2021, the Properties had no mortgages payable which bore interest at variable rates.

(ii) Credit risk

The Properties are exposed to credit risk by the collection of accounts receivable from tenants. The Manager routinely obtains credit history reports on prospective tenants before entering into a tenancy agreement. In addition, the Manager obtains security deposits from tenants in geographic regions, where permitted by law.

(iii) Liquidity risk

Liquidity risk is the risk that the Properties will encounter difficulty in meeting its financial obligations as they become due. This risk can arise in the normal course of operations and from unforeseen capital expenditures.

The following are the contractual maturities of financial liabilities as at December 31, 2022, including expected interest payments, where applicable:

	Carrying amount	Contractual cash flows	Within 1 year	2 - 5 years	Over 5 years
Mortgages payable	\$ 67,895	\$ 79,324	\$ 4,107	\$ 16,428	\$ 58,789
Tenant deposits	641	641	641	-	-
Due to Manager	69	69	69	-	-
Accounts payable and other liabilities	2,166	2,166	2,166	-	-
	\$ 70,771	\$ 82,200	\$ 6,983	\$ 16,428	\$ 58,789

The following are the contractual maturities of financial liabilities as at December 31, 2021, including expected interest payments, where applicable:

	Carrying amount	Contractual cash flows	Within 1 year	2 - 5 years	Over 5 years
Mortgages payable	\$ 69,938	\$ 83,431	\$ 4,107	\$ 16,428	\$ 62,896
Tenant deposits	497	497	497	-	-
Due to Manager	68	68	68	-	-
Accounts payable and other liabilities	1,953	1,953	1,953	-	-
	\$ 72,456	\$ 85,949	\$ 6,625	\$ 16,428	\$ 62,896

Winnipeg Portfolio

Notes to the combined carve-out financial statements

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(in thousands of Canadian dollars)

(b) Fair values of financial instruments

The fair values of the Properties' financial assets and liabilities, which include cash, tenant receivables, due to manager, accounts payable and other liabilities, and tenant deposits approximate their carrying values at December 31, 2022 due to their short-term nature.

As at December 31, 2022, the estimated fair market value (Level 2) of the mortgages payable was \$73,691 (2021 - \$69,954). The fair market value of the mortgages payable has been determined by discounting the cash flows of the mortgages using estimated market rates determined by the yield on a Government of Canada bond with the nearest maturity date to the underlying mortgages, plus an estimated risk premium at the reporting date.

13. COMMITMENTS AND CONTINGENCIES

The Properties have entered into contractual agreements for certain capital improvements. The commitments as at December 31, 2022 were \$401.

APPENDIX “F” – MD&A – WINNIPEG PORTFOLIO

WINNIPEG PORTFOLIO – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

WINNIPEG PORTFOLIO MANAGEMENT’S DISCUSSION AND ANALYSIS

The following management’s discussion and analysis (the “MD&A”) of the interim condensed combined carve-out financial results of 4-Pack Properties (the “Properties”) dated May 19, 2023 for the three months ended March 31, 2023 with comparative information for 2022, should be read in conjunction with the 4-Pack Properties’ unaudited interim condensed combined carve-out financial statements and accompanying notes for these periods. The Properties and their related assets and liabilities are currently held within entities controlled by TD Asset Management and by TC Core LP, collectively referred to as the “Co-owners”.

BASIS OF PRESENTATION

The Properties’ unaudited interim condensed combined carve-out financial statements as at December 31, 2022 and March 31, 2023 and for the three months ended March 31, 2022 and March 31, 2023 are prepared in accordance with IAS 34 Interim Financial Reporting, and accounting policies included in the Properties’ combined carve-out financial statements as at December 31, 2022. The Properties’ presentation currency is Canadian dollars. Unless otherwise stated, dollar amounts expressed in this MD&A are in thousands of Canadian dollars.

For purposes of this MD&A the line items in the 4-Pack Properties’ unaudited interim condensed combined carve-out financial statements and accompanying notes for these periods labelled "Income before the undernoted items" is referred to as "NOI".

NON-IFRS MEASURES

Certain terms used in this MD&A such as funds from operations (“FFO”) are not measures defined under IFRS as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be construed as alternatives to net income and comprehensive income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. The Properties use these measures to better assess its underlying performance and provides these additional measures so that investors may do the same.

PROPERTY PROFILE

The Properties consist of 4 properties that are located in the province of Manitoba within Canada. The suite breakdown is as follows:

Suite Type	Sq. Ft. Average	Number of Suites
Bachelor	638	463
1 Bedroom	718	327
2 Bedrooms	876	55
Average/Total	694	845

The 845 total suites that comprise the Properties are constructed on a total rentable area of 0.6 million square feet. The Properties contain 804 total parking spaces, consisting of 631 indoor and 173 outdoor spaces.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	As at March 31, 2023	As at December 31, 2022
Operational information		
Total suites	845	845
Occupancy	95%	91%
Summary of Financial Information		
Investment properties	\$ 179,937	\$ 180,117
Mortgages payable	\$ 67,377	\$ 67,895

WINNIPEG PORTFOLIO – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

Occupancy is calculated by taking effective net rent after considering vacancy and dividing by gross potential rent.

FINANCIAL PERFORMANCE

The Properties’ financial performance for the three months ended March 31, 2023 and March 31, 2022 is summarized below:

	As at March 31, 2023	As at March 31, 2022
Revenue	\$ 3,172	\$ 2,749
Property operating expenses	(2,193)	(1,878)
NOI	\$ 979	\$ 871
Net loss and comprehensive loss	\$ (1,046)	\$ (1,170)

RESULTS OF OPERATIONS

REVENUE

Revenue includes the monthly rent charges for the lease of apartment suites and other ancillary income. Other ancillary income may include, but is not limited to, laundry fees and parking fees. Rental revenue is the only material component of total revenue, which accounts for approximately 84% thereof for the 3 months ended March 31, 2023 and March 31, 2022.

Revenue from property operations for the three months ended March 31, 2023 and 2022 were \$3.2 million and \$2.7 million, respectively. Rental demand remained strong during both the periods.

PROPERTY OPERATING EXPENSES

For the three months ended March 31, 2023, the main components of property operating expenses as a percentage of total property operating expenses include, but are not limited to, utility costs of approximately 27%, realty taxes of approximately 18%, salaries and benefits of approximately 18%, and repairs and maintenance of approximately 18%.

For the three months ended March 31, 2022, the main components of property operating expenses as a percentage of total property operating expenses include, but are not limited to, utility costs of approximately 28%, realty taxes of approximately 19%, salaries and benefits of approximately 15%, and repairs and maintenance of approximately 13%.

NOI

NOI for the same properties increased to \$1.0 million from \$0.9 million which was primarily attributable to the decrease in vacancy, partly offset by increasing property operating expenses.

NOI margin is defined as NOI divided by revenue. NOI margin was 31% for the three months ended March 31, 2023, comparison to 32% of the same period last year, which was primarily attributable to increased property expenses offsetting the impact the occupancy growth.

WINNIPEG PORTFOLIO – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

FUNDS FROM OPERATIONS (“FFO”)

The following table shows a reconciliation of FFO to net loss and comprehensive loss.

	For three months ended	
	March 31, 2023	March 31, 2022
Net loss and comprehensive loss	\$ (1,046)	\$ (1,170)
Add (deduct):		
Fair value adjustment on investment properties	1,464	1,475
FFO	418	305

FFO is defined as net income and comprehensive income in accordance with IFRS, excluding fair value adjustments of the investment properties. FFO is a measure of operating performance based on the funds generated from the business before reinvestment or provision for other capital needs. FFO is presented in this MD&A as management considers this non-IFRS measure to be an important measure of operating performance. The most comparable IFRS measures to FFO are cash flow from operating activities and net income (loss) and comprehensive income (loss).

OTHER INCOME AND EXPENSES

FINANCE COSTS FROM OPERATIONS

The Properties’ finance costs from operations for the three months ended March 31, 2023 and March 31, 2022 are summarized below.

	For three months ended	
	March 31, 2023	March 31, 2022
Interest on mortgages	\$ 473	\$ 488
Amortization of deferred financing costs	34	34
Total financing costs from operations	\$ 507	\$ 522

MANAGEMENT FEES

Hazelview Investments Inc. (the “Manager”) was appointed as the manager of the Properties. As such, Hazelview meets the definition of a “related party” as defined in IAS 24 - “Related party disclosures”.

For the three months ended March 31, 2023 and March 31, 2022, in accordance with the applicable management agreements, the Manager charged the Properties the following management fees: property management fee of \$132 (2022 - \$115), and project management fee of \$54 (2022 - \$44).

INVESTMENT PROPERTY – FAIR VALUE ADJUSTMENTS

The Properties selected the fair value method to account for real estate classified as investment property. A property is determined to be an investment property when it is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business. The investment properties are measured initially at cost and subsequently at fair value. Gains and losses arising from changes in the fair value are included in the carve-out statements of net income and comprehensive income in the period in which they arise.

Fair values are primarily determined by using the capitalized net income approach which applies a capitalization rate to the future stabilized cash flows of the property. The capitalization rate applied is reflective of the characteristics, location and market of the property. The stabilized cash flows of the property are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The Properties utilize external valuations performed by independent real estate valuation firms to determine fair value of the investment properties.

For the three months ended March 31, 2023 and March 31, 2022, the Properties recorded fair value loss of \$1.5 million and \$1.5 million, respectively.

WINNIPEG PORTFOLIO – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2023, current assets of \$2.9 million (December 31, 2022 – \$2.5 million) net of current liabilities of \$6.1 million (December 31, 2022 - \$5.6 million), resulting in a net working capital deficit of \$3.2 million (December 31, 2022 - \$3.1 million). The Properties’ immediate liquidity needs are met through cash flow from operations, capital contributions by the Co-owners.

CAPITAL INVESTMENTS

The Properties require capital expenditures to be incurred in order to maintain its productive capacity and to sustain its rental income generating potential over its useful life. In accordance with IFRS, capital expenditures are added to the carrying value of the investment properties only when it is probable that future economic benefits will flow to the property and the cost can be measured reliably. Capital expenditures for the three months ended March 31, 2023 and March 31, 2022 were \$1.3 million and \$1.1 million, respectively. These amounts may differ each period due to the seasonality and the cyclical nature of such costs and are estimated and managed based on a combination of third-party property condition assessment reports and management’s expertise, which provide an estimate of sustaining capital expenditures required based on the quality of construction, age of the building and anticipated future maintenance requirements. Management believes the use of these property assessment reports to estimate sustaining capital expenditure amounts is appropriate given the third party’s engineering and structural expertise as well their knowledge and experience with real estate.

CASH FLOWS

Cash flow provided by operating activities represents the primary source of liquidity to fund financing costs. The Properties’ cash flow from operating activities is dependent upon the occupancy level of its investment property, the rental rates on its leases, the collectability of rent from its tenants, the level of operating and other expenses and other factors. Material changes in these factors may adversely affect the Properties’ net cash flow from operating activities and liquidity. Capital improvements, and other costs are funded from financing activities. The Properties expect to be able to meet all of its obligations as they become due.

The Properties do not have a bank account. Any cash receipts and disbursements are made to or from the Co-owners on behalf of the Properties and recorded as contributions or distributions, respectively, in the equity.

The following table details the changes in cash for the three months ended March 31, 2023 and March 31, 2022:

	For three months ended	
	March 31, 2023	March 31, 2022
Cash provided by operating activities	\$ 902	\$ 1,250
Cash used in investing activities	(1,284)	(1,066)
Cash provided by / (used in) financing activities	382	(184)
Net cash inflow / (outflow) during the period	\$ -	\$ -
Cash, beginning of the period	-	-
Cash, end of the period	\$ -	\$ -

Cash provided by operating activities

Cash provided by operating activities during the three months ended March 31, 2023 and March 31, 2022 was \$0.9 million and \$1.3 million, respectively, which consisted primarily of NOI generated from operations and changes in the working capital.

Cash used in investing activities

Cash used in investing activities for the three months ended March 31, 2023 and March 31, 2022 was \$1.3 million and \$1.1 million, respectively, which was entirely related to capital expenditures on investment properties.

WINNIPEG PORTFOLIO – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

Cash used in financing activities

Cash provided by financing activities for the three months ended March 31, 2023 was \$0.4 million. Cash used in financing activities for the three months ended March 31, 2022 was \$0.2 million. For both periods, this primarily related to payment of debt obligations and contributions from / (distributions to) the Co-owners.

DEBT PROFILE

The Properties’ credit facilities and mortgages payable are entered by the Co-owners and consists of the following:

	As at March 31, 2023	As at December 31, 2022
Mortgages payable	\$ 68,146	\$ 68,698
Unamortized deferred financing costs	(769)	(803)
Total	\$ 67,377	\$ 67,895

The mortgages are secured by the income producing properties. Repayment terms for mortgages outstanding as at March 31, 2023 are as follows:

	Scheduled principal repayments	Principal maturing during the period	Total
Remainder of 2023	\$ 1,680	\$ -	\$ 1,680
2024	2,296	-	2,296
2025	2,362	-	2,362
2026	2,430	-	2,430
2027	2,500	-	2,500
Thereafter	3,213	53,665	56,878
	\$ 14,481	\$ 53,665	\$ 68,146

COMMITMENTS AND CONTINGENCIES

The Properties have entered into contractual agreements for certain capital improvements. The total commitments as at March 31, 2023 were \$0.3 million.

MATERIAL ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

The interim condensed combined carve-out financial statements have been prepared in accordance with the accounting policies included in the Properties’ combined carve-out financial statements as at December 31, 2022. These accounting policies are based on the IFRS applicable at that time. The condensed combined carve-out interim financial statements do not include all of the disclosures included in the combined carve-out financial statements as at December 31, 2022 and accordingly, should be read in conjunction with the combined carve-out financial statements as at December 31, 2022 and notes thereto.

CRITICAL JUDGMENTS AND ESTIMATES

The preparation of combined carve-out financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with prior periods 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 the carve-out financial statements. 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.

WINNIPEG PORTFOLIO – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

The significant estimates and judgments used in determining the recorded amount for assets and liabilities in the carve-out financial statements include the following:

INVESTMENT PROPERTIES

The process of determining the fair value of investment properties involves making assumptions based on capitalization rates and future stabilized cash flows. The capitalization rate used is a reflection of the unique characteristics, location, and market conditions of the investment property. This rate helps in estimating the expected return on the investment property and can vary significantly from one property to another. On the other hand, future stabilized cash flows are based on assumptions related to rental income from current leases, as well as market rent and occupancy rates for future leases. These assumptions are adjusted to reflect current market conditions and any expected cash outflows related to current and future leases.

To determine the fair value of the properties, external financial information and market data are used. Independent industry experts also provide input regarding capitalization rates to help ensure a more accurate valuation. This external analysis helps to ensure that the fair value of the properties is based on a comprehensive and objective assessment of their worth, taking into account both market trends and the specific characteristics of the investment properties.

FUTURE ACCOUNTING POLICY CHANGES

There were no new standards, interpretations or improvements to existing standards that were issued by the IASB or by the International Financial Reporting Interpretations Committee (“IFRIC”) that either have not yet been adopted by the Properties or that would have a material impact on the Properties’ financial condition or financial performance.

FUTURE OUTLOOK

The objective of the Properties is to generate stable cash flows by maintaining high occupancy levels through active property & asset management strategies, exploring operational efficiencies across the Properties, and achieving rental revenue growth through either guideline increases or value-add initiatives that warrant above-guideline growth.

WINNIPEG PORTFOLIO – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

WINNIPEG PORTFOLIO MANAGEMENT’S DISCUSSION AND ANALYSIS

The following management’s discussion and analysis (the “MD&A”) of the combined carve-out financial results of 4-Pack Properties (the “Properties”) dated May 19, 2023 for the years ended December 31, 2022 and December 31, 2021, should be read in conjunction with the 4-Pack Properties’ combined carve-out financial statements and accompanying notes for these periods. The Properties and their related assets and liabilities are currently held within entities controlled by TD Asset Management and by TC Core LP, collectively referred to as the “Co-owners”.

BASIS OF PRESENTATION

The Properties’ combined carve-out financial statements as at December 31, 2021 and December 31, 2022 and for the years ended December 31, 2021 and December 31, 2022 are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and using the accounting policies described therein. The Properties’ presentation currency is Canadian dollars. Unless otherwise stated, dollar amounts expressed in this MD&A are in thousands of Canadian dollars.

For purposes of this MD&A the line items in the 4-Pack Properties’ combined carve-out financial statements and accompanying notes for these periods labelled “Income before the undernoted items” is referred to as “NOI”.

NON-IFRS MEASURES

Certain terms used in this MD&A such as funds from operations (“FFO”) are not measures defined under IFRS as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be construed as alternatives to net income and comprehensive income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. The Properties use these measures to better assess its underlying performance and provides these additional measures so that investors may do the same.

PROPERTY PROFILE

The Properties consist of 4 properties that are located in the province of Manitoba within Canada. The suite breakdown is as follows:

Suite Type	Sq. Ft. Average	Number of Suites
Bachelor	638	463
1 Bedroom	718	327
2 Bedrooms	876	55
Average/Total	694	845

The 845 total suites that comprise the Properties are constructed on a total rentable area of 0.6 million square feet. The Properties contain 804 total parking spaces, consisting of 631 indoor and 173 outdoor spaces.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	As at December 31, 2022	As at December 31, 2021
Operational Information		
Total suites	845	845
Occupancy	91%	78%
Summary of Financial Information		
Investment Properties	\$180,117	\$180,804
Mortgages payable	\$ 67,895	\$ 69,938

Occupancy is calculated by taking effective net rent after considering vacancy and dividing by gross potential rent.

WINNIPEG PORTFOLIO – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

FINANCIAL PERFORMANCE

The Properties’ financial performance for the years ended December 31, 2022 and December 31, 2021 is summarized below:

	Year ended December 31, 2022	Year ended December 31, 2021
Revenue	\$ 11,294	\$ 10,240
Property operating expenses	<u>(7,766)</u>	<u>(7,145)</u>
NOI	\$ 3,528	\$ 3,095
Net loss and comprehensive loss	\$ (3,964)	\$ (4,987)

RESULTS OF OPERATIONS

REVENUE

Revenue includes the monthly rent charges for the lease of apartment suites and other ancillary income. Other ancillary income may include, but is not limited to, laundry fees and parking fees. Rental revenue is the only material component of total revenue, which accounts for approximately 85% thereof for the years ended December 31, 2022 and December 31, 2021.

Revenue from property operations for the year ended December 31, 2022 and 2021 were \$11.3 million and \$10.2 million, respectively. Rental demand remained strong during both the periods.

PROPERTY OPERATING EXPENSES

For the year ended December 31, 2022, the main components of property operating expenses as a percentage of total property operating expenses include, but are not limited to, utility costs of approximately 23% (2021: 20%), realty taxes of approximately 18% (2021: 21%), salaries and benefits of approximately 18% (2021: 18%), and repairs and maintenance of approximately 18% (2021: 21%).

NOI

For the years ended December 31, 2022 and December 31, 2021, NOI increased to \$3.5 million from \$3.1 million, primarily attributable to the decrease of vacancy, partly offset by increasing property operating expenses.

NOI Margin is defined as NOI divided by revenue. For the years ended December 31, 2022 and December 31, 2021, the NOI margin increased to 31% from 30%, primarily attributable to increased property expenses offsetting the impact the occupancy growth.

WINNIPEG PORTFOLIO – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

FUNDS FROM OPERATIONS ("FFO")

The following table shows a reconciliation of FFO to net loss and comprehensive loss.

	Year ended December 31, 2022	Year ended December 31, 2021
Net loss and comprehensive loss	\$ (3,964)	\$ (4,987)
Add (deduct):		
Fair value adjustment on investment properties	5,246	3,682
Write down due from vendor – one-time adjustment	-	2,105
FFO	1,282	800

FFO is defined as net income and comprehensive income in accordance with IFRS, excluding fair value adjustments of the investment properties. FFO is a measure of operating performance based on the funds generated from the business before reinvestment or provision for other capital needs. FFO is presented in this MD&A as management considers this non-IFRS measure to be an important measure of operating performance. The most comparable IFRS measures to FFO are cash flow from operating activities and net income (loss) and comprehensive income (loss).

OTHER INCOME AND EXPENSES

FINANCE COSTS FROM OPERATIONS

The Properties' finance costs from operations for the years ended December 31, 2022 and December 31, 2021 are summarized below.

	Year ended December 31, 2022	Year ended December 31, 2021
Interest on mortgages	\$ 1,931	\$ 1,993
Amortization of deferred financing costs	136	136
Total financing costs from operations	\$ 2,067	\$ 2,129

MANAGEMENT FEES

Hazelview Investments Inc. (the "Manager") was appointed as the manager of the Properties. As such, Hazelview meets the definition of a "related party" as defined in IAS 24 - "Related party disclosures".

For the year ended December 31, 2022, in accordance with the applicable management agreement, the Manager charged the Properties the following management fees: property management fee of \$471 (2021 - \$426) and project management fee of \$179 (2021 - \$166)

INVESTMENT PROPERTY – FAIR VALUE ADJUSTMENTS

The Properties selected the fair value method to account for real estate classified as investment property. A property is determined to be an investment property when it is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business. The investment properties are measured initially at cost and subsequently at fair value. Gains and losses arising from changes in the fair value are included in the carve-out statements of net income and comprehensive income in the period in which they arise.

Fair values are primarily determined by using the capitalized net income approach which applies a capitalization rate to the future stabilized cash flows of the property. The capitalization rate applied is reflective of the characteristics, location and market of the property. The stabilized cash flows of the property are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash

WINNIPEG PORTFOLIO – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

outflows relating to such current and future leases. The Properties utilize external valuations performed by independent real estate valuation firms to determine fair value of the investment properties. For the years ended December 31, 2022 and December 31, 2021, the Properties recorded fair value loss of \$5.2 million and \$3.7 million, respectively.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2022, current assets of \$2.5 million (December 31, 2021 – \$3.9 million) net of current liabilities of \$5.6 million (December 31, 2021 - \$5.1 million), resulting in a net working capital deficit of \$3.1 million (December 31, 2021 - \$1.2 million). The Properties’ immediate liquidity needs are met through cash flow from operations, capital contributions by the Co-owners.

CAPITAL INVESTMENTS

The Properties require capital expenditures to be incurred in order to maintain its productive capacity and to sustain its rental income generating potential over its useful life. In accordance with IFRS, capital expenditures are added to the carrying value of the investment properties only when it is probable that future economic benefits will flow to the property and the cost can be measured reliably. Capital expenditures for the years ended December 31, 2022 and December 31, 2021 were \$4.6 million and \$4.6 million, respectively. These amounts may differ each period due to the seasonality and the cyclical nature of such costs and are estimated and managed based on a combination of third-party property condition assessment reports and management’s expertise, which provide an estimate of sustaining capital expenditures required based on the quality of construction, age of the building and anticipated future maintenance requirements. Management believes the use of these property assessment reports to estimate sustaining capital expenditure amounts is appropriate given the third party’s engineering and structural expertise as well their knowledge and experience with real estate.

CASH FLOWS

Cash flow provided by operating activities represents the primary source of liquidity to fund financing costs. The Properties’ cash flow from operating activities is dependent upon the occupancy level of its investment property, the rental rates on its leases, the collectability of rent from its tenants, the level of operating and other expenses and other factors. Material changes in these factors may adversely affect the Properties’ net cash flow from operating activities and liquidity. Capital improvements, and other costs are funded from financing activities. The Properties expect to be able to meet all of its obligations as they become due.

The Properties do not have a bank account. Any cash receipts and disbursements are made to or from the Co-owners on behalf of the Properties and recorded as contributions or distributions, respectively, in the equity.

The following table details the changes in cash for the years ended December 31, 2022 and December 31, 2021:

	Year ended December 31, 2022	Year ended December 31, 2021
Cash provided by operating activities	\$ 5,114	\$ 526
Cash used in investing activities	(4,559)	(4,640)
Cash provided by / (used in) financing activities	(555)	4,114
Net cash inflow / (outflow) during the period	\$ -	\$ -
Cash, beginning of the period	-	-
Cash, end of the period	\$ -	\$ -

Cash provided by operating activities

Cash provided by operating activities during the years ended December 31, 2022 and December 31, 2021 was \$5.0 million and \$0.5 million, respectively, which consisted primarily of NOI generated from operations and changes in the working capital.

Cash used in investing activities

Cash used in investing activities for the years ended December 31, 2022 and December 31, 2021 was \$4.6 million and \$4.6 million, respectively, which was entirely related to capital expenditures on investment properties.

WINNIPEG PORTFOLIO – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

Cash provided by / (used in) financing activities

Cash used in financing activities for the year ended December 31, 2022 was \$0.6 million. Cash provided by financing activities for the year ended December 31, 2021 was \$4.1 million. For both periods, this primarily related to payment of debt obligations and contributions from / (distributions to) the Co-owners.

DEBT PROFILE

The Properties’ credit facilities and mortgages payable are entered by the Co-owners and consists of the following:

	As at December 31, 2022	As at December 31, 2021
Mortgages payable	\$ 68,698	\$ 70,868
Unamortized deferred financing costs	(803)	(930)
Total	\$ 67,895	\$ 69,938

The mortgages are secured by the income producing properties. Repayment terms for mortgages outstanding as at December 31, 2022 are as follows:

	Scheduled principal repayments	Principal maturing during the period	Total
2023	\$ 2,232	\$ -	\$ 2,232
2024	2,296	-	2,296
2025	2,362	-	2,362
2026	2,430	-	2,430
2027	2,500	-	2,500
Thereafter	3,213	53,665	56,878
	\$ 15,033	\$ 53,665	\$ 68,698

COMMITMENTS AND CONTINGENCIES

The Properties have entered into contractual agreements for certain capital improvements. The total commitments as at December 31, 2022 were \$0.4 million.

SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

A summary of the significant accounting policies is provided in Note 4 of the combined carve-out financial statements of the Properties as at December 31, 2021 and December 31, 2022 and for the years ended December 31, 2021 and December 31, 2022.

CRITICAL JUDGMENTS AND ESTIMATES

The preparation of combined carve-out financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with prior periods 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 the carve-out financial statements. 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 significant estimates and judgments used in determining the recorded amount for assets and liabilities in the carve-out financial statements include the following:

WINNIPEG PORTFOLIO – MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (MD&A)

INVESTMENT PROPERTIES

The process of determining the fair value of investment properties involves making assumptions based on capitalization rates and future stabilized cash flows. The capitalization rate used is a reflection of the unique characteristics, location, and market conditions of the investment property. This rate helps in estimating the expected return on the investment property and can vary significantly from one property to another. On the other hand, future stabilized cash flows are based on assumptions related to rental income from current leases, as well as market rent and occupancy rates for future leases. These assumptions are adjusted to reflect current market conditions and any expected cash outflows related to current and future leases.

To determine the fair value of the properties, external financial information and market data are used. Independent industry experts also provide input regarding capitalization rates to help ensure a more accurate valuation. This external analysis helps to ensure that the fair value of the properties is based on a comprehensive and objective assessment of their worth, taking into account both market trends and the specific characteristics of the investment properties.

FUTURE ACCOUNTING POLICY CHANGES

There were no new standards, interpretations or improvements to existing standards that were issued by the IASB or by the International Financial Reporting Interpretations Committee (“IFRIC”) that either have not yet been adopted by the Properties or that would have a material impact on the Properties’ financial condition or financial performance.

FUTURE OUTLOOK

The objective of the Properties is to generate stable cash flows by maintaining high occupancy levels through active property & asset management strategies, exploring operational efficiencies across the Properties, and achieving rental revenue growth through either guideline increases or value-add initiatives that warrant above-guideline growth.

APPENDIX "G" – PRO FORMA FINANCIAL STATEMENTS



Unaudited Pro Forma Consolidated Financial Statements

As at and for the three months ended March 31, 2023 and the year ended December 31, 2022

NORTHVIEW FUND
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(thousands of Canadian dollars)

As at March 31, 2023	Note	Northview Fund	Galaxy	Starlight	Winnipeg	Pro Forma Adjustment	Pro Forma Northview Fund
Assets							
Non-current assets							
Investment properties	2B	1,862,101	457,240	113,604	179,937	(1,931)	2,610,951
Property, plant and equipment	2B	31,295	—	—	—	1,931	33,226
Investment in joint ventures		13,449	—	—	—	—	13,449
Other long-term assets		3,832	—	—	—	—	3,832
		1,910,677	457,240	113,604	179,937	—	2,661,458
Current assets							
Accounts receivable	2C	6,129	367	397	879	(1,643)	6,129
Prepaid expenses and other assets	2C	5,759	1,255	227	2,041	(3,523)	5,759
Restricted cash	2C	5,717	1,048	43	—	(1,091)	5,717
Cash and cash equivalents		19,418	—	—	—	—	19,418
		37,023	2,670	667	2,920	(6,257)	37,023
Total assets		1,947,700	459,910	114,271	182,857	(6,257)	2,698,481
Liabilities							
Non-current liabilities							
Mortgages payable	2A	690,245	151,592	34,667	67,377	39,103	978,601
	2D	—	—	—	—	(4,383)	
Exchangeable LP Units	2A	—	—	—	—	39,563	71,719
	2E	—	—	—	—	32,156	
		690,245	151,592	34,667	67,377	106,439	1,050,320
Current liabilities							
Mortgages payable	2A	219,752	2,480	34,548	—	(10,346)	250,817
	2D	—	—	—	—	4,383	
Credit facilities	2A	449,043	134,964	—	—	(94,964)	505,403
	2F	—	—	—	—	20,000	
	2F	—	—	—	—	(3,000)	
	2F, G	—	—	—	—	(2,328)	
	2F, G	—	—	—	—	655	
	2F, G	—	—	—	—	1,033	
Redeemable Units	2H	—	—	—	—	95,600	95,600
Trade and other payables	2C	28,340	10,279	1,837	3,782	(15,898)	28,340
Distributions payable	2G	3,763	—	—	—	(1,164)	3,021
	2G	—	—	—	—	328	
	2G	—	—	—	—	94	
		700,898	147,723	36,385	3,782	(5,607)	883,181
Total liabilities, excluding net assets attributable to Unitholders		1,391,143	299,315	71,052	71,159	100,832	1,933,501
Net assets attributable to Unitholders	2I	555,415	—	—	—	(555,415)	—
Total liabilities, net assets attributable to Unitholders		1,946,558	299,315	71,052	71,159	(454,583)	1,933,501

NORTHVIEW FUND
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(thousands of Canadian dollars)

Equity								
Unitholders' equity	2A	—	—	—	—	159,313	763,838	
	2B	—	—	—	—	75,869		
	2E	—	—	—	—	(32,156)		
	2G	—	—	—	—	1,382		
	2H	—	—	—	—	13,015		
	2I	—	—	—	—	555,415		
	2J	—	—	—	—	(9,000)		
Divisional surplus	2C	—	160,595	—	—	(160,595)		—
Partners' surplus	2C	—	—	43,219	—	(43,219)		—
Equity	2C	—	—	—	111,698	(111,698)		—
Non-controlling interest		1,142	—	—	—	—	1,142	
Total equity		1,142	160,595	43,219	111,698	448,326	764,980	
Total liabilities, net assets attributable to Unitholders, and equity		1,947,700	459,910	114,271	182,857	(6,257)	2,698,481	

See accompanying notes to these unaudited pro forma consolidated financial statements.

NORTHVIEW FUND
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF NET AND COMPREHENSIVE INCOME (LOSS)
(thousands of Canadian dollars)

Year ended December 31, 2022	Note	Northview Fund	Galaxy	Starlight	Winnipeg	Pro Forma Adjustment	Pro Forma Northview Fund
Revenue		198,210	25,685	5,676	11,294	—	240,865
Operating expenses		85,702	11,873	4,318	7,766	—	109,659
Net operating income		112,508	13,812	1,358	3,528	—	131,206
Other expenses (income)							
Distributions to Unitholders	2G	45,150	—	—	—	(45,150)	8,440
	2G	—	—	—	—	3,932	
	2G	—	—	—	—	4,508	
Financing costs	2K	48,839	9,859	2,494	2,067	(4,442)	67,632
	2K	—	—	—	—	8,815	
Administration	2L	6,922	255	—	—	1,371	8,548
Asset management fees	2M	6,592	856	342	179	(7,969)	—
Depreciation and amortization	2B	3,377	—	—	—	321	3,698
Equity income from joint ventures		(1,960)	—	—	—	—	(1,960)
Fair value (gain) loss on investment properties	2B	(67,235)	(62,235)	(13,051)	5,246	137,275	—
Fair value loss on disposition of assets		12	—	—	—	—	12
Recapitalization event costs	2J	—	—	—	—	9,000	41,156
	2E	—	—	—	—	32,156	
		41,697	(51,265)	(10,215)	7,492	139,817	127,526
Net and comprehensive income (loss)		70,811	65,077	11,573	(3,964)	(139,817)	3,680
Net and comprehensive income (loss) attributable to:							
Unitholders	2G	70,431	—	—	—	45,150	(2,051)
	2G	—	—	—	—	(3,932)	
	2G	—	—	—	—	(4,508)	
	2K	—	—	—	—	3,369	
	2K	—	—	—	—	(8,815)	
	2L	—	—	—	—	(1,626)	
	2M	—	—	—	—	6,592	
	2B	—	—	—	—	(321)	
	2B	—	—	—	—	(67,235)	
	2J	—	—	—	—	(9,000)	
	2E	—	—	—	—	(32,156)	
Divisional surplus	2K	—	65,077	—	—	686	4,639
	2M	—	—	—	—	856	
	2L	—	—	—	—	255	
	2B	—	—	—	—	(62,235)	
Partners' surplus	2K	—	—	11,573	—	251	(885)
	2M	—	—	—	—	342	
	2B	—	—	—	—	(13,051)	
Equity	2K	—	—	—	(3,964)	136	1,597
	2M	—	—	—	—	179	
	2L	—	—	—	—	—	
	2B	—	—	—	—	5,246	
Non-controlling interest		380	—	—	—	—	380
Net and comprehensive income (loss)		70,811	65,077	11,573	(3,964)	(139,817)	3,680

See accompanying notes to these unaudited pro forma consolidated financial statements.

NORTHVIEW FUND
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF NET AND COMPREHENSIVE (LOSS) INCOME
(thousands of Canadian dollars)

Three Months Ended March 31, 2023	Note	Northview Fund	Galaxy	Starlight	Winnipeg	Pro Forma Adjustment	Pro Forma Northview Fund
Revenue		51,627	7,333	1,520	3,172	—	63,652
Operating expenses		24,738	3,491	1,465	2,193	—	31,887
Net operating income		26,889	3,842	55	979	—	31,765
Other expenses (income)							
Distributions to Unitholders	2G	11,288	—	—	—	(11,288)	2,110
	2G	—	—	—	—	983	
	2G	—	—	—	—	1,127	
Financing costs	2K	16,432	3,175	641	507	(865)	21,783
	2K	—	—	—	—	1,893	
Administration	2L	2,018	135	—	—	272	2,425
Asset management fees	2M	1,650	255	86	54	(2,045)	—
Depreciation and amortization	2B	840	—	—	—	97	937
Equity income from joint ventures		(296)	—	—	—	—	(296)
Fair value loss (gain) on investment properties	2B	4,378	2,462	—	1,464	(8,304)	—
		36,310	6,027	727	2,025	(18,130)	26,959
Net and comprehensive (loss) income		(9,421)	(2,185)	(672)	(1,046)	18,130	4,806
Net and comprehensive (loss) income attributable to:							
Unitholders	2G	(9,454)	—	—	—	11,288	4,186
	2G	—	—	—	—	(983)	
	2G	—	—	—	—	(1,127)	
	2K	—	—	—	—	831	
	2K	—	—	—	—	(1,893)	
	2L	—	—	—	—	(407)	
	2M	—	—	—	—	1,650	
	2B	—	—	—	—	(97)	
	2B	—	—	—	—	4,378	
Divisional surplus	2K	—	(2,185)	—	—	(42)	625
	2M	—	—	—	—	255	
	2L	—	—	—	—	135	
	2B	—	—	—	—	2,462	
Partners' surplus	2K	—	—	(672)	—	42	(544)
	2M	—	—	—	—	86	
Equity	2K	—	—	—	(1,046)	34	506
	2M	—	—	—	—	54	
	2B	—	—	—	—	1,464	
Non-controlling interest		33	—	—	—	—	33
Net and comprehensive (loss) income		(9,421)	(2,185)	(672)	(1,046)	18,130	4,806

See accompanying notes to these unaudited pro forma consolidated financial statements.

NORTHVIEW FUND

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2023 and year ended December 31, 2022

(thousands of Canadian dollars, except as indicated)

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

A. Nature of operations

Northview Fund ("Northview" or the "Fund") was formed in 2020 for the primary purpose of indirectly acquiring, owning, and operating a geographically diversified real estate portfolio comprised of income-producing multi-residential suites, commercial real estate, and executives in secondary markets within Canada. The Fund's Class A Units currently trade on the Toronto Stock Exchange ("TSX") under the symbol "NHF.UN".

The accompanying unaudited pro forma consolidated financial statements (the "pro forma information") has been prepared by the management of the Fund to reflect the purchase and sale agreements (the "Purchase Agreements") entered on June 12, 2023 each to acquire a portfolio of real estate assets which collectively shall comprise "the Portfolios":

- A portfolio of twelve properties, consisting of 2,088 multi-residential suites and 7,148 square feet ("sq. ft.") of commercial real estate, located in Alberta, Nova Scotia, and Québec from Galaxy Value Add Properties LP, an affiliate of Starlight Investments ("Starlight") and certain funds managed by KingSett Capital ("KingSett") (the "Galaxy Portfolio").
- A portfolio of four properties, consisting of 368 multi-residential suites and 11,532 sq. ft. of commercial real estate, located in Ontario and Alberta from D.D. Acquisition Partnership, an affiliate of Starlight (the "Starlight Portfolio").
- A portfolio of four properties, consisting of 845 multi-residential suites and 100,963 sq. ft. of commercial real estate, located in Winnipeg, Manitoba from TC Core LP and affiliates of TD Asset Management (the "Winnipeg Portfolio").

Starlight, KingSett and their respective affiliates are considered related parties of the Fund due to their respective holdings of Trust Units and membership on the Fund's Board of Trustees.

B. Basis of presentation

The pro forma information of the Fund has been prepared in connection with the Purchase Agreements for inclusion in the Fund's Management Information Circular and Proxy Statement.

The pro forma information gives the pro forma effect to the Purchase Agreements in accordance with National Instruments 51-102 *Continuous Disclosure Obligations* by applying pro forma adjustments to the Fund's and the Portfolios' historical consolidated financial statements. The pro forma reporting entity includes the Fund and its subsidiaries (as described in Note 2 of the Fund's audited consolidated financial statements referenced below) as well as the Portfolios' (as described in Note 1 of the Portfolios' audited financial statements referenced below).

The pro forma consolidated statement of financial position as at March 31, 2023 gives effect to the Purchase Agreements and assumptions described herein as if they had occurred on March 31, 2023. The pro forma consolidated statement of net and comprehensive income (loss) for the year ended December 31, 2022 and pro forma consolidated statement of net and comprehensive (loss) income for the three months ended March 31, 2023 give effect to the Purchase Agreements and assumptions described herein as if they had occurred on January 1, 2022.

The pro forma information may not be indicative of the results that would have occurred if the events reflected herein had been in effect on the dates indicated or of the results which may be obtained in the future. The allocation of the total consideration to the net assets acquired in the Purchase Agreements is preliminary and based on estimates of fair value and other amounts and such estimates may be adjusted in the future. As these amounts are preliminary, differences in the actual amounts assigned to the fair values of the identifiable assets and liabilities upon the completion of detailed valuations and calculations could differ materially and result in changes in periods subsequent to completion of the Purchase Agreements.

Certain accounts in the Portfolios' audited carve-out financial statements were reclassified or combined in the pro forma information to conform to the Fund's financial statement presentation.

C. Significant accounting policies

The accounting policies used in the preparation of the pro forma information are those set out in the Fund's audited consolidated financial statements as at and for the year ended December 31, 2022, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). The pro forma information has been prepared from information derived from and should be read in conjunction with:

- the Fund's audited consolidated financial statements as at and for the year ended December 31, 2022, together with the accompanying notes, and the unaudited condensed consolidated interim financial statements as at and for the three months ended March 31, 2023.
- the Galaxy Portfolio's audited carve-out financial statements as at and for the year ended December 31, 2022, together with the accompanying notes, and the unaudited condensed interim carve-out financial statements as at and for the three months ended March 31, 2023.
- the Starlight Portfolio's audited carve-out financial statements of the 4-pack Properties as at and for the year ended December 31, 2022, together with the accompanying notes, and the unaudited condensed interim carve-out financial statements of the 4-pack Properties as at and for the three months ended March 31, 2023.
- the Winnipeg Portfolio's audited combined carve-out financial statements as at and for the year ended December 31, 2022, together with the accompanying notes, and the unaudited interim condensed combined carve-out financial statements as at and for the three months ended March 31, 2023.

The following accounting policies have been adopted for the purposes of preparing the pro forma information where the Fund does not have an established policy:

a. Trust Units

The Fund's trust units (collectively, the Class A Units, Class C Units, and Class F Units) are to be re-constituted, in accordance with their exchange ratios, so that each Trust Unit be economically equivalent to one Class A Unit and thereafter Class C Units and Class F Units will be convertible into Class A Units on a 1:1 basis. All Trust Units will be entitled to the same voting and distribution rights following re-constitution. The Trust Units are redeemable at the option of the holder and, therefore, are considered puttable instruments. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met, in which case, the puttable instruments may be presented as Unitholders' equity. The Trust Units meet the necessary conditions of IAS 32 – *Financial Instruments: Presentation* and are presented as Unitholders' equity upon re-constitution.

Earnings per share presentation is not required for puttable instruments.

b. Exchangeable LP Units

Limited partnership units of subsidiary limited partnerships are exchangeable into Trust Units at the option of the holder and are entitled to distributions in an equivalent manner to Trust Units ("Exchangeable LP Units"). Exchangeable LP Units are accompanied by an equivalent number of special voting units of the Fund ("Special Voting Units") as described below. Exchangeable LP Units meet the definition of a financial liability. Exchangeable LP Units are measured at fair value at each reporting period with any changes in fair value recorded in the consolidated statements of net and comprehensive income (loss). The fair value of Exchangeable LP Units is determined with reference to the Class A Unit price on the TSX. The distributions paid on Exchangeable LP Units are accounted for as a financing cost.

As a pro forma assumption of such fair value change is a prediction rather than an objectively determinable pro forma adjustment, the pro forma information assumes no change in the fair value of Exchangeable LP Units as presented on the statement of financial position as at March 31, 2023. This assumption has also been applied to the statement of net and comprehensive income (loss) for the year ended December 31, 2022 and statement of net and comprehensive (loss) income for the three months ended March 31, 2023. The actual Fund consolidated financial statements may include fair value changes and such changes could be material.

c. Redeemable Units

Redeemable limited partnership units of a subsidiary limited partnership are redeemable and retractable in four equal installments after the 12-month, 15-month, 18-month, and 21-month anniversaries of closing at the unit issuance price of \$15.06 per Unit (“Redeemable Units”). Redeemable Units are accompanied by an equivalent number of Special Voting Units as described below.

The Redeemable Units represent a compound financial instrument that includes a liability component, resulting from the redemption feature, and an equity component, resulting from the right of a unitholder (“Unitholder”) of the Fund to receive discretionary distributions. The liability component is initially measured at fair value which is based on the present value of future redemption payments discounted at market interest rates. The equity component is initially measured as the residual amount between the fair value of the instrument itself and the liability component. Subsequently, the liability component is measured at amortized cost and is accreted to its face value at the effective interest rate.

d. Special Voting Units

Exchangeable LP Units and Redeemable Units are accompanied by an equivalent number of Special Voting Units. The Special Voting Units have no economic entitlement in the Fund or in distributions or assets of the Fund. Holders of Special Voting Units are entitled to one vote per Special Voting Unit at meetings of the Unitholders. Special Voting Units are not separately transferable from the Exchangeable LP Units or Redeemable Units to which they are attached and will be automatically transferred upon the transfer of such exchangeable securities. Upon the exchange of Exchangeable LP Units for Trust Units or the redemption/retraction of Redeemable Units, the corresponding Special Voting Units attached to such Exchangeable LP Units or Redeemable Units will automatically be redeemed and cancelled for no consideration without any further action of the Trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto.

2. PRO FORMA ADJUSTMENTS

A. Acquisition of portfolios

The Purchase Agreements have been accounted for as asset acquisitions whereby the individual identifiable assets acquired and liabilities assumed that are initially measured at an amount other than cost, are initially measured in accordance with the applicable IFRS standard. The remaining transaction price, after deducting any amounts for net assets measured at an amount other than cost, is allocated to the remaining identifiable assets and liabilities based on their relative fair values.

The Fund's accounting policy is to measure financial liabilities, including mortgages payable and credit facility debt, at fair value upon initial recognition. The fair value of mortgages payable has been determined by discounting the future cash payments by the current market borrowing rate. The fair value of the credit facility debt approximates its carrying value due to the use of short-term borrowing instruments at market rates of interest. After deducting amounts for mortgages payable and credit facility debt, the remaining transaction price is allocated to investment properties which are measured at cost upon initial recognition in accordance with the Fund's accounting policies. The allocation of the total cost to the net assets acquired is preliminary and based on estimates of fair value and such estimates may be adjusted in the future.

The preliminary allocation of the cost of the assets acquired and liabilities assumed is as follows:

	Galaxy	Starlight	Winnipeg	Total
Investment properties	395,420	96,212	175,280	666,912
Mortgages payable	(199,045)	(56,649)	(63,727)	(319,421)
Credit facility	(40,000)	—	—	(40,000)
Total value attributed to assets and liabilities acquired	156,375	39,563	111,553	307,491
Trust Units	156,375	—	2,938	159,313
Exchangeable LP Units	—	39,563	—	39,563
Redeemable Units	—	—	108,615	108,615
Total consideration	156,375	39,563	111,553	307,491

The acquisition of the Portfolios will be funded through the issuance of Units and assumption of debt:

- **Galaxy Portfolio:** The twelve properties will be indirectly purchased by the Fund through the assumption of mortgage debt and credit facility debt, and the issuance of approximately 13.7 million Class C Units.
- **Starlight Portfolio:** The four properties will be indirectly purchased by the Fund through the assumption of mortgage debt and the issuance of approximately 3.5 million Exchangeable LP Units.
- **Winnipeg Portfolio:** The four properties will be indirectly purchased by the Fund through the assumption of mortgage debt and the issuance of Units to two global, institution investors, consisting of 0.3 million Class C Trust Units to TC Core LP and 7.2 million Redeemable Units to affiliates of TD Asset Management.

The value of the Trust Units and Exchangeable LP Units have been determined in reference to the Class A Unit price on the TSX as at close on March 31, 2023 while the Redeemable Units have been determined with reference to the issuance price of \$15.06 as outlined in the Purchase Agreements. Total consideration, units issued, and allocation of consideration may include material changes upon completion of the Purchase Agreements and as a result of fluctuations in the Fund's applied Trust Unit price.

The Fund anticipates it will incur approximately \$8.0 million in directly attributable transaction costs including transfer tax costs, legal fees, property due diligence costs, and other costs that are directly attributable to the properties acquired from the Portfolios as well as assignment fees resulting from the assumption of mortgage debt from the Portfolios. Directly attributable transaction costs have been allocated to investment properties as described above.

The final allocation will be determined at the completion of the Purchase Agreements and may include material changes in the fair value of assets and liabilities.

NORTHVIEW FUND**NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**

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(thousands of Canadian dollars, except as indicated)

B. Investment properties and property, plant, and equipment

As the Portfolios are accounted for using the fair value method of accounting for investment properties subsequent to initial recognition as described in Note 1C, the Portfolios will be adjusted to fair value on an ongoing basis, with any fair value adjustments included in the statement of net and comprehensive income (loss). As a pro forma assumption of such fair value change is a prediction rather than an objectively determinable pro forma adjustment, the pro forma information assumes no change in the fair value of the investment properties as presented on the statement of financial position as at March 31, 2023. This assumption has also been applied to the statement of net and comprehensive income (loss) for the year ended December 31, 2022 and statement of net and comprehensive (loss) income for the three months ended March 31, 2023. The impact of historical fair value changes on investment properties has also been eliminated. The actual Fund consolidated financial statements will include fair value changes and such changes could be material.

An adjustment for \$1.9 million has been made to reclassify amounts from investment properties to property, plant, and equipment to reflect the Fund's accounting policies.

Additional depreciation of \$0.3 million and \$0.1 million for the year ended December 31, 2022 and three months ended March 31, 2023, respectively, has been recognized as a result of the aforementioned reclass to property, plant, and equipment.

C. Assets acquired and liabilities assumed

The Fund intends to acquire the investment properties and assume the associated mortgages from the Portfolios as well as a portion of borrowings on the Galaxy Portfolio credit facility. Refer to Note 1A and Note 2A for further discussion of the acquisition of the Portfolios. All other assets and liabilities reflected in the Portfolios' unaudited interim financial statements as at March 31, 2023 that were not acquired have been eliminated.

D. Mortgages payable

Mortgages have been adjusted to reflect the current and non-current portions of any differential between the fair value of mortgages payable and their carrying values, so that the current portion includes amounts that are expected to be amortized between April 1, 2023 and March 31, 2024.

E. Carried interest

Upon occurrence of a recapitalization event, the partners of Starlight West LP (an affiliate of Starlight, a related party as described in Note 1A) are entitled to a carried interest distribution. The settlement of \$32.2 million reflects the Class B limited partnership units of Northview Canadian HY Holdings LP becoming exchangeable for 2.8 million Class C Units, as described in Note 1C at a value of \$11.40 per Unit based on the Class A Unit price on the TSX as at close on March 31, 2023. The value and form of settlement for carried interest may change, including based on fluctuations in the Fund's Unit price.

F. Credit facility

Following the completion of the transaction, the Fund anticipates it will hold the following credit facilities:

- The Fund's existing syndicated credit facility of \$449.0 million as outlined in the unaudited consolidated interim financial statements as at and for the three months ended March 31, 2023. In connection with the recapitalization event, the Fund will execute amendments to its existing syndicated credit facility including the absorption of \$40.0 million additional borrowings assumed as part of the Galaxy Portfolio.
- A new \$60.0 million credit facility. Initial availability on the facility will be used to fund \$20.0 million in transaction costs as follows:
 - \$8.0 million in directly attributable transaction costs. Refer to Note 2B for further details.
 - \$9.0 million in recapitalization event costs. Refer to Note 2J.
 - \$3.0 million in deferred financing costs related to the credit facility.

Deferred financing costs related to credit facility fees of \$3.0 million have been reflected as a pro forma adjustment to the carrying value of the credit facilities.

The credit facility has been adjusted to reflect the revised distribution payment on Trust Units of \$2.3 million, Exchangeable LP Units of \$0.7 million, and Redeemable Units of \$1.0 million. Refer to Note 2G for further discussion on the Fund's distributions.

G. Distributions

The Fund has Trust Units, Exchangeable LP Units, and Redeemable Units which are all entitled to distributions as described within Note 1C. The Fund announced it will revise its distribution to \$0.625 per Unit per annum following the close of the Purchase Agreements. The pro forma information includes pro forma adjustments to reflect distributions on existing and new units issued at the revised distribution rate. The accounting treatment for distributions differs between the Trust Units, Exchangeable LP Units, and Redeemable Units given the differing classifications between equity and financial liabilities.

a. Trust Units

A \$2.3 million reduction has been made to credit facility debt as well as a \$1.2 million reduction to distributions payable to reflect the revised distribution payment on existing and newly issued Trust Units as at March 31, 2023.

For the year ended December 31, 2022 and three months ended March 31, 2023, distributions to Unitholders were reduced by \$45.2 million and \$11.3 million, respectively, to reflect the re-classification of Trust Units to equity following the re-constitution of the Fund's Units as described within Note 1C. Refer to Note 2I for further discussion.

b. Exchangeable LP Units

A \$0.7 million increase has been made to credit facility debt as well as a \$0.3 million increase to distributions payable as at March 31, 2023 to reflect distributions on newly issued Exchangeable LP Units.

Exchangeable LP Units are puttable instruments that meet the definition of a financial liability as described within Note 1C. As a result of the financial liability classification, an adjustment for \$3.9 million for the year ended December 31, 2022 and \$1.0 million for the three months ended March 31, 2023 has been made to reflect distributions declared on Exchangeable LP Units.

c. Redeemable Units

A \$1.0 million increase has been made to credit facility debt as well as a \$0.1 million increase to distributions payable as at March 31, 2023 to reflect distributions on newly issued Redeemable Units.

The Redeemable Units are compound financial instruments as described within Note 1C. An adjustment for \$4.5 million for the year ended December 31, 2022 and \$1.1 million for the three months ended March 31, 2023 reflects distributions declared on Redeemable Units.

H. Redeemable Units

Redeemable Units will be issued as consideration to one of the two institutional investors for the Winnipeg Portfolio and are classified as compound instruments as described within Note 1C. The fair value of the financial liability component of \$95.6 million has been calculated by discounting the redemption value by the market rate as described in Note 1C. The residual amount between the consideration paid for the Winnipeg Portfolio and the financial liability component of \$13.0 million has been classified as equity.

I. Unit re-constitution

The Fund's existing Class A, Class C, and Class F Units, which were previously classified as a financial liability, are expected to be classified as equity as described within Note 1C. As a result, net assets attributable to Unitholders and Unitholders' equity have been adjusted to reflect this presentation.

NORTHVIEW FUND**NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**

As at and for the three months ended March 31, 2023 and year ended December 31, 2022

(thousands of Canadian dollars, except as indicated)

J. Recapitalization event costs

The Fund anticipates \$9.0 million in costs including advisory fees, legal fees, agent fees, and other similar fees, will be incurred to effect the recapitalization event. These costs have been reflected as an expense on the statement of net and comprehensive income (loss) for the year ended December 31, 2022 and reflected within equity on the statement of financial position as at March 31, 2023.

K. Financing costs

Financing costs for the Portfolios have been adjusted to \$18.8 million and \$5.4 million for the year ended December 31, 2022 and three months ended March 31, 2023, respectively, to reflect the amount that would have been recorded at the revised carrying amount as a result of the acquisition of the Portfolios and accretion related to the Redeemable Units as described in Note 2H.

The following table summarizes the pro forma adjustments applied to financing costs excluding accretion related to the Redeemable Units:

	Year Ended December 31, 2022	Three Months Ended March 31, 2023
Adjustments to reflect the Fund's accounting policies	(1,073)	(34)
Amortization of fair value differential on mortgages payable	(4,461)	(1,100)
Amortization of deferred financing costs on the credit facility	1,092	269
Total adjustment	(4,442)	(865)

In addition, adjustments of approximately \$8.8 million and \$1.9 million for the year ended December 31, 2022 and three months ended March 31, 2023, respectively, have been made to reflect accretion related to the Redeemable Units.

L. Administration

Administration expense has been adjusted by \$1.4 million for the year ended December 31, 2022 and \$0.3 million for the three months ended March 31, 2023 to remove administration expenses incurred by the Portfolios and incorporate additional costs anticipated by management for the internalization of the Fund's Chief Executive Officer and Chief Financial Officer.

M. Asset management fees

Asset management fees have been eliminated. The management agreement, dated November 2, 2020 by and among Starlight Investments CDN AM Group LP, the Fund, and Northview Canadian HY Properties LP, will terminate upon completion of the transaction in accordance with its terms. No payment of any termination fee will be made in connection with internalization.

APPENDIX “H” – TRANSACTION RESOLUTION

NOW THEREFORE BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE UNITHOLDERS THAT (with all capitalized terms having the meanings ascribed thereto in the accompanying management information circular dated June 30, 2023 (the “**Circular**”)):

1. the Transaction, including without limitation, (A) the transactions set out in the Galaxy Purchase Agreement resulting in the issuance to the Galaxy Vendor of up to 13,175,605 Class C Units of the Fund as partial consideration for the indirect acquisition of the Galaxy Portfolio, all as more particularly described or otherwise set forth in the Circular, (B) the transactions set out in the Winnipeg Purchase Agreement resulting in the issuance to the TC Core Vendor of up to 258,338 Class C Units of the Fund and the issuance to or as directed by the TDAM Vendors of up to 7,229,711 Redeemable Units as partial consideration for the Winnipeg Portfolio along with the issuance of the same number of Special Voting Units, and the reservation for issuance of up to 7,229,711 Class A Units upon redemption/retraction of the Redeemable Units, all as more particularly described or otherwise set forth in the Circular, (C) the transactions set out in the Starlight Purchase Agreement resulting in the Starlight Vendor holding up to 3,477,610 units of an indirect subsidiary limited partnership of the Fund, exchangeable for up to 3,477,610 Class C Units of the Fund along with the issuance of the same number of Special Voting Units in connection with the indirect acquisition of the Starlight Portfolio, all as more particularly described or otherwise set forth in the Circular (D) the entering into of the third amended and restated limited partnership agreement of Northview Canadian HY Holdings LP among Northview Canadian HY Holdings GP Inc., the Fund and Starlight West LP to reflect the determination of the carried interest represented by the units of Northview Canadian HY Holdings LP designated as “Class B LP Units” which will become exchangeable for up to 2,870,689 Class C Units of the Fund along with the issuance of the same number of Special Voting Units, all as more particularly described or otherwise set forth in the Circular; and (E) the amendments to the Declaration of Trust in order to (i) change the name of the Fund to “Northview Residential REIT”; (ii) allow for the issuance of additional Units by the Fund; (iii) concurrently with a subdivision (the “**Subdivision**”) of the existing Class C Units and Class F Units in accordance with their exchange ratios and as permitted by the Declaration of Trust, amend the conversion ratios for the Units such that after the Subdivision the Units will be convertible on a 1:1 basis; (iv) create a class of Special Voting Units and provide for their terms; (v) provide for all future distributions to be made proportionately on the basis of the number of Units held; (vi) internalize the Fund’s management; and (vii) provide for certain other consequential amendments directly relating to the foregoing, all as more particularly described in the Circular, as well as all matters related to the Transaction or as otherwise agreed to by the Fund in order to carry out the intent of the foregoing and the matters authorized hereby, are hereby authorized, confirmed and approved, and the Transaction shall hereby constitute the Recapitalization Event of the Fund;

2. an additional 9,229,711 Class A Units, Class C Units and Class F Units of the Fund, in the aggregate, shall be approved for issuance by the Fund in connection with the Transaction in the event that the numbers of Units, Exchangeable Units and Redeemable Units reserved for issuance in accordance with paragraph 1 are insufficient to complete the Transaction or one or more elements thereof, including to satisfy the redemption/retraction of the Redeemable Units on a Redemption/Retraction Date;

3. notwithstanding that this resolution has been passed by the Unitholders, the trustees of the Fund are hereby authorized and empowered without further notice to or approval of the holders of Units to:

- (a) determine the timing and arrange for the implementation of the Transaction, or to otherwise amend, modify or supplement the Galaxy Purchase Agreement, the Winnipeg Purchase Agreement and/or Starlight Purchase Agreement, in each case to the extent permitted thereby;
- (b) decide not to proceed with the Transaction; or

(c) revoke this special resolution before it is acted on; and

4. any trustee or officer of the Fund is hereby authorized to enter into, to execute or cause to be executed on behalf of the Fund or to prepare and deliver or cause to be prepared and delivered all such other documents, agreements and instruments involving the Fund, in each case as may be amended, supplemented or amended and restated, and to cause to be done all such other acts and things as such trustee or officer shall determine to be necessary or desirable in order to carry out the intent of the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution or preparation and delivery of such document, agreement or instrument or the doing of any such act or thing.

APPENDIX "I" – FAIRNESS OPINION

June 12, 2023

The Special Committee of the
Board of Trustees of Northview Fund
6131 – 6th Street SE, Suite 200
Calgary,
Alberta T2H
1L9

To the Special Committee:

Origin Merchant Partners (“**Origin**”) understands that Northview Fund (“**Northview**” or the “**Fund**”) proposes to enter into transaction agreements to be dated on or about June 12, 2023 (the “**Transaction**”) wherein the Fund will acquire three property portfolios totaling 3,301 separate multi-family suites and 119,000 commercial square feet (the “**Galaxy Portfolio**”, the “**Starlight Portfolio**” and the “**Winnipeg Portfolio**” collectively, the “**Property Portfolios**” and each, a “**Property Portfolio**”), from the current owners, including Galaxy Value Add Properties LP, D.D. Acquisitions Partnership, certain funds managed by KingSett Capital and two global, institutional investors (each a “**Vendor**” and collectively along with certain related parties to each, the “**Vendors**”). As consideration for the Property Portfolios, the Vendors will receive newly issued units of the Fund (“**Fund Units**”) or units issued by one of the Fund’s subsidiaries, which will be convertible into Fund Units. The Transaction will also include certain amendments to the Fund’s declaration of trust, to internalize management and convert the Fund into a conventional open-end real estate investment trust, among other organizational changes. We also understand that the Fund’s board of trustees (the “**Board**”) has formed a special committee of independent trustees (the “**Committee**”) to consider and evaluate the Transaction and to assess whether the Transaction is fair to the Fund’s unitholders (“**Unitholders**”), other than the Vendors, investors in the Vendors and other parties related to the Vendors (collectively, the “**Interested Unitholders**”). Origin understands that the terms of the Transaction and other relevant details will be more fully described in the management information circular to be prepared and mailed to Unitholders in connection with seeking their approval of the Transaction (the “**Circular**”).

Origin has been advised by the Committee that the acquisition of the Galaxy Portfolio and the Starlight Portfolio constitute “related party transactions” within the meaning of *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Committee has retained Origin to prepare and deliver to it, on behalf of the Board, a formal valuation of each of the Galaxy Portfolio and the Starlight Portfolio (the “**Valuations**”) in accordance with the requirements of MI 61-101. The Committee has also retained Origin to prepare and deliver an opinion (the “**Fairness Opinion**”) addressed to the Committee, as to whether the Transaction is fair, from a financial point of view, to the Unitholders, other than the Interested Unitholders. Origin has not been engaged to deliver a formal valuation of the Winnipeg Portfolio. This document constitutes Origin’s Fairness Opinion.

This Fairness Opinion has been prepared in accordance with the disclosure standards for formal valuations and fairness opinions of the Canadian Investment Regulatory Organization (“**CIRO**”), but CIRO has not been involved in the preparation or review of this Fairness Opinion.¹

¹ On January 1, 2023, the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association (MFDA) were consolidated into a single self-regulatory organization recognized under applicable securities legislation. The Canadian Investment Regulatory Organization (“**CIRO**”) has adopted interim rules that incorporate the pre-amalgamation regulatory requirements contained in the rules and policies of IIROC and the by-law, rules and policies of the MFDA (the “**Interim Rules**”). The Interim Rules include (i) the Investment Dealer and Partially Consolidated Rules, (ii) the UMIR and (iii) the Mutual Fund Dealer Rules.

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

ENGAGEMENT OF ORIGIN MERCHANT PARTNERS

The Fund, on behalf of the Committee, initially contacted Origin on or around January 23rd, 2023, regarding a potential assignment to prepare and deliver a formal valuation as required by MI 61-101 and a fairness opinion. Origin was formally engaged by the Committee through an agreement dated February 7th, 2023 between the Committee and Origin (the “**Engagement Agreement**”). The terms of the Engagement Agreement provide for the payment of a fixed fee by the Fund upon delivery to the Committee of the Valuations and the Fairness Opinion. Origin has only been engaged to provide a Fairness Opinion to the Committee in respect of the financial aspects of the Transaction. Furthermore, Origin has only provided Valuations with respect to the Galaxy Portfolio and Starlight Portfolio and has not provided any valuation with respect to the Winnipeg Portfolio. None of the fees payable to Origin are contingent upon the conclusions reached by Origin in the Valuations or the Fairness Opinion or on the completion of the Transaction. In the Engagement Agreement, the Fund has agreed to indemnify Origin in respect of certain liabilities that might arise out of its engagement and to reimburse it for its reasonable expenses. Origin consents to the inclusion of the Fairness Opinion in its entirety and a summary thereof (any summary being subject to Origin’s approval) in the Circular and to the filing thereof by the Fund with the securities commissions or similar regulatory authorities in each province and territory of Canada.

RELATIONSHIP WITH INTERESTED PARTIES

Neither Origin nor any “affiliated entity” (as such term is defined in MI 61-101) of Origin (i) is an “issuer insider”, “associated entity” or “affiliated entity” (as those terms are defined in MI 61-101) of the Fund, the Vendors or any other “interested party” (as such term is defined in MI 61-101 for purposes of a “business combination” as defined in MI 61-101) in the Transaction (ii) acts as an advisor to an interested party in respect of the Transaction; (iii) is the external auditor of the Fund or of an interested party; (iv) has a material financial interest in the completion of the Transaction; (v) has a material financial interest in future business under an agreement, commitment or understanding involving the Fund, an interested party or an associated or affiliated entity of the Fund or an interested party; (vi) during the 24 months before Origin was first contacted by the Fund in respect of the Transaction, has (a) had a material involvement in an evaluation, appraisal or review of the financial condition of an interested party or an associated or affiliated entity of an interested party, (b) had a material involvement in an evaluation, appraisal or review of the financial condition of the Fund or an associated or affiliated entity of the Fund, if the evaluation, appraisal or review was carried out at the direction or request of any interested party or paid for by an interested party, (c) acted as a lead or co-lead underwriter of a distribution of securities by an interested party, or acted as a lead or co-lead underwriter of a distribution of securities by the Fund if the retention of the underwriter was carried out at the direction or request of an interested party or paid for by an interested party, (d) had a material financial interest in a transaction involving an interested party, or (e) had a material financial interest in a transaction involving the Fund; or (vii) is (x) a lead or co-lead lender or manager of a lending syndicate in respect of the Transaction, or (y) a lender of a material amount of indebtedness in a situation where an interested party or the Fund is in financial difficulty and where the transaction would reasonably be expected to have the effect of materially enhancing the lender’s position.

As an investment bank, Origin and its affiliates may, in the ordinary course of its business, provide advice to its clients on various matters, which advice may include matters with respect to the Transaction, the Fund or any other Interested Party. There are no understandings, agreements or

These rules are largely based on the rules of IIROC and the rules and certain by-laws and policies of the MFDA that were in force immediately prior to amalgamation. The disclosure standards for formal valuations and fairness opinions are found in the Investment Dealer and Partially Consolidated Rules dated May 15, 2023.

commitments between Origin and the Fund or any other Interested Party with respect to any future financial advisory or investment banking business.

CREDENTIALS OF ORIGIN MERCHANT PARTNERS

Origin is an investment bank providing a full range of corporate finance, merger and acquisition, financial restructuring and merchant banking services. This Fairness Opinion represents the opinion of Origin and the form and content hereof have been approved for release by a committee of its principals, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

SCOPE OF REVIEW

In connection with the Fairness Opinion, Origin has reviewed and relied upon or carried out, among other things, the following:

- The Fund's press releases and other public documents filed by the Fund on the System for Electronic Document Analysis and Retrieval (SEDAR) as of June 12, 2023 including the Management Information Circular dated May 2, 2022 and Annual Information Form dated March 29, 2023;
- Audited consolidated financial statements of the Fund for years ended December 31, 2022, 2021, and the period from April 19 to December 31, 2020;
- Q1 2023 Financial Statements, Media Release, and MD&A;
- Second Amended and Restated Declaration of Trust as of February 15, 2022 and the Management Agreement November 2, 2020 along with corresponding management fees;
- Public information relating to the business, operations, financial performance and security trading history of selected companies considered by Origin to be relevant;
- Certain internal management budgets, forecasts, operating projections, models, and estimates relating to the Fund and the Transaction prepared by or on behalf of the Fund;
- Discussions with Northview management and the Fund's advisors (including CIBC Capital Markets and Blake, Cassels & Graydon LLP);
- Property appraisals as provided by management on the properties in the Winnipeg Portfolio on February 17, 2023; the properties in the Galaxy Portfolio in March 2023; and the properties in the Starlight Portfolio on May 5, 2023;
- Selected reports published by commercial real estate professionals at various firms and brokerages, to the extent deemed relevant by Origin;
- Draft Asset Purchase Agreements for each of the Property Portfolios along with other transaction-related documents including the Vendor lock-up agreements and Redeemable Unit Term Sheet related to the Winnipeg Portfolio acquisition;
- Draft Voting and Support Agreement;
- Draft Third Amended and Restated Declaration of Trust;
- Materials compiled by management of the Fund and uploaded to the ShareFile virtual data room as of June 9, 2023; and
- Such other corporate, industry and financial market information, investigations and analyses as considered necessary or appropriate by Origin in the circumstances.

Origin has not, to the best of its knowledge, been denied access by the Fund to any information requested by Origin.

PRIOR VALUATIONS

The Fund and the Vendors have represented to Origin that there have been no independent appraisals or valuations or material non-independent appraisals or valuations relating to the Fund or the Property Portfolios or any subsidiaries or their respective material assets or liabilities which have been prepared as of a date within the two (2) years preceding the date of the Engagement Agreement other than those exempt from the definition of “prior valuation” under MI 61-101, which have not been provided to Origin.

ASSUMPTIONS AND LIMITATIONS

With the Committee’s approval, and as provided for in the Engagement Agreement, Origin has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions or representations obtained by it from public sources, the Fund and the Fund’s consultants and advisors, including the advisors of the Board and the Committee. Origin did not meet with the auditors of the Fund and has assumed the accuracy and fair presentation of, and relied upon, the audited consolidated financial statements of the Fund and the reports of its auditors thereon as well as the unaudited interim financial statements of the Fund and all financial and other information related to the Property Portfolios and the Transaction. The Fairness Opinion is conditional upon such completeness, accuracy and fair presentation of the foregoing information. Subject to the exercise of professional judgment and except as expressly described herein, Origin has not attempted to verify independently the completeness, accuracy or fair presentation of any of the foregoing information.

Certain officers of the Fund and the Vendors have represented to us in representation letters, among other things, that the financial information, Property Portfolio information, other information, data, advice, opinions, representations and other materials provided to us by or on behalf of the Fund and the Property Portfolios, including the written information and discussions concerning the Fund referred to above under the heading “Scope of Review” (collectively, “**Information**”), were complete, true and correct in all material respects as at the date the Information was provided to us and that, since the date the Information was provided to us, no material transaction has been entered into by the Fund or any of its subsidiaries and there is no plan or proposal for any material change in the affairs of the Fund, any of its subsidiaries, the Property Portfolios or their respective associates, affiliates or securities, which has not been disclosed publicly or to Origin, and, except for the Transaction, the Fund has no plans and is not aware of any circumstances or developments that could reasonably be expected to have a material effect on the financial condition, assets, liabilities (contingent or otherwise), business or operations of the Fund or any of its subsidiaries on a consolidated basis or that would constitute a “material change” to the Fund or the Property Portfolios (as such term is defined in the *Securities Act* (Ontario)).

Except as expressly noted above under the heading “Scope of Review”, we have not conducted any investigation concerning the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Fund or any of its affiliates, nor those of the Vendors or the Property Portfolios. Subject to the exercise of our professional judgement, we have not attempted to verify independently any of the information concerning the Fund or any of its affiliates (including the Information). As provided for in the Engagement Agreement, Origin has relied upon the completeness and accuracy of all of the financial and other information (including the Information), data, documents, advice, opinions, representations and other materials, whether in written, electronic or oral form, obtained by it from public sources (collectively, the “**Other Information**”) and we have assumed the completeness, accuracy and fair presentation of the Other Information and that the Other Information did not omit to state any material fact or any fact necessary to be stated to make such Other Information not misleading. This Fairness Opinion is conditional upon the completeness, accuracy and fair presentation of such Other Information. Subject to the exercise of our professional judgment, we have not attempted to verify independently the Other Information. With respect to the current budgets, strategic plans, financial forecasts, projections, models or estimates provided to Origin by management of the Fund and used in the analysis supporting this Fairness Opinion, we have

assumed that they (a) were reasonably prepared on bases reflecting estimates and judgment of the Fund and were prepared using the assumptions identified therein, which in the reasonable belief of management of the Fund are (or were at the time of preparation) reasonable in the circumstances; (b) are not, in the reasonable belief of management of the Fund, misleading in any material respect in light of the assumptions used or in light of any developments since the time of their preparation; and (c) represent the actual views of management of the financial prospects and forecasted performance of the Fund and the Property Portfolios. By rendering this Fairness Opinion we express no view as to the reasonableness of such budgets, strategic plans, forecasts, projections, models or estimates or the assumptions on which they are based.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters with respect to the Transaction. This Fairness Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Fund and its subsidiaries and affiliates, as they were reflected in the Information and the Other Information and as they have been represented to Origin in discussions with management of the Fund. In its analyses and in preparing this Fairness Opinion, Origin made numerous assumptions with respect to industry performance, current market conditions, general business and economic conditions, and other matters, many of which are beyond the control of Origin or any party involved in the Transaction.

In providing this Fairness Opinion, Origin expresses no opinion as to the trading price or value of the Fund Units or any future units or other securities associated with the REIT entity that may emerge as a result of the Transaction. This Fairness Opinion has been provided for the sole use and benefit of the Committee and the Board in connection with, and for the purpose of, their consideration of the Transaction and may not be used or relied upon by any other person or for any other purpose or quoted from or published without the prior written consent of Origin, provided that Origin consents to the inclusion of this Fairness Opinion in its entirety and a summary thereof (provided such summary is in a form acceptable to Origin) in the notice of meeting and the Circular and to the filing thereof, as necessary, by the Fund on SEDAR and with the securities commissions or similar securities regulatory authorities in Canada.

This Fairness Opinion does not constitute a recommendation to the Committee, the Board or any Unitholder as to whether or not any Unitholder should approve the Transaction or vote their Fund Units in favour of the Transaction. This Fairness Opinion does not address the relative merits of the Transaction as compared to other transactions or business strategies that might be available to the Fund, or the underlying business decision of the Fund to effect the Transaction. In considering the fairness, from a financial point of view, to the Unitholders other than the Interested Unitholders, of the Transaction, Origin considered the Transaction from the perspective of the Unitholders generally and did not consider the specific circumstances of any particular Unitholder, including such Unitholders' specific income tax considerations.

This Fairness Opinion is given as of the date hereof and Origin disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Fairness Opinion which may come, or be brought, to the attention of Origin after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting this Fairness Opinion after the date hereof, including, without limitation, the terms and conditions of the Transaction, or if Origin learns that the Information relied upon in rendering this Fairness Opinion was inaccurate, incomplete or misleading in any material respect, Origin reserves the right to amend, supplement or withdraw this Fairness Opinion.

Origin believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying this Fairness Opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do the latter could lead to undue emphasis on any particular factor or analysis.

OVERVIEW OF THE FUND

Northview is a closed-end fund, formed in 2020 pursuant to an initial declaration of trust dated April 14, 2020 and as most recently amended and restated on February 15, 2022 (the "Declaration of Trust"). Northview was formed to acquire, own, and operate, indirectly, a geographically diversified portfolio comprised of income producing multi-residential suites, commercial real estate, and executives located primarily in secondary markets in British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories, and Nunavut. Northview's Class A Units trade on the Toronto Stock Exchange under the symbol "NHF.UN".

FAIRNESS OPINION

Approach to Fairness

In considering the fairness, from a financial point of view, to Unitholders other than the Interested Unitholders, of the Transaction, Origin applied the following methodologies:

Discounted Cash Flow Analysis: Origin has evaluated management's next 5-year forecasts assumptions for the Property Portfolios and has conducted a discounted cash flow analysis based on the forecasts provided;

Implied Value from Capitalization Rate: Origin has reviewed and compared prevailing capitalization rates used in portfolio valuation to those published by multi-family and commercial real estate professionals and applied these rates to the stabilized net operating income of the Property Portfolios; and

Independent Appraisals: Origin has reviewed third party appraisals for the Property Portfolios, which were provided to us as noted in "Scope of Review" above.

Other Factors Considered

In addition, in considering the fairness, from a financial point of view, to Unitholders other than the Interested Unitholders, of the Transaction, Origin reviewed, considered and relied upon or carried out, among other things, those items listed under the heading "Scope of Review", and the following:

- (i) the financial implications of the various changes to the Fund's structure resulting from the Transaction, including:
 - decreasing the overall leverage of the Fund;
 - increasing the size and geographic diversity of the portfolio of properties held by the Fund;
 - internalization of the Fund's management function;
 - the impact of the Transaction on the management fees and expenses charged to the Fund, including carried interest; and
 - the reset of the Fund's distribution rate, and
- (ii) such other information, investigations and analyses considered necessary or appropriate in the circumstances.

Fairness Conclusion

Based upon and subject to the foregoing, Origin is of the opinion that, as of the date hereof, the Transaction is fair, from a financial point of view, to Unitholders, other than the Interested Unitholders.

Yours very truly,

Origin Merchant Partners

ORIGIN MERCHANT PARTNERS

APPENDIX “J” – VALUATION OPINION

June 12, 2023

The Special Committee of the
Board of Trustees of Northview Fund
6131 – 6th Street SE, Suite 200
Calgary,
Alberta T2H
1L9

To the Special Committee:

Origin Merchant Partners (“**Origin**”) understands that Northview Fund (“**Northview**” or the “**Fund**”) proposes to enter into transaction agreements to be dated on or about June 12, 2023 (the “**Transaction**”) wherein the Fund will acquire three property portfolios totaling 3,301 separate multi-family suites and 119,000 commercial square feet (the “**Galaxy Portfolio**”, the “**Starlight Portfolio**” and the “**Winnipeg Portfolio**” collectively, the “**Property Portfolios**” and each, a “**Property Portfolio**”), from the current owners, including Galaxy Value Add Properties LP, D.D. Acquisitions Partnership, certain funds managed by KingSett Capital and two global, institutional investors (each a “**Vendor**” and collectively along with certain related parties to each, the “**Vendors**”). As consideration for the Property Portfolios, the Vendors will receive newly issued units of the Fund (“**Fund Units**”) or units issued by one of the Fund’s subsidiaries, which will be convertible into Fund Units. The Transaction will also include certain amendments to the Fund’s declaration of trust, to internalize management and convert the Fund into a conventional open-end real estate investment trust, among other organizational changes. We also understand that the Fund’s board of trustees (the “**Board**”) has formed a special committee of independent trustees (the “**Committee**”) to consider and evaluate the Transaction and to assess whether the Transaction is fair to the Fund’s unitholders (“**Unitholders**”), other than the Vendors, investors in the Vendors and other parties related to the Vendors (collectively, the “**Interested Unitholders**”). Origin understands that the terms of the Transaction and other relevant details will be more fully described in the management information circular to be prepared and mailed to Unitholders in connection with seeking their approval of the Transaction (the “**Circular**”).

Origin has been advised by the Committee that the acquisition of the Galaxy Portfolio and the Starlight Portfolio constitute “related party transactions” within the meaning of *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Committee has retained Origin to prepare and deliver to it, on behalf of the Board, a formal valuation of each of the Galaxy Portfolio and the Starlight Portfolio (the “**Valuations**”) in accordance with the requirements of MI 61-101. The Committee has also retained Origin to prepare and deliver an opinion (the “**Fairness Opinion**”) addressed to the Committee, as to whether the Transaction is fair, from a financial point of view, to Unitholders, other than the Interested Unitholders. Origin has not been engaged to deliver a formal valuation on the Winnipeg Portfolio. This document constitutes Origin’s Valuations of the Galaxy Portfolio and Starlight Portfolio.

These Valuations have been prepared in accordance with the disclosure standards for formal valuations and fairness opinions of the Canadian Investment Regulatory Organization (“**CIRO**”), but CIRO has not been involved in the preparation or review of these Valuations.¹

¹ On January 1, 2023, the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association (MFDA) were consolidated into a single self-regulatory organization recognized under

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

ENGAGEMENT OF ORIGIN MERCHANT PARTNERS

The Fund, on behalf of the Committee, initially contacted Origin on or around January 23rd, 2023, regarding a potential assignment to prepare and deliver a formal valuation as required by MI 61-101 and a fairness opinion. Origin was formally engaged by the Committee through an agreement dated February 7th, 2023 between the Committee and Origin (the “**Engagement Agreement**”). The terms of the Engagement Agreement provide for the payment of a fixed fee by the Fund upon delivery to the Committee of the Valuations and the Fairness Opinion. Origin has only provided Valuations with respect to the Galaxy Portfolio and Starlight Portfolio. None of the fees payable to Origin are contingent upon the conclusions reached by Origin in the Valuations or the Fairness Opinion or on the completion of the Transaction. In the Engagement Agreement, the Fund has agreed to indemnify Origin in respect of certain liabilities that might arise out of its engagement and to reimburse it for its reasonable expenses. Origin consents to the inclusion of the Valuations in their entirety and a summary thereof in the Circular and to the filing thereof by the Fund with the securities commissions or similar regulatory authorities in each province and territory of Canada.

RELATIONSHIP WITH INTERESTED PARTIES

Neither Origin nor any “affiliated entity” (as such term is defined in MI 61-101) of Origin (i) is an “issuer insider”, “associated entity” or “affiliated entity” (as those terms are defined in MI 61-101) of the Fund, the Vendors or any other “interested party” (as such term is defined in MI 61-101 for purposes of a “business combination” as defined in MI 61-101) in the Transaction (ii) acts as a advisor to an interested party in respect of the Transaction; (iii) is the external auditor of the Fund or of an interested party; (iv) has a material financial interest in the completion of the Transaction; (v) has a material financial interest in future business under an agreement, commitment or understanding involving the Fund or the Property Portfolios, an interested party or an associated or affiliated entity of the Fund or an interested party; (vi) during the 24 months before Origin was first contacted by the Fund in respect of the Transaction, has (a) had a material involvement in an evaluation, appraisal or review of the financial condition of an interested party or an associated or affiliated entity of an interested party, (b) had a material involvement in an evaluation, appraisal or review of the financial condition of the Fund or an associated or affiliated entity of the Fund, if the evaluation, appraisal or review was carried out at the direction or request of any interested party or paid for by an interested party, (c) acted as a lead or co-lead underwriter of a distribution of securities by an interested party, or acted as a lead or co-lead underwriter of a distribution of securities by the Fund if the retention of the underwriter was carried out at the direction or request of an interested party or paid for by an interested party, (d) had a material financial interest in a transaction involving an interest party, or (e) had a material financial interest in a transaction involving the Fund; or (vii) is (x) a lead or co-lead lender or manager of a lending syndicate in respect of the Transaction, or (y) a lender of a material amount of indebtedness in a situation where an interested party or the Fund is in financial difficulty and where the transaction would reasonably be expected to have the effect of materially enhancing the lender’s position.

As an investment bank, Origin and its affiliates may, in the ordinary course of its business, provide advice to its clients on various matters, which advice may include matters with respect to the

applicable securities legislation. The Canadian Investment Regulatory Organization (“CIRO”) has adopted interim rules that incorporate the pre-amalgamation regulatory requirements contained in the rules and policies of IIROC and the by-law, rules and policies of the MFDA (the “Interim Rules”). The Interim Rules include (i) the Investment Dealer and Partially Consolidated Rules, (ii) the UMIR and (iii) the Mutual Fund Dealer Rules. These rules are largely based on the rules of IIROC and the rules and certain by-laws and policies of the MFDA that were in force immediately prior to amalgamation. The disclosure standards for formal valuations and fairness opinions are found in the Investment Dealer and Partially Consolidated Rules dated May 15, 2023.

Transaction, the Fund or any other Interested Party. There are no understandings, agreements or commitments between Origin and the Fund or any other Interested Party with respect to any future financial advisory or investment banking business.

CREDENTIALS OF ORIGIN MERCHANT PARTNERS

Origin is an investment bank providing a full range of corporate finance, merger and acquisition, financial restructuring and merchant banking services. These Valuations represent the opinions of Origin and the form and content hereof have been approved for release by a committee of its principals, each of whom is experienced in merger, acquisition, divestiture and fairness opinion formal valuation matters.

SCOPE OF REVIEW

In connection with the Valuations, Origin has reviewed and relied upon or carried out, among other things, the following:

- Certain internal management budgets, forecasts, operating projections, models, and estimates relating to the Property Portfolios prepared by or on behalf of the Fund;
- Discussions with Northview management and the Fund's advisors (including CIBC Capital Markets and Blake, Cassels & Graydon LLP);
- Property appraisals as provided by management on the properties in the Galaxy Portfolio in March 2023, and the properties in the Starlight Portfolio on May 5, 2023;
- Selected reports published by commercial real estate professionals at various firms and brokerages, to the extent deemed relevant by Origin;
- Materials compiled by management of the Fund and uploaded to the ShareFile virtual data room as of June 9, 2023;
- Public information relating to the business, operations, financial performance and security trading history of selected companies considered by Origin to be relevant; and
- Such other corporate, industry and financial market information, investigations and analyses as considered necessary or appropriate by Origin in the circumstances.

Origin has not, to the best of its knowledge, been denied access by the Fund or the Vendors to any information requested by Origin.

PRIOR VALUATIONS

The Fund and the Vendors have represented to Origin that there have been no independent appraisals or valuations or material non-independent appraisals or valuations relating to the Property Portfolios or any of their respective material assets or liabilities which have been prepared as of a date within the two (2) years preceding the date of the Engagement Agreement other than those exempt from the definition of "prior valuation" under MI 61-101, which have not been provided to Origin.

ASSUMPTIONS AND LIMITATIONS

With the Committee's approval, and as provided for in the Engagement Agreement, Origin has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions or representations obtained by it from public sources, the Vendors, the Fund and the Fund's consultants and advisors, including the advisors of the Board and the Committee. Origin did not meet with the auditors of the Vendors or the Property Portfolios and has

assumed the accuracy and fair presentation of, and relied upon, all financial and other information related to the Property Portfolios and the Transaction. The Valuations are conditional upon such completeness, accuracy and fair presentation of the foregoing information. Subject to the exercise of professional judgment and except as expressly described herein, Origin has not attempted to verify independently the completeness, accuracy or fair presentation of any of the foregoing information.

Certain officers of the Fund and the Vendors have represented to us in representation letters, among other things, that the financial information, Property Portfolio information, other information, data, advice, opinions, representations and other materials provided to us by or on behalf of the Fund, including the written information and discussions concerning the Property Portfolios referred to above under the heading "Scope of Review" (collectively, "**Information**"), were complete, true and correct in all material respects as at the date the Information was provided to us and that, since the date the Information was provided to us, no material transaction has been entered into by the Property Portfolios or their respective associates, affiliates or securities, which has not been disclosed publicly or to Origin, and, except for the Transaction, the Vendors have no plans and are not aware of any circumstances or developments that could reasonably be expected to have a material effect on the financial condition, assets, liabilities (contingent or otherwise), business or operations of the Property Portfolios that would constitute a "material change" to the Property Portfolios (as such term is defined in the *Securities Act* (Ontario)).

Except as expressly noted above under the heading "Scope of Review", we have not conducted any investigation concerning the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Vendors or the Property Portfolios. Subject to the exercise of our professional judgement, we have not attempted to verify independently any of the information concerning the Property Portfolios or any of its affiliates (including the Information). As provided for in the Engagement Agreement, Origin has relied upon the completeness and accuracy of all of the financial and other information (including the Information), data, documents, advice, opinions, representations and other materials, whether in written, electronic or oral form, obtained by it from public sources (collectively, the "**Other Information**") and we have assumed the completeness, accuracy and fair presentation of the Other Information and that the Other Information did not omit to state any material fact or any fact necessary to be stated to make such Other Information not misleading. These Valuations are conditional upon the completeness, accuracy and fair presentation of such Other Information. Subject to the exercise of our professional judgment, we have not attempted to verify independently the Other Information. With respect to the current budgets, strategic plans, financial forecasts, projections, models or estimates provided to Origin by management of the Fund and the Vendors and used in the analysis supporting these Valuations, we have assumed that they (a) were reasonably prepared on bases reflecting estimates and judgment of the preparers and were prepared using the assumptions identified therein, which in the reasonable belief of management of the Fund or the Vendors are (or were at the time of preparation) reasonable in the circumstances; (b) are not, in the reasonable belief of management of the Fund or the Vendors, misleading in any material respect in light of the assumptions used or in light of any developments since the time of their preparation; and (c) represent the actual views of management of the financial prospects and forecasted performance of the Property Portfolios. By providing the Valuations we express no view as to the reasonableness of such budgets, strategic plans, forecasts, projections, models or estimates or the assumptions on which they are based.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters with respect to the Transaction. These Valuations are rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Property Portfolios, as they were reflected in the Information and the Other Information and as they have been represented to Origin in discussions with management of the Fund. In its analyses and in preparing these Valuations, Origin made numerous assumptions with respect to industry performance, current market conditions, general business and economic conditions, and other matters, many of which are beyond the control of Origin or any party involved in the Transaction.

In providing these Valuations, Origin expresses no opinion as to the trading price or value of the Fund Units or any future units or other securities associated with the REIT entity that may emerge as a result of the Transaction. These Valuations have been provided for the sole use and benefit of the Committee and the Board in connection with, and for the purpose of, their consideration of the Transaction and may not be used or relied upon by any other person or for any other purpose or quoted from or published without the prior written consent of Origin, provided that Origin consents to the inclusion of these Valuations in their entirety and a summary thereof (provided such summary is in a form acceptable to Origin) in the notice of meeting and the Circular to be mailed to Unitholders in connection with seeking their approval of the Transaction and to the filing thereof, as necessary, by the Fund on SEDAR and with the securities commissions or similar securities regulatory authorities in Canada.

These Valuations are given as of the date hereof and Origin disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting these Valuations which may come, or be brought, to the attention of Origin after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting these Valuations after the date hereof, including, without limitation, the terms and conditions of the Transaction, or if Origin learns that the Information relied upon in rendering these Valuations were inaccurate, incomplete or misleading in any material respect, Origin reserves the right to amend, supplement or withdraw these Valuations.

Origin believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying these Valuations. The preparation of a formal valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do the latter could lead to undue emphasis on any particular factor or analysis.

MATERIAL VALUE TO AN INTERESTED PARTY

Origin considered if any material value accrued to any interested party in connection with the Valuations. In making its assessment, Origin considered both the Vendors and the Fund. The carried interest (the "Carried Interest"), which accrues to certain Vendors, is a contractual obligation of the Fund and would occur whether or not the Fund acquired the Property Portfolios. Accordingly, Origin did not factor the Carried Interest into the Valuations of the Property Portfolios. The Property Portfolios have lower loan-to-value mortgage funding than the Fund, which is a benefit to the Fund. As well, the Fund is issuing Units to the Vendors at a reference price which is significantly higher than the current trading price which is a benefit to the Fund. As neither the lower loan-to-value mortgage funding nor the premium reference price have a direct impact on the Valuations, Origin did not factor the lower loan-to-value mortgage funding or the premium reference price into the Valuations of the Property Portfolios.

DEFINITION OF FAIR MARKET VALUE

For purposes of the Valuation, fair market value means the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and each under no compulsion to act.

PORTFOLIO VALUATION APPROACH

Origin undertook a variety of analyses when determining fair market value for the Galaxy Portfolio and Starlight Portfolio, including:

1. We have reviewed the financial forecast models prepared by Northview management underwriting the future expected cash flows of the Property Portfolios and performed a discounted cash flow analysis ("DCF").

2. We have reviewed relevant publicly available data on the prevailing capitalization rates (cap rates) for markets we consider relevant to those in which the properties in the Property Portfolios are located and applied such cap rates to the net operating income (“NOI”) of the Property Portfolios.
3. We have reviewed the appraisals provided by Northview management pertaining to each of the Property Portfolios.

In preparing the Valuations, Origin considered comparable trading analysis and precedent transaction analysis; however, Origin concluded that real property portfolios of multi-family suites are valued on the basis of discounted cash flow analysis, capitalization of net operating income and independent appraisals. In light of the Fund acquiring the assets and assuming the existing mortgages and other indebtedness in the respective Property Portfolios, with the remaining equity value being funded by the issuance of Fund Units, Origin valued the Property Portfolios on a gross asset value basis.

In order to limit subjectivity and provide an objective view on the value of the Galaxy Portfolio and Starlight Portfolio, we have not ascribed a portfolio premium to any of our analyses.

GALAXY PORTFOLIO VALUATION

OVERVIEW OF THE PORTFOLIO

The Galaxy Portfolio consists of twelve primarily multifamily residential properties located in multiple cities across Alberta, Nova Scotia and Quebec.

Galaxy Portfolio Summary

Address	Location	Number of Suites / Commercial Square Feet
6 Kingsview Road SE	Airdrie, Alberta	140
20, 40, 60, 80 & 100 Skyview Ranch Landing NE	Calgary, Alberta	419
915 44 Street SE	Calgary, Alberta	35
78, 80, 90 & 92 Geikie Street	Jasper, Alberta	230 / 370 square feet
1415-1800 rue Crevier, 1655-1675 rue Tasse, 1650-1670 rue Deguire & 1660-1684 rue Poirier	Montréal, Québec	420 / 4,490 square feet
1, 6, 7 & 10 Crystal Drive	Dartmouth, Nova Scotia	114
1 & 3 Farthington Place	Dartmouth, Nova Scotia	94
31 & 35 Highfield Park Drive & 11 Joseph Young Drive	Dartmouth, Nova Scotia	111
15, 25 & 35 Leaman Drive & 81 Jackson Road	Dartmouth, Nova Scotia	161
36, 60, 65 & 81 Primrose Street	Dartmouth, Nova Scotia	242
211-221 Glenforest Drive, 185-199 Willet Street and 13, 17-43 & 57 Willowbend Court	Halifax, Nova Scotia	50
9-54 Paige Plaza & 11-15 Downsview Drive	Lower Sackville, Nova Scotia	72 / 2,288 square feet
Total		2,088 / 7,148 square feet

Discounted Cash Flow Analysis

Origin performed a DCF analysis on the Galaxy Portfolio underwriting model prepared by the Fund's management. As a part of the DCF analysis, Origin reviewed the long-term forecasted cash flows provided by management regarding expected rental revenues, income guarantees received from the Vendors, costs, stabilized NOIs, capital expenditures and cash flows. The following table outlines the forecasts used for the DCF analysis for the Galaxy Portfolio.

Galaxy Portfolio Management Forecast					
<i>In \$C millions</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	32.5	34.1	35.4	36.8	38.2
Income Guarantee	1.6	1.1	0.5	-	-
Revenue	34.1	35.2	35.9	36.8	38.2
Expenses	(11.5)	(11.8)	(12.2)	(12.5)	(12.9)
Net Operating Income	22.6	23.4	23.8	24.2	25.3
Capital Expenditures	(4.4)	(5.9)	(6.3)	(7.4)	(6.4)
Free Cash Flows	18.2	17.4	17.5	16.9	18.9

Discount rates for the Galaxy Portfolio were based on an analysis of weighted average cost of capital ("WACC"). This WACC analysis consisted of factoring in the interest expense associated with the Galaxy Portfolio to determine the cost of debt as a component of the capital structure, and an analysis of the implied cost of equity. The resulting property-specific discount rates used by Origin were approximately 7.5% and discount rates were sensitized as part of our analysis. The terminal value was calculated using a terminal year NOI value for the Galaxy Portfolio and applying a terminal capitalization rate. The inputs and resulting outputs associated with our WACC analysis are outlined below.

Galaxy Portfolio Weighted Average Cost of Capital		
Component	Source	
Percentage of Equity	Peer group average	50.0%
Percentage of Debt	Peer group average	50.0%
Risk Free Rate	10-Year Government of Canada Bond Yield	3.4%
Unlevered Beta	Peer group mean	0.58
Re-Levered Beta	Unlevered Beta * 1+(1 - normative tax rate of 26.5%) * (% debt/% equity)	1.01
Market Risk Premium	Duff & Phelps historical long-term equity risk premium	7.5%
Cost of Equity		10.9%
Cost of Debt	Galaxy Portfolio Weighted Average Interest Rate	4.1%
Weighted Average Cost of Capital		7.5%
Capitalization Rate	Average Regional Cap-Rate per Commercial Brokerage Reports	4.7%

This analysis resulted in an aggregate value of \$436.3 to \$486.0 million for the Galaxy Portfolio.

NOI Capitalization Approach

Origin also utilized a NOI capitalization approach to assess the value of the Galaxy Portfolio. Capitalization rates for each property were selected based on independent market reports publicly available through leading Canadian real estate brokerage firms. The individual property capitalization rates used by Origin varied according to the region in which each property was located and the type of specific property being examined. A summary of the capitalization rates and their sources is included in Appendix A.

As part of the NOI capitalization approach, Origin utilized stabilized NOIs for individual properties. The stabilization adjustments largely related to adjustments including, but not limited to, occupancy, expected rents, lease incentives and operating expenses for certain properties and were provided to us by the Fund and their advisors.

The consolidated NOI of the Galaxy Portfolio is \$22.6 million and the average cap rate is 4.47% to 4.97% resulting in a value range of \$ 454.7 million to \$505.6 million. The Committee has determined that the property-specific information, including NOI and individual capitalization rates, in the Property Portfolios (the “**Property Information**”) contains competitive and commercially sensitive information, and having regard to the Fund’s ongoing operation as an independent entity, has concluded that the perceived detriment to the Fund and the Unitholders of disclosing information contained in the Property Information in the Valuations outweighs the benefit of disclosure of such information to the readers of the Valuations. As a result, the Committee has instructed Origin not to disclose the Property Information in the Valuations.

Appraisal Review Approach

Origin was provided with appraisals to each property contained within the Property Portfolios, which were performed within the last 6 months by CBRE (the “**Appraisals**”). The Appraisals consisted of third party reports ascribing a value to the various properties, with the primary methodology consisting of a capitalization rate applied to the expected net operating income of each property. We reviewed these Appraisals and also sensitized the values provided by each Appraisal by flexing the appraisal value by +/- 10% to provide a range of potential values. A summary of the outcome of that analysis is provided below.

Galaxy Portfolio Appraisal Value			
Property Name	Appraisal Value	Value +10%	Value - 10%
<i>(In C\$ millions, unless otherwise indicated)</i>			
211-221 Glenforest Dr, 185-199 Willet St, and 13, 17-43 & 57 Willowbend Crt	10.4	11.4	9.4
1&3 Farthington Plc	14.4	15.8	13.0
1,6,7&10 Crystal Dr	16.9	18.6	15.2
9-54 Paige Plaza & 11-15 Downsview Dr	15.5	17.1	14.0
31&35 Highfield Park Dr & 11 Joseph Young Dr	16.5	18.2	14.9
36,60,65&81 Primrose St	37.4	41.1	33.7
1415-1800 Crevier St, 1655-1675 Tasse St, 1650-1670 Deguire St, 1660-1684 Poirier ST	85.2	93.7	76.7
6 Kingsview Road SE	47.3	52.0	42.6
15, 25, & 35 Leaman Dr & 81 Jackson Rd	22.7	25.0	20.4
20 & 40 Skyview Ranch Landing NE	53.7	59.1	48.3
60, 80 & 100 Skyview Ranch Landing NE	85.8	94.4	77.2
78, 80, 90 & 92 Geikie St	61.0	67.1	54.9
915 44 St SE	8.0	8.8	7.2
Total		522.2	427.3

This analysis resulted in an aggregate value of \$427.3 to \$522.2 million for the Galaxy Portfolio.

Valuation Summary

The following is a summary of the range of “en bloc” fair market values of the Galaxy Portfolio as a result of our analyses:
In C\$ millions, unless otherwise indicated

Galaxy Portfolio	Low	High	Weighting	Low	High
Discounted Cash Flow	436.3	486.0	33%	145.4	162.0
Average Cap-Rate Implied Value	454.7	505.6	33%	151.6	168.5
Appraised Value	427.3	522.2	33%	142.4	174.1
Implied Value based on Methodology Weighting			100%	439.4	504.6

STARLIGHT PORTFOLIO VALUATION

OVERVIEW OF THE PORTFOLIO

The Starlight Portfolio consists of four properties located in Ontario and Alberta. A summary of the properties is located in the table below.

Starlight Portfolio Summary

Address	Location	Number of Suites / Commercial Square Feet
129 Wellington Street	Brantford, Ontario	129 / 470 square feet
150 Darling Street	Brantford, Ontario	121 / 828 square feet
253 & 263 Exhibition Street	Guelph, Ontario	22
10049 103 Street NW	Edmonton, Alberta	96 / 10,234 square feet
Total		368 / 11,532 square feet

Discounted Cash Flow Analysis

Origin performed a DCF analysis on the Starlight Portfolio underwriting model prepared by the Fund’s management. As a part of the DCF analysis, Origin reviewed the long-term forecasted cash flows provided by management regarding expected rental revenues, incomes guarantees provided by the Vendors, costs, stabilized NOIs, capital expenditures and cash flows. The following table outlines the forecasts used for the DCF analysis for the Starlight Portfolio.

Starlight Portfolio Management Forecast					
<i>In \$C millions</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	6.8	7.4	7.8	8.2	8.6
Income Guarantee	0.4	0.1	0.1	-	-
Revenue	7.2	7.5	7.9	8.2	8.6
Expenses	(2.7)	(2.7)	(2.8)	(2.9)	(3.0)
Net Operating Income	4.5	4.8	5.1	5.3	5.6
Capital Expenditures	(2.3)	(4.1)	(1.4)	(1.1)	(1.0)
Free Cash Flows	2.2	0.7	3.7	4.1	4.6

Discount rates for the Starlight Portfolio were based on an analysis of WACC. This WACC analysis consisted of factoring in the interest expense associated with the Starlight Portfolio to

determine the cost of debt as a component of the capital structure, and an analysis of the implied cost of equity. The resulting property-specific discount rates used by Origin were approximately 7.0% and discount rates were sensitized as part of our analysis. The terminal value was calculated using a terminal year NOI value for the Starlight Portfolio and applying a terminal capitalization rate. The inputs and resulting outputs associated with our WACC analysis are outlined below.

Starlight Portfolio Weighted Average Cost of Capital		
Component	Source	
Percentage of Equity	<i>Peer group average</i>	50.0%
Percentage of Debt	<i>Peer group average</i>	50.0%
Risk Free Rate	<i>10-Year Government of Canada Bond Yield</i>	3.4%
Unlevered Beta	<i>Peer group mean</i>	0.58
Re-Levered Beta	<i>Unlevered Beta * 1+(1 - normative tax rate of 26.5%) * (% debt/% equity)</i>	1.01
Market Risk Premium	<i>Duff & Phelps historical long-term equity risk premium</i>	7.5%
Cost of Equity		10.9%
Cost of Debt	<i>Starlight Portfolio Weighted Average Interest Rate</i>	3.1%
Weighted Average Cost of Capital		7.0%
Capitalization Rate	<i>Average Regional Cap-Rate per Commercial Brokerage Reports</i>	4.5%

This analysis resulted in an aggregate value of \$98.8 to \$111.2 million for the Starlight Portfolio.

NOI Capitalization Approach

Origin also utilized a NOI capitalization approach to assess the value of the Starlight Portfolio. Capitalization rates for each property were selected based on independent market reports publicly available through leading Canadian real estate brokerage firms. The individual property capitalization rates used by Origin varied according to the region in which each property was located and the type of specific property being examined. A summary of the capitalization rates and their sources is included in Appendix A.

The consolidated NOI of the Starlight Portfolio is \$4.7 million and the average cap rate is 4.15% to 4.65% resulting in a value range of \$101.1 million to \$113.2 million. The Committee has determined that the Property Information contains competitive and commercially sensitive information, and having regard to the Fund's ongoing operation as an independent entity, has concluded that the perceived detriment to the Fund and the Unitholders of disclosing information contained in the Property Information in the Valuations outweighs the benefit of disclosure of such information to the readers of the Valuations. As a result, the Committee has instructed Origin not to disclose the Property Information in the Valuations.

Appraisal Review Approach

Origin was provided with the Appraisals to each property contained within the Property Portfolios, which were performed within the last 6 months by CBRE. The Appraisals consisted of third party reports ascribing a value to the various properties, with the primary methodology consisting of a capitalization rate applied to the expected net operating income of each property. We reviewed these Appraisals and also sensitized the values provided by each Appraisal by flexing the appraisal value by +/- 10% to provide a range of potential values. A summary of the outcome of that analysis is provided below.

Starlight Portfolio Appraisal Value			
Property Name	Appraisal Value	Value +10%	Value - 10%
<i>(In C\$ millions, unless otherwise indicated)</i>			
129 Wellington St	42.9	47.2	38.6
150 Darling St	36.7	40.4	33.0
253 & 263 Exhibition St	11.8	13.0	10.6
10049 103 St NW	18.8	20.7	16.9
Total		121.2	99.2

This analysis resulted in an aggregate value of \$99.2 to \$121.2 million for the Starlight Portfolio.

Valuation Summary

The following is a summary of the range of “en bloc” fair market values of the Starlight Portfolio as a result of our analyses:

In C\$ millions, unless otherwise indicated

Starlight Private Portfolio	Low	High	Weighting	Low	High
Discounted Cash Flow	98.8	111.2	33%	32.9	37.1
Average Cap-Rate Implied Value	101.1	113.2	33%	33.7	37.7
Appraised Value	99.2	121.2	33%	33.1	40.4
Implied Value based on Methodology Weighting			100%	99.7	115.2

Valuation Conclusion

In arriving at an opinion of fair market value of the Galaxy Portfolio and Starlight Portfolio, Origin has equally weighted each of the DCF, capitalization rate and appraisal review analyses, resulting in a 1/3rd weighting for each analysis.

Based upon and subject to the foregoing, Origin is of the opinion that, as of the date hereof, the fair market value of the Galaxy Portfolio is within the range of \$439.4 million to \$504.6 million and that the fair market value of the Starlight Portfolio is within the range of \$99.7 million to \$115.2 million.

Yours very truly,

Origin Merchant Partners

ORIGIN MERCHANT PARTNERS

Appendix A: Capitalization Rate Summary

Calgary High-Rise		
	<u>Low</u>	<u>High</u>
CBRE	4.25%	5.25%
Colliers	4.75%	5.25%
Cushman & Wakefield	4.25%	5.25%
Average	4.42%	5.25%

Calgary Low-Rise		
	<u>Low</u>	<u>High</u>
CBRE	4.50%	5.25%
Colliers	5.00%	5.75%
Cushman & Wakefield	4.75%	5.75%
Average	4.75%	5.58%

Winnipeg High-Rise		
	<u>Low</u>	<u>High</u>
CBRE	4.75%	5.25%
Colliers	5.00%	6.00%
Cushman & Wakefield	4.75%	5.50%
Average	4.83%	5.58%

Winnipeg Low-Rise		
	<u>Low</u>	<u>High</u>
CBRE	4.50%	5.25%
Colliers	5.00%	6.00%
Cushman & Wakefield	5.00%	5.75%
Average	4.83%	5.67%

Montreal High-Rise		
	<u>Low</u>	<u>High</u>
CBRE	3.75%	4.75%
Colliers	4.50%	5.00%
Cushman & Wakefield	4.00%	4.75%
Average	4.08%	4.83%

Montreal Low-Rise		
	<u>Low</u>	<u>High</u>
CBRE	4.50%	5.50%
Colliers	4.00%	4.50%
Cushman & Wakefield	4.75%	5.75%
Average	4.42%	5.25%

Halifax High-Rise		
	<u>Low</u>	<u>High</u>
CBRE	4.25%	5.00%
Colliers	4.00%	4.50%
Cushman & Wakefield	4.50%	5.50%
Average	4.25%	5.00%

Halifax Low-Rise		
	<u>Low</u>	<u>High</u>
CBRE	4.25%	5.00%
Colliers	4.25%	4.75%
Cushman & Wakefield	5.00%	6.00%
Average	4.50%	5.25%

Edmonton High-Rise		
	<u>Low</u>	<u>High</u>
CBRE	4.25%	5.00%
Colliers	4.25%	5.25%
Cushman & Wakefield	3.50%	4.75%
Average	4.00%	5.00%

Edmonton Low-Rise		
	<u>Low</u>	<u>High</u>
CBRE	4.75%	5.75%
Colliers	4.75%	5.75%
Cushman & Wakefield	4.50%	6.50%
Average	4.67%	6.00%

Ontario High-Rise		
	<u>Low</u>	<u>High</u>
CBRE	3.75%	5.50%
Colliers	3.50%	4.25%
Cushman & Wakefield	4.25%	4.75%
Average	3.83%	4.83%

Ontario Low-Rise		
	<u>Low</u>	<u>High</u>
CBRE	4.25%	6.25%
Colliers	3.75%	4.50%
Cushman & Wakefield	4.50%	5.00%
Average	4.17%	5.25%

Kitchener / Waterloo / London

Kitchener / Waterloo / London

APPENDIX “K” – BLACKLINE OF DECLARATION OF TRUST

NORTHVIEW ~~FUND~~ RESIDENTIAL
REIT

~~SECOND~~ THIRD AMENDED AND RESTATED
DECLARATION OF TRUST

Dated as of ~~February 15~~, ~~2022~~ 2023

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NORTHVIEW FUND
SECOND RESIDENTIAL REIT
THIRD AMENDED AND RESTATED DECLARATION OF TRUST

THIS ~~SECOND~~ THIRD AMENDED AND RESTATED DECLARATION OF TRUST made in Toronto, Ontario as of ● (Toronto time) on the 15th ● day of February ●, 2022 2023 (the “**Effective Time**”).

BETWEEN:

TODD COOK, DANIEL DRIMMER, ROB KUMER, GRAHAM ROSENBERG, HARRY ROSENBAUM, KELLY SMITH AND LAWRENCE D. WILDER, the trustees of the trust constituted by this ~~second~~ third amended and restated declaration of trust (the “**Trust**”), and each individual who after the date hereof becomes a trustee of the Trust as herein provided (each individual, while a trustee of the Trust as herein provided, hereinafter called a “**Trustee**” and collectively at any time, the individuals each of whom is at that time a Trustee, hereinafter called the “**Trustees**”),

OF THE FIRST PART,

- and -

All holders of units of the ~~trust~~ Trust on the date hereof and Persons (as defined herein) who after the date hereof become holders of units of the ~~trust~~ Trust as herein provided (collectively at any time, the “**Unitholders**”),

OF THE SECOND PART.

WHEREAS the Trust was established pursuant to a Declaration of Trust made effective the 14th day of April, 2020 (the “**Original Declaration of Trust**”);

AND WHEREAS the Trust was on that date settled with \$12.50 (~~the “Initial Contribution”~~) by the Initial Unitholder by Starlight Group Property Holdings Inc., which Daniel Drimmer, Martin Liddell and David Hanick, in their capacity as trustees of the Trust, thereupon held in trust, in exchange for ~~the Initial~~ a Class C Unit (as hereinafter defined);

AND WHEREAS on September 29, 2020 the Original Declaration of Trust was amended and restated by ~~the Initial Unitholder~~ Starlight Group Property Holdings Inc. and the Trustees, each of whom desired that the Trust should qualify as a “mutual fund trust” pursuant to subsection 132(6) of the Tax Act and as a “real estate investment trust” pursuant to subsection 122.1(1) of the Tax Act (the “**A&R Declaration of Trust**”);

AND WHEREAS ~~pursuant to section 2.4 of~~ on February 15, 2022, the A&R Declaration of Trust, ~~the Trustees desire~~ was amended and restated to change the name of the trust from Northview Canadian High Yield Residential Fund to Northview Fund (the “**Second A&R Declaration of Trust**”);

AND WHEREAS the Trust is completing a transformative transaction pursuant to which it is acquiring interests in certain further properties and the Trustees have approved, in connection with such transaction, that the Class C Units and the Class F Units (as hereinafter defined) are to each be subdivided at the Effective Time on the basis of their respective pre-subdivision rates for conversion into

Class A Units (the “**Subdivision**”), and simultaneously with effecting the Subdivision, the Trustees now wish to further amend and restate the Second A&R Declaration of Trust (as so amended and restated, the “**Third Amended and Restated Declaration of Trust**”) as provided herein;

AND WHEREAS for greater certainty, this ~~Second~~Third Amended and Restated Declaration of Trust shall not ~~be deemed to~~ constitute a termination of the Trust or a resettlement of the Second A&R Declaration of Trust, ~~the Original Declaration of Trust or the Trust created thereby;~~

~~AND WHEREAS the Trustees wish to amend and restate the A&R Declaration of Trust by executing this Second Amended and Restated,~~ the Original Declaration of Trust or the trust created by the Original Declaration of Trust;

AND WHEREAS the parties hereto desire to set out the agreements, terms and conditions which shall govern their mutual and respective rights, powers and obligations with respect to the ~~settlement and~~ administration of the Trust;

NOW THEREFORE, the undersigned Trustees, being all of the Trustees, hereby confirm and declare that they agree with the Unitholders to hold in trust, as trustees, ~~the Initial Contribution and~~ any and all ~~other~~ property, real, personal or otherwise, tangible or intangible, which has been at the date hereof or is hereafter transferred, conveyed or paid to or otherwise received by them as Trustees or to which the Trust is otherwise entitled and all rents, income, profits and gains therefrom for the benefit of the Unitholders hereunder in accordance with and subject to the express provisions of this Declaration of Trust, as follows:

ARTICLE 1 THE TRUST AND DEFINITIONS

1.1 Definitions and Interpretation

In this Declaration of Trust, words in the singular number include the plural and words in the plural number include the singular, and words importing gender shall include ~~the masculine, feminine and neuter~~ all genders and gender identities. In this Declaration of Trust, except where the context otherwise requires, the following terms shall have the following meanings:

- (a) “**Acquired Issuer**” has the meaning given thereto in Section ~~7-16.1~~6.1(d);
- (b) “**affiliate**” means an affiliate as defined under National Instrument 45-106 – *Prospectus Exemptions*, as replaced or amended from time to time (including any successor rule or policy thereto), subject to the terms “Person” and “issuer” in such instrument being ascribed the same meaning as the term “Person” in this Declaration of Trust;
- ~~(c) “**Agents’ Fee**” means a fee payable by the Trust equal to \$0.65625 (5.25%) per Class A Unit and \$0.28125 (2.25%) per Class F Unit;~~
- ~~(d) “**Aggregate Class A Interest**” is equal to (i) the aggregate gross proceeds received by the Trust for the issuance of the Class A Units pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable in respect of the Class A Units, divided by (ii) the number of Class A Units issued pursuant to the Offering and any concurrent private placements;~~

~~multiplied by (iii) the number of Class A Units outstanding at the time the Aggregate Class A Interest is being calculated;~~

- ~~(e) — “Aggregate Class C Interest” is equal to (i) the sum of (A) the aggregate subscription amount received and deemed to have been received by the Trust for the issuance of Class C Units pursuant to the Pre Prospectus Contributions, and (B) the aggregate gross proceeds received by the Trust in respect of any concurrent private placements of Class C Units, divided by (ii) the number of Class C Units issued pursuant to the Pre Prospectus Contributions and any concurrent private placements, multiplied by (iii) the number of Class C Units outstanding at the time the Aggregate Class C Interest is being calculated (after giving effect to the consolidation of Class C Units contemplated by the Plan of Arrangement);~~
- ~~(f) — “Aggregate Class F Interest” is equal to (i) the aggregate gross proceeds received by the Trust for the issuance of Class F Units pursuant to the Offering and any concurrent private placements, less the aggregate Agents’ Fee payable in respect of the Class F Units, divided by (ii) the number of Class F Units issued pursuant to the Offering and any concurrent private placements, multiplied by (iii) the number of Class F Units outstanding at the time the Aggregate Class F Interest is being calculated;~~
- ~~(g) — “Aggregate Units Interest” means, at any time, the sum of (i) the Aggregate Class A Interest, (ii) the Aggregate Class C Interest, and (iii) the Aggregate Class F Interest, at such time;~~
- ~~(h) — “Alternative Liquidity Event” means a transaction other than a Recapitalization Event, which transaction may take the form of (i) a sale of the Units, (ii) a reverse take over, merger, amalgamation, arrangement, take over bid, insider bid, reorganization, joint venture or similar transaction or other combination with a public issuer, (iii) a transaction involving a combination of the Trust’s portfolio of Properties and operations with one or more other portfolios of properties (whether owned, Controlled or managed by a Related Party or otherwise), or (iv) another event (other than a Recapitalization Event) similar, comparable or analogous to, or having similar, comparable or analogous effect for the Unitholders to those described in items (i) to (iii) above;~~
- (c) ~~(i)~~ “Annuitant” means the annuitant or beneficiary of an Exempt Plan or any other plan of which a Unitholder acts as trustee or carrier;
- (d) ~~(j)~~ “associate” when used to indicate a relationship with a Person or company has the meaning ascribed thereto in the *Securities Act* (Ontario), as replaced or amended from time to time;
- (e) ~~(k)~~ “Audit Committee” has the meaning given thereto in Section ~~11.1~~10.1;

- (f) ~~(h)~~ “**Auditors**” means the firm of chartered accountants appointed as the auditors of the Trust from time to time in accordance with the provisions hereof and, initially, means KPMG LLP, Chartered Professional Accountants;
- (g) ~~(m)~~ “**Beneficial Owner**” has the meaning given thereto in Section ~~8.10~~7.13(c);
- (h) ~~(n)~~ “**Bid Units**” has the meaning given thereto in Section ~~8.25~~7.28;
- (i) ~~(o)~~ “**Board**” means the board of Trustees of the Trust;
- (j) ~~(p)~~ “**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario or the Province of Alberta;
- (k) ~~(q)~~ “**Canadian Securities Regulatory Authorities**” means, collectively, the securities regulatory authorities in each of the provinces and territories of Canada and any of their successors, including pursuant to the establishment of any federal or multi-jurisdictional cooperative Canadian securities regulatory authority;
- ~~(r) — “Cash Flow” means, for any Distribution Period:~~
- ~~(i) — the sum of all cash amounts received by the Trust for or in respect of such Distribution Period, including amounts received as a limited partner holding NV Holdings LP Units pursuant to the terms of the NV Holdings LP Agreement and all other income, interest, distributions, dividends, proceeds from the investment in NV Holdings LP Units (other than by way of security interest), returns of capital and repayments of indebtedness, as well as all amounts received by the Trust in any prior Distribution Period to the extent not previously distributed; less~~
- ~~(ii) — all costs and expenses of the Trust that, in the opinion of the Board, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued in such prior period; less~~
- ~~(iii) — without duplication, any interest expense incurred by the Trust between distributions,~~
- ~~provided that any funds borrowed by the Trust will not be included in the calculations of Cash Flow in respect of any Distribution Period;~~
- (l) ~~(s)~~ “**CBCA**” means the *Canada Business Corporations Act*, as amended from time to time;
- (m) ~~(t)~~ “**CDS**” means CDS Clearing and Depository Services Inc. and its successors;
- (n) ~~(u)~~ “**CDS Participant**” means a broker, dealer, bank, other financial institution or other Person who, directly or indirectly, from time to time, effects book-based transfers with CDS and pledges of securities deposited with CDS;

- (o) ~~(v)~~—“Chair”, “Chief Executive Officer”, “Chief Financial Officer” and “~~Corporate Secretary~~” mean the individual(s) holding the respective office from time to time if so elected, appointed, engaged or employed by the Trustees ~~or provided by the Manager to serve in such capacity in respect of the Trust;~~
- ~~(w)~~—“~~Class A Unit Conversion Rate~~” is equal to (i) (A) the aggregate gross proceeds received by the Trust for the issuance of the Class A Units pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable in respect of the Class A Units and, divided by (B) the aggregate of the number of Class A Units issued pursuant to the Offering and any concurrent private placements, divided by (ii) (A) the aggregate gross proceeds received by the Trust for the issuance of Class F Units pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable in respect of the Class F Units, divided by (B) the number of Class F Units issued pursuant to the Offering and any concurrent private placements;
- (p) “Circular” means the management information circular of the Trust dated June 30, 2023, as mailed to Unitholders and filed with the securities commissions or similar authorities in each of the provinces and territories of Canada;
- (q) ~~(x)~~—“Class A Units” means the trust units of the Trust, designated as “Class A Units”;
- ~~(y)~~—“~~Class C Unit to Class A Unit Conversion Rate~~” is equal to (i) (A) the sum of ~~(x)~~ the aggregate subscription amount received and deemed to have been received by the Trust for the issuance of Class C Units pursuant to the Pre Prospectus Contributions and (y) the aggregate gross proceeds received by the Trust in respect of any concurrent private placements of Class C Units, divided by (B) the aggregate number of Class C Units issued pursuant to the Pre Prospectus Contributions (after giving effect to the consolidation of Class C Units contemplated by the Plan of Arrangement) and any concurrent private placements following the cancellation of the initial Class C Unit and any concurrent private placements, divided by (ii) (A) the aggregate gross proceeds received by the Trust for the issuance of Class A Units pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable in respect of the Class A Units, divided by (B) the number of Class A Units issued pursuant to the Offering and any concurrent private placements;
- ~~(z)~~—“~~Class C Unit to Class F Unit Conversion Rate~~” is equal to (i) (A) the sum of ~~(x)~~ the aggregate subscription amount received and deemed to have been received by the Trust for the issuance of Class C Units pursuant to the Pre Prospectus Contributions and (y) the aggregate gross proceeds received by the Trust in respect of any concurrent private placements of Class C Units, divided by (B) the aggregate number of Class C Units issued pursuant to the Pre Prospectus Contributions (after giving effect to the consolidation of Class C Units contemplated by the Plan of Arrangement) and any concurrent private placements following the cancellation of the initial Class C Unit and any concurrent private

~~placements, divided by (ii) (A) the aggregate gross proceeds received by the Trust for the issuance of Class F Units pursuant to the Offering and any concurrent private placements less the aggregate Agents' Fee payable in respect of the Class F Units, divided by (B) the number of Class F Units issued pursuant to the Offering and any concurrent private placements;~~

(r) ~~(aa)~~ “**Class C Units**” means the trust units of the Trust, designated as “Class C Units”;

~~(bb) — “Class F Unit Conversion Rate” is equal to (i) (A) the aggregate gross proceeds received by the Trust for the issuance of the Class F Units pursuant to the Offering and any concurrent private placements less the aggregate Agents' Fee payable in respect of the Class F Units, divided by (B) the number of Class F Units issued pursuant to the Offering and any concurrent private placements, divided by (ii) (A) the aggregate gross proceeds received by the Trust for the issuance of Class A Units pursuant to the Offering and any concurrent private placements less the aggregate Agents' Fee payable in respect of the Class A Units, divided by (B) the number of Class A Units issued pursuant to the Offering and any concurrent private placements;~~

(s) ~~(ee)~~ “**Class F Units**” means the trust units of the Trust, designated as “Class F Units”;

(t) ~~(dd)~~ “**Class Offer**” has the meaning given thereto in Section 8.25;

~~(ee) — “Closing” means the closing of the Offering as described in the Prospectus; and “Closing Date” means the date on which the Closing occurs;~~

~~(ff) — “Coattail Conversion Rate” is (i), in the case of Class C Units, (A) one divided by (B) the Class C Unit to Class A Unit Conversion Rate and (ii), in the case of the Class F Units, is equal to (A) one divided by (B) the Class F Unit Conversion Rate^{7.28};~~

(u) ~~(gg)~~ “**Control**” has the meaning set out in National Instrument 45-106 – *Prospectus Exemptions*, as replaced or amended from time to time (including any successor rule or policy thereto), if the term “Person” therein was replaced “Person” as defined herein;

(v) ~~(hh)~~ “**Conversion End Date**” has the meaning given thereto in Section 8.25;

~~(ii) — “Convertible Offered Units” means the Class A Units and Class F Units^{7.28};~~

(w) ~~(jj)~~ “**Convertible Units**” means the Class A Units, Class C Units and Class F Units;

(x) ~~(kk)~~ “**CPOA**” has the meaning given thereto in Section 3.7(d);

- (y) ~~(H)~~ **“Declaration of Trust”** means this ~~Second~~Third Amended and Restated Declaration of Trust as amended, supplemented or amended and restated from time to time;
- (z) ~~(mm)~~ **“Dissenting Offeree”** means, where a Take-Over Bid is made for all of the Trust Units other than those held by the Offeror (its affiliates and associates), a holder of Trust Units who does not accept the Take-Over Bid and includes a subsequent holder of those Trust Units who acquires them from the first mentioned holder;
- ~~(nn) **“Distributable Cash Flow”** means, for any Distribution Period, an amount equal to the Cash Flow for such Distribution Period, less any amount that the Board may reasonably consider to be necessary to provide for the payment of any costs or expenses, including any tax liability of NV Holdings LP, NV Holdings GP or the Trust, that have been or are reasonably expected to be incurred in the activities and operations of NV Holdings LP, NV Holdings GP or the Trust (to the extent that such costs or expenses have not otherwise been taken into account in the calculation of the Cash Flow) and less such reserves or amounts as are, in the opinion of the Board, necessary or desirable;~~
- ~~(oo) **“Distributable Cash Flow Balance”** has the meaning given thereto in Section 12.1;~~
- (aa) ~~(pp)~~ **“Distribution Date”** means any date on which the Trustees have determined that a distribution will be made by the Trust to the Trust Unitholders;
- ~~(qq) **“Distribution Period”** means each month of each calendar year, commencing in the first full month of operations of the Trust following the Closing, or such other periods as the Trustees may determine from time to time;~~
- (bb) **“EON Sub LP”** means Northview EON Sub LP a limited partnership existing under the laws of the Province of Ontario and governed by the EON Sub LP Agreement;
- (cc) **“EON Sub LP Agreement”** means the agreement governing EON Sub LP, as it may be amended and restated from time to time;
- (dd) **“EON Sub LP Class B Units”** means the Class B exchangeable limited partnership units of EON Sub LP;
- (ee) **“EON Sub LP Exchange Agreement”** means the exchange agreement between the Trust, EON Sub LP, NV Holdings LP and D.D. Acquisitions Partnership dated ●, 2023, as the same may be amended, supplemented or amended and restated from time to time;
- (ff) **“Exchange Agreement”** means each exchange agreement as may be entered into, from time to time, among the Trust, each issuer of Exchangeable Units and each holder of Exchangeable Units, including the NV Holdings LP Exchange Agreement and the EON Sub LP Exchange Agreement, and in the case of the NV LP Class B

Redeemable Units, the NV LP Support Agreement, as such agreements may be amended, supplemented or amended and restated from time to time;

- (gg) “Exchangeable Units” means, collectively, the limited partnership units of the Partnerships which are exchangeable for Trust Units in accordance with their terms, including the NV Holdings LP Class B Units and the EON Sub LP Class B Units, as well as the NV LP Class B Redeemable Units;
- (hh) ~~(rr)~~ **“Exempt Plans”** means, collectively, registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans, first home savings accounts and tax-free saving accounts, each as defined in the Tax Act;
- (ii) ~~(ss)~~ **“Fiscal Year”** means each fiscal year of the Trust;
- (jj) ~~(tt)~~ **“Gross Book Value”** means, at any time, the book value of the assets of the Trust as shown on its then most recent consolidated balance sheet plus the amount of accumulated depreciation and amortization included therein or in the notes thereto, less the amount of future income tax liability arising out of indirect acquisitions; provided that, if approved by a majority of the Trustees for purposes of any specific determination of Gross Book Value required to be made pursuant to this Declaration of Trust, “Gross Book Value” will instead mean, for purposes of such determination, the appraised value of the Real Property held by the Trust (inclusive of any portfolio premium) at such time;
- (kk) ~~(uu)~~ **“herein”, “hereof”, “hereby”, “hereunder”, “this Declaration of Trust”, “this Declaration”** and similar expressions refer to this Declaration of Trust and include every instrument supplemental or ancillary to or in implementation of this Declaration of Trust and, except where the context otherwise requires, do not refer to any particular article, section or other portion hereof or thereof;
- (ll) ~~(vv)~~ **“IFRS”** means International Financial Reporting Standards, issued by the International Accounting Standards Committee, and as adopted by the Canadian Institute of Chartered Accountants in Part I of the Canadian Institute of Chartered Accountants Handbook - Accounting, as amended from time to time;
- (mm) ~~(ww)~~ **“includes”** and **“including”** mean, respectively, “includes, without limitation” and “including, without limitation”;
- (nn) ~~(xx)~~ **“indebtedness”** means (without duplication) on a consolidated basis:
- (i) any obligation of the Trust for borrowed money;
 - (ii) any obligation of the Trust incurred in connection with the acquisition of property, assets or business, other than the amount of future income tax liability arising out of indirect acquisitions;
 - (iii) any obligation of the Trust issued or assumed as the deferred purchase price of property;

- (iv) any capital lease obligation of the Trust; and
- (v) any obligation of the type referred to in clauses (i) through (iv) of another Person, the payment of which the Trust has guaranteed or for which the Trust is responsible or liable,

provided that (A) for the purposes of clauses (i) through ~~(iv)~~, an obligation (other than convertible debentures) will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Trust in accordance with generally accepted accounting principles; (ii) obligations referred to in clauses (i) through (iii) exclude trade accounts payable, distributions payable to Trust Unitholders ~~and~~, accrued liabilities arising in the ordinary course of business, deferred revenues, intangible liabilities, deferred income taxes, deferred financing costs, tenant deposits and indebtedness with respect to the unpaid balance of installment receipts, where such indebtedness has a term not in excess of twelve months; ~~and~~ (C) Units and exchangeable or redeemable equity interests issued by subsidiaries of the Trust (including for greater certainty, Exchangeable Units) will not constitute indebtedness notwithstanding that such securities may be classified as debt under generally accepted accounting principles (including IFRS); and (D) convertible debentures will constitute indebtedness to the extent of the principal amount thereof outstanding;

(oo) ~~(yy)~~ **“Independent Trustee”** means any Trustee who is independent for purposes of National Policy 58-101 – *Disclosure of Corporate Governance Practices*;

~~(zz) — “Initial Contribution” has the meaning given thereto in the Recitals;~~

~~(aaa) — “Initial Portfolio” means the geographically diversified portfolio comprising income producing multi residential suites, commercial real estate and executives located in the Secondary Markets, interests in which will be indirectly acquired by the Trust concurrently with the completion of the Offering pursuant to the Proposed Transaction;~~

~~(bbb) — “Initial Unit” means the initial Class C Unit issued by the Trust to the Initial Unitholder for cash consideration of \$12.50;~~

~~(ccc) — “Initial Unitholder” has the meaning given thereto in the Recitals;~~

(pp) ~~(ddd)~~ **“Investment Restrictions”** has the meaning given thereto in Section ~~7.16.1(a)~~;

(qq) ~~(eee)~~ **“Investor Rights Agreement”** means the investor rights agreement ~~to be entered into on Closing between~~ among the Trust, ~~the Manager, KingSett Group and AIMCo Realty Investors LP;~~

~~(fff) —~~ **“KingSett Group”** means D.D. Acquisitions Partnership, Starlight West LP, D.D. Galaxy High Yield Debt LP, Mustang DDAP Partnership, KingSett Real Estate Growth LP No. 7 ~~and~~, KingSett Canadian Real Estate Income Fund LP, AIMCo

Realty Investors LP, Four Quadrant Global Real Estate Partners, TC Core LP, Prairie Mur Limited Partnership and TC Green Limited Partnership;

(rr) ~~(ggg)~~ “**Lead Trustee**” has the meaning given thereto in Section 5.3;

~~(hhh) “**Management Agreement**” means an agreement to be entered into between the Trust, NV LP and the Manager pursuant to which the Manager will provide certain services relating to the Properties;~~

~~(iii) “**Manager**” means Starlight Investments CDN AM Group LP, a wholly owned Subsidiary of Starlight Group, and the manager of the Trust pursuant to the Management Agreement;~~

(ss) ~~(jjj)~~ “**Material Agreements**” means, collectively, the Investor Rights Agreement, the ~~Management~~EON Sub LP Agreement, the EON Sub LP Exchange Agreement, the NV Holdings LP Agreement ~~and the agency agreement for the Offering as described in the Prospectus,~~ the NV Holdings LP Exchange Agreement, the NV LP Agreement and the NV LP Support Agreement;

(tt) ~~(kkk)~~ “**Meeting of the Unitholders**” has the meaning given thereto in Section ~~9.28.2;~~

(uu) ~~(lll)~~ “**Mortgage**” means any mortgage, charge, hypothec, bond, debenture, note or other evidence of indebtedness, in each case which is directly or indirectly secured by Real Property;

(vv) ~~(mmm)~~ “**NCI**” means the non-certificated inventory system of CDS;

(ww) “**net taxable capital gains of the Trust**” has the same meaning as the expression “net taxable capital gains of a trust” for purposes of subsection 104(21.3) of the Tax Act if the reference to “a trust” in that subsection were read as a reference to “the Trust”;

(xx) ~~(nnn)~~ “**Nominating Unitholder**” has the meaning given thereto in Section ~~9.48.4(a)(iii);~~

(yy) ~~(ooo)~~ “**Non-Resident**” means a Person who is not a Resident and a partnership that is not a “Canadian partnership” within the meaning of the Tax Act;

(zz) ~~(ppp)~~ “**Notice Date**” has the meaning given thereto in Section ~~9.48.4(c)(i);~~

~~(qqq) “**NV1**” means Northview Apartment Real Estate Investment Trust;~~

~~(rrr) “**NV GP**” means Northview Canadian HY Properties GP Inc., a corporation incorporated under the laws of the Province of Ontario, and the general partner of NV LP;~~

- (aaa) ~~(sss)~~ “**NV Holdings GP**” means Northview Canadian HY Holdings GP Inc., a corporation incorporated under the laws of the Province of Ontario, and the general partner of NV Holdings LP;
- (bbb) ~~(ttt)~~ “**NV Holdings LP**” means Northview Canadian HY Holdings LP, a limited partnership ~~established by NV1 and NV Holdings GP~~ existing under the laws of the Province of Ontario and ~~pursuant to~~ governed by the NV Holdings LP Agreement;
- (ccc) ~~(uuu)~~ “**NV Holdings LP Agreement**” means the agreement establishing governing NV Holdings LP, as it may be amended and restated from time to time, ~~entered into between NV1 and NV Holdings GP and all Persons who become holders of NV Holdings LP Units as provided therein;~~
- (ddd) ~~(vvv)~~ “**NV Holdings LP Class A Units**” means the Class A limited partnership units of NV Holdings LP;
- (eee) ~~(www)~~ “**NV Holdings LP Class B Units**” means the Class B exchangeable limited partnership units of NV Holdings LP;
- (fff) ~~(xxx)~~ “**NV Holdings LP Units Exchange Agreement**” means ~~collectively, the exchange agreement between the Trust, NV Holdings LP Class A Units and the NV Holdings LP Class B Units~~ Starlight West LP dated ●, 2023, as the same may be amended, supplemented or amended and restated from time to time;
- (ggg) ~~(yyy)~~ “**NV LP**” means Northview Canadian HY Properties LP, a limited partnership ~~established indirectly by NV1 and NV GP~~ existing under the laws of the Province of Ontario ~~and pursuant to the NV LP Agreement;~~
- (hhh) ~~(zzz)~~ “**NV LP Agreement Class B Redeemable Units**” means the Class B redeemable partnership units of NV LP;
- (iii) “**NV LP LP Agreement**” means the agreement establishing governing NV LP, as it may be amended and restated from time to time, ~~entered into;~~
- (jjj) “**NV LP Support Agreement**” means the support agreement between the Trust, NV Holdings LP and NV GP ~~and all Persons who become holders of limited partnership units of NV LP as provided therein~~ LP dated ●, 2023, as the same may be amended, supplemented or amended and restated from time to time;
- (kkk) ~~(aaaa)~~ “**Offeree**” means a Person to whom a Take-Over Bid is made;
- ~~(bbb)~~ “**Offering**” means ~~the issuance of Units in connection with the initial public offering (together with any concurrent private placements) of the Trust;~~
- (lll) ~~(eeee)~~ “**Offeror**” means a Person, other than an agent, who makes a Take-Over Bid; and includes two or more Persons who, directly or indirectly:

- (i) make a Take-Over Bid jointly or in concert; or
- (ii) intend to exercise jointly or in concert voting rights attached to the Units for which a Take-Over Bid is made;

(mmm) ~~(ddd)~~ “**Operating Policy**” has the meaning given thereto in Section ~~7.26.2~~;

(nnn) ~~(eee)~~ “**Ordinary Resolution**” means a resolution of the Unitholders (or holders of a class of Units, as applicable) eligible to vote on the matter approved by not less than 50% of the votes cast by those ~~Persons~~ Unitholders (or holders of a class of Units, as applicable) who vote in person or by proxy at a duly convened meeting of the Trust, or a written resolution, after being submitted to all of the Unitholders eligible to vote on such resolution, signed by the Unitholders (or holders of a class of Units, as applicable) entitled, in the aggregate, to not less than 50% of the aggregate number of votes of those ~~Persons~~ Unitholders (or holders of a class of Units, as applicable);

(ooo) ~~(fff)~~ “**Original Declaration of Trust**” has the meaning given thereto in the Recitals;

~~(ggg)~~ “**Original Purchasers**” has the meaning given thereto in Section ~~8.27~~;

(ppp) “**Partnerships**” means, collectively, NV Holdings LP, as well as such other limited partnerships that may be Controlled by the Trust from time to time;

(qqq) ~~(hhh)~~ “**Person**” means and includes any individual, firm, partnership, limited partnership, limited liability partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, trust, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status, however designated or constituted;

~~(iii)~~ “**Plan of Arrangement**” means the plan of arrangement for the Proposed Transaction;

~~(jjj)~~ “**Pre-Prospectus Contributions**” means, collectively, the contributions made or deemed to be made to the Trust in connection with:

~~(i)~~ the election by Daniel Drimmer, the principal of Starlight Group, as a unitholder of NV1, to receive a minimum of \$30,000,000 of Class C Units for a portion of the trust units of NV1 held or controlled by Mr. Drimmer, pursuant to the Proposed Transaction (the “**Starlight Base Contribution**”);

~~(ii)~~ the aggregate value deemed to be contributed by existing unitholders of NV1 in respect of Class C Units received pursuant to step 2.4(q) of the Plan of Arrangement and not redeemed pursuant to the Plan of Arrangement (excluding the Starlight Base Contribution);

- ~~(iii) — the commitment by KingSett Group and AIMCo Realty Investors LP to subscribe for an aggregate number of Class C Units equal to \$75,000,000;~~
- ~~(iv) — the issuance by the Trust pursuant to elections (“**top-up elections**”) by existing unitholders of NV1, excluding Starlight Group, to subscribe for further Class C Units under the Plan of Arrangement, subject to pro-ratio; and~~
- ~~(v) — and the commitment by Timbercreek Acquisitions Inc., directly or through an affiliate, to subscribe on a lead order basis for an aggregate of \$35,000,000 of Class C Units by way of a concurrent private placement;~~
- (rrr) ~~(kkkk)~~ **“Properties”** means the lands and premises or interests therein to be purchased, owned and leased, directly or indirectly, by NV Holdings LP or its affiliates, including the ~~Initial Portfolio~~ Acquisition Portfolios, and **“Property”** means one of the Properties;
- ~~(llll) — “**Proportionate Class A Interest**” is equal to the Aggregate Class A Interest, divided by the Aggregate Units Interest;~~
- ~~(mmmm) — “**Proportionate Class C Interest**” is equal to the Aggregate Class C Interest, divided by the Aggregate Units Interest;~~
- ~~(nnnn) — “**Proportionate Class F Interest**” is equal to the Aggregate Class F Interest, divided by the Aggregate Units Interest;~~
- ~~(oooo) — “**Proposed Transaction**” means the agreement by Galaxy Real Estate Core Fund LP, Galaxy Value Add Fund LP, D.D. Acquisitions Partnership and KingSett Group with NV1 and NPR GP Inc. to acquire NV1, subject to the satisfaction of certain conditions;~~
- ~~(pppp) — “**Prospectus**” means the final prospectus of the Trust dated September 29, 2020 relating to the Offering as filed with the securities commissions or similar authorities in each of the provinces and territories of Canada, as the same may be amended or amended and restated;~~
- (sss) ~~(qqqq)~~ **“Quarterly Limit”** has the meaning given thereto in Section ~~8.11~~ 7.14(d)(i);
- (ttt) ~~(rrrr)~~ **“Real Property”** means property which in law is real property and includes, whether or not the same would in law be real property, leaseholds, Mortgages, undivided joint interests in Real Property (whether by way of tenancy-in-common, joint tenancy, co-ownership, joint venture or otherwise), any interests in any of the foregoing and the Securities of trusts, corporations or partnerships the sole or principal purpose and activity of which is to directly or indirectly invest in, hold and/or deal in Real Property;
- ~~(ssss) — “**Recapitalization Event**” means a direct or indirect public offering or listing of new, additional or successor securities of the Trust or a traditional real estate investment trust or other entity that owns or will own all or substantially all of the~~

~~Trust's properties and otherwise carries on the Trust's operations as an indirect owner of such properties, or by way of reorganization, restructuring (corporate, capital or otherwise), combination or merger involving the Trust or the Unitholders, or similar transaction as recommended by the Manager and approved by the Board, some of which may include an acquisition, redemption or repurchase of all or a portion of the then outstanding Units of the Trust;~~

- (uuu) ~~(ttt)~~ **“Redemption Date”** means the date on which a Redemption Notice is given;
- (vvv) ~~(uuuu)~~ **“Redemption Notes”** means the unsecured subordinated promissory notes of the Trust or a Subsidiary of the Trust having a maturity date and interest rate to be determined at the time of issuance by the Board, such promissory notes to provide that the Trust or such Subsidiary, as the case may be, shall at any time be allowed to prepay all or any part of the outstanding principal without notice or bonus;
- (www) ~~(vvvv)~~ **“Redemption Notice”** has the meaning given thereto in Section ~~8.11~~7.14(b)(i);
- (xxx) ~~(wwww)~~ **“Redemption Price”** has the meaning given thereto in Section ~~8.11~~7.14(c)(i);
- (yyy) ~~(xxxx)~~ **“Register”** has the meaning given thereto in Section ~~8.16~~7.19;
- (zzz) ~~(yyyy)~~ **“Related Party”** means, with respect to any Person, a Person who is a “related party” as defined in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions;
- (aaa) ~~(zzzz)~~ **“Resident”** means a Person who is, or is deemed to be, resident in Canada for purposes of the Tax Act;
- ~~(aaaaa) **“Retained Interest Holders”** means Starlight and KingSett Group;~~
- (bbb) ~~(bbbb)~~ **“Retiring Trustee”** has the meaning given thereto in Section 3.7(c);
- (ccc) ~~(eeee)~~ **“Secondary Markets”** means the secondary markets in which the Trust's Properties will be located within British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories and Nunavut, or such other provinces and territories as the Trust may determine from time to time;
- (ddd) ~~(dddd)~~ **“Securities”** means any shares, units, partnership interests, joint venture interests or other securities of Persons that hold Real Property or an interest therein;
- (eee) ~~(eeee)~~ **“Securities Act”** means the *Securities Act* (Ontario), and the regulations thereunder, as amended;
- (fff) ~~(ffff)~~ **“Securities Laws”** means (i) the securities legislation in each of the provinces and territories of Canada, as well as federal Canadian securities legislation, including all rules, regulations, instruments, policies, notices, published policy statements and blanket orders thereunder or issued by one or more of the Canadian Securities

Regulatory Authorities, and (ii) if and to the extent applicable, securities laws of the United States;

- (gggg) ~~(ggggg)~~ “SIFT” means a SIFT Partnership or a SIFT Trust;
- (hhhh) ~~(hhhhh)~~ “SIFT Partnership” means a partnership that is a “SIFT Partnership” within the meaning of section 197 of the Tax Act;
- (iiii) ~~(iiiii)~~ “SIFT Trust” means a trust that is a “SIFT trust” within the meaning of section 122.1 of the Tax Act;
- (jjjj) ~~(jjjjj)~~ “Special Resolution” means a resolution of the Unitholders (or holders of a class of Units, as applicable) eligible to vote on such matter approved by not less than $66\frac{2}{3}\%$ of the votes cast by those ~~Persons~~ Unitholders (or holders of a class of Units, as applicable) who vote in person or by proxy at a duly convened meeting of the Trust, or a written resolution, after being submitted to all of the Unitholders (or holders of a class of Units, as applicable) eligible to vote on such resolution, signed by the Unitholders (or holders of a class of Units, as applicable), entitled, in the aggregate, to not less than ~~$66\frac{2}{3}\%$~~ $66\frac{2}{3}\%$ of the aggregate number of votes of those ~~Persons~~ Unitholders (or holders of a class of Units, as applicable);
- ~~(kkkkk) — “Starlight” means collectively, Starlight Group and its affiliates;~~
- ~~(lllll) — “Starlight Group” means Starlight Group Property Holdings Inc., a British Columbia corporation;~~
- ~~(mmmmm) — “Starlight Nominee” has the meaning given thereto in Section 3.8(a);~~
- (kkkk) “Special Voting Units” means the special voting units of the Trust designated as such in Section 7.2 authorized and issued hereunder;
- (llll) ~~(lllll)~~ “Subsidiary” means a Person that is Controlled directly or indirectly by another Person and includes a Subsidiary of that Subsidiary, and in respect of the Trust, shall include NV Holdings LP, NV Holdings GP, NV LP, Northview Canadian HY Properties GP Inc. (the general partner of NV ~~GPLP~~) and any special purpose vehicle wholly-owned by NV Holdings LP;
- (mmmm) ~~(ooooo)~~ “Take-Over Bid” has the meaning ascribed thereto in National Instrument 62-104 – *Take-Over Bids and Issuer Bids*, as replaced or amended from time to time;
- ~~(ppppp) — “Target Recapitalization Date” means the date which is on or about three years from the Closing Date, subject to extension by the Board pursuant to up to two one year extensions at the Board’s sole discretion, and subject to further extension beyond the five year anniversary of the Closing Date by Special Resolution;~~
- (nnnn) ~~(qqqqq)~~ “Tax Act” means the *Income Tax Act* (Canada) and the regulations thereunder, as replaced or amended from time to time;

(oooo) ~~(rrrr)~~ “**Taxation Year**” means the taxation year of the Trust for the purposes of the Tax Act;

(pppp) ~~(ssss)~~ “**Transfer Agent**” means any such company as may from time to time be appointed by the Trust to act as registrar and transfer agent of the Units and/or Special Voting Units, together with any sub-transfer agent duly appointed by the Transfer Agent;

(qqqq) ~~(tttt)~~ “**Trust**” means Northview ~~Fund~~ Residential REIT, a trust created pursuant to the Original Declaration of Trust and governed by this Declaration of Trust pursuant to the laws of the Province of Ontario;

(rrrr) ~~(uuuuu)~~ “**Trust Property**” means the properties and assets held from time to time by the Trust or by the Board on behalf of the Trust, including:

~~(i)~~ — ~~the Initial Contribution;~~

(i) ~~(ii)~~ all funds or property derived from the issuance or sale of Units or other funds or property received by the Trust;

(ii) ~~(iii)~~ any NV Holdings LP Class A Units, shares in the capital of NV Holdings GP, or other securities of NV Holdings GP or NV Holdings LP or of any other Person held from time to time by or on behalf of the Trust;

(iii) ~~(iv)~~ any proceeds of disposition of any of the foregoing property or in respect of the investment or substitution of the properties and assets of the Trust; and

(iv) ~~(v)~~ 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;

~~(vvvvv)~~ — ~~“Trustee Election Meeting” has the meaning given thereto in Section 3.8(a);~~

(ssss) “**Trust Unitholder**” means a Person whose name appears on the Register as a holder of one or more Trust Units, or a fraction thereof;

(tttt) “**Trust Units**” means, collectively, the Class A Units, the Class C Units and the Class F Units, but, for greater certainty, excludes the Special Voting Units.

(uuuu) ~~(wwwww)~~ “**Trustees**” has the meaning given thereto in the Recitals;

(vvvv) ~~(xxxxx)~~ “**Trustees’ Regulations**” means the regulations adopted by the Trustees pursuant to Section 4.3 or Section ~~9.11~~ 8.11 from time to time;

(wwwv) ~~(yyyyy)~~ “**TSX**” means the Toronto Stock Exchange;

(xxxx) ~~(zzzzz)~~ “**Unit Certificate**” means a certificate, in the form stipulated by Article ~~8~~7, evidencing one or more Units, issued and certified in accordance with the provisions hereof;

(yyyy) ~~(aaaaaa)~~ “**United States**” means the United States of America;

(zzzz) ~~(bbbbbb)~~ “**Unitholder**” means a Person whose name appears on the Register as a holder of one or more Units, or a fraction thereof; and

(aaaa) ~~(eeeeee)~~ “**Units**” means, collectively, the Class A Units, the Class C Units ~~and~~ the Class F Units and the Special Voting Units.

1.2 Tax Act

Any reference herein to a particular provision of the Tax Act shall include a reference to that provision as it may be replaced, renumbered or amended from time to time. Where there are proposals for amendments to the Tax Act that have not been enacted into law or proclaimed into force on or before the date on which such proposals are to become effective, the Trustees may take such proposals into consideration and apply the provisions hereof as if such proposals had been enacted into law and proclaimed into force.

1.3 Day Not a Business Day

Except as expressly specified in this Declaration of Trust, in the event that any day on which any amount is to be determined or any action is required to be taken hereunder is not a Business Day, then such amount shall be determined or such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day. Notwithstanding the foregoing, this Section 1.3 is not applicable to Sections ~~12.1~~11.1 and ~~12.3~~11.3.

1.4 Time of Essence

Time shall be of essence in this Declaration of Trust.

ARTICLE 2 DECLARATION OF TRUST

2.1 Establishment of the Trust

The Trustees hereby agree to hold and administer the property, real, personal or otherwise, tangible or intangible, which has been or is hereafter transferred, conveyed or paid to or otherwise received by the Trust or to which the Trust is otherwise entitled, ~~including the Initial Contribution~~, and all rents, income, profits and gains therefrom in trust for the use and benefit of the Unitholders, their successors, permitted assigns and personal representatives upon the trusts and subject to the terms and conditions hereinafter declared and set forth, such trust to constitute the Trust hereunder.

~~**2.2 Initial Contribution**~~

~~The Trustees hereby acknowledge and confirm that the Initial Unitholder has made the Initial Contribution to the Trustees for the purpose of establishing the Trust.~~

2.2 ~~2.3~~ Name

The name of the Trust is Northview ~~Fund~~Residential REIT. As far as practicable and except as otherwise provided in this Declaration of Trust, the Trustees shall conduct the affairs of the Trust, hold property, execute all documents and take all legal proceedings under that name. For greater certainty, where any reference is made in this Declaration of Trust, or any other instrument to which the Trust or the Trustees, as trustees of the Trust, are a party, to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against, or a covenant, representation or warranty by or with respect to (i) the Trust; or (ii) the Trustees, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding taken by or against, or a covenant, representation or warranty by or with respect to the Trustees as trustees of the Trust.

2.3 ~~2.4~~ Use of Name

Should the Trustees determine that the use of the name Northview ~~Fund~~Residential REIT is not practicable, legal or convenient, they may use such other designation or they may adopt such other name for the Trust as they deem appropriate and the Trust may hold property and conduct its activities under such other designation or name.

2.4 ~~2.5~~ Office

The registered and head office of the Trust shall be located at Suite 200, 6131 6 Street SE, Calgary, Alberta, unless changed by the Trustees to another location in Canada. The Trust may have such other offices or places for the conduct of its affairs as the Trustees may from time to time determine as necessary or desirable.

2.5 ~~2.6~~ Nature of the Trust

The Trust is an unincorporated, open-ended real estate investment trust. The Trust, its Trustees and its property shall be governed by the general law of trusts, except as such general law of trusts has been or is from time to time modified, altered or abridged for trusts or for the Trust by:

- (a) applicable laws, regulations or other requirements imposed by applicable securities or other regulatory authorities; and
- (b) the terms, conditions and trusts set forth in this Declaration of Trust.

The Trust is not and is not intended to be, shall not be deemed to be and shall not be treated, as a general partnership, limited partnership, syndicate, association, joint venture, company, corporation or joint stock company nor shall the Trustees or the Unitholders or any of them or any officers or other employees of the Trust or any one of them for any purpose be, or be deemed to be, treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venturers. Neither the Trustees nor any officer or other employee of the Trust shall be, or be deemed to be, agents of the Unitholders. The relationship of the Unitholders to the Trustees, to the Trust and to the Trust Property shall be solely that of beneficiaries of the Trust and their rights shall be limited to those conferred upon them by this Declaration of Trust. The Trust is intended to be a “unit trust”, a “mutual fund trust”, and a “real estate investment trust”, in each case within the meaning of the Tax Act.

2.6 ~~**2.7**~~ **Rights of Unitholders**

The rights of each Unitholder to call for a distribution or division of assets, monies, funds, income and capital gains held, received or realized by the Trustees are limited to those contained herein and, except as provided herein, no Unitholder shall be entitled to call for any partition or division of the Trust Property or for a distribution of any particular asset forming part of the Trust Property or of any particular monies or funds received by the Trustees. The legal ownership of the Trust Property and the right to conduct the activities of the Trust are vested exclusively in the Trustees, and no Unitholder has or is deemed to have any right of ownership in any of the Trust Property, except as specifically provided herein. Except as specifically provided herein, no Unitholder shall be entitled to interfere with or give any direction to the Trustees with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Trustees under this Declaration of Trust. The Units shall be personal property and shall confer upon the holders thereof only the interest and rights specifically set forth in this Declaration of Trust.

ARTICLE 3
TRUSTEES

3.1 **Number**

There shall be a minimum of three and a maximum of 10 Trustees. The number of Trustees within such minimum and maximum numbers may be changed by the Unitholders or the Trustees from time to time at their discretion.

3.2 **Term**

Trustees elected at an annual meeting will be elected for a term expiring at the close of the next annual meeting or until their respective successors are appointed and will be eligible for re-election. Trustees appointed by the Trustees between meetings of Unitholders (including pursuant to the Investor Rights Agreement) and Trustees elected by Unitholders between annual meetings shall be appointed and elected, respectively, for a term expiring at the close of the next annual meeting, or until their respective successors are appointed, and will be eligible for election or re-election, as the case may be.

3.3 **Qualifications of Trustees**

A Trustee shall be an individual that is at least 18 years of age, not under any legal disability and not found to be of unsound mind or incapable of managing property by a court in Canada or elsewhere, and not have the status of bankrupt.

3.4 **Residency of Trustees**

A majority of the Trustees must be Residents. If at any time a majority of the Trustees are not Residents because of the death, resignation, deemed resignation, insolvency, bankruptcy, adjudicated incompetence or incapacity, removal or change in circumstance of any Trustee who was a Resident Trustee, or there are no Trustees who are Residents, the Trustee or Trustees who are Non-Residents shall, immediately before that time, be deemed to have resigned and shall cease to be Trustees with effect from the time of such deemed resignation and the remaining Trustees shall appoint a sufficient number of Resident Trustees so that following such appointment a majority of the Trustees are Residents. Failing such appointment, including in the event that there are no Trustees remaining on the ~~board of Trustees~~ Board, any Unitholder or officer of the Trust or the Auditors, as the case may be, may apply to the Superior Court of Justice of Ontario for an order appointing one or more Trustees so that following such appointment a

majority of the Trustees are Residents, to act until the next annual meeting of Unitholders or on such other terms as the court may order. Any Trustee who is a Resident who proposes to become a Non-Resident shall notify the other Trustees thereof as soon as reasonably practicable and, if such change in residency results in less than a majority of the Trustees, or less than a majority of the Trustees of any committee of Trustees, being Residents, such Trustee shall resign as a Trustee or as a member of such committee of Trustees, as the case may be, and, given the requirements of Section ~~11.1~~10.1, if such Trustee is also a member of the Audit Committee, he or she must also resign as a member of the Audit Committee.

3.5 Election of Trustees

Subject to Sections 3.4, 3.6, ~~3-10~~3.8 and ~~3-14~~3.12, the election of the Trustees shall be made by an Ordinary Resolution. The appointment or election of any Trustee (other than an individual who is serving as a Trustee immediately prior to such appointment or election) shall not become effective unless and until such individual shall have in writing accepted such appointment or election and agreed to be bound by the terms of this Declaration of Trust pursuant to Section ~~3-11~~3.9.

3.6 Independent Trustees

A majority of the Trustees must qualify as Independent Trustees; provided, however, that if at any time a majority of the Trustees are not Independent Trustees because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an Independent Trustee, this requirement shall not be applicable for a period of 60 days thereafter, during which time the remaining Trustees shall appoint a sufficient number of Trustees who qualify as an Independent Trustee to comply with this requirement.

3.7 Resignations, Removal, Incapacity and Death of Trustees

- (a) A Trustee may resign at any time by an instrument in writing signed by the Trustee and delivered or mailed to the ~~board of Trustees~~Board or the Chief Executive Officer or, if there is no Chief Executive Officer, the ~~Corporate~~ Secretary, or if there is no ~~Corporate~~ Secretary, the Unitholders. A resignation of a Trustee becomes effective 30 days following receipt by the Trust of a written resignation, or at the time specified in the resignation, whichever is later, provided that if, upon the resignation becoming effective, the number of remaining Trustees would be less than the number necessary to constitute a quorum for a meeting of Trustees, the resignation is not effective until the resigning Trustee's successor is duly appointed as a Trustee, except in the case of a deemed resignation under Section 3.4 which shall be effective at the time therein prescribed.
- (b) A Trustee may be removed at any time with or without cause by a majority of the votes cast at a meeting of Unitholders called for that purpose or with cause by a resolution passed by an affirmative vote of not less than two-thirds of the remaining Trustees. Any removal of a Trustee shall take effect immediately following the aforesaid vote or resolution or at any later time specified in the resolution without need for prior accounting, and any Trustee so removed shall be so notified by the Chief Executive Officer or another officer of the Trust or if there is no officer of the Trust, by any remaining Trustee or if there is no Trustee then remaining, by the Unitholders, following such removal.
- (c) Upon the resignation or removal of any Trustee, or such Trustee otherwise ceasing to be a Trustee (in each case, a "**Retiring Trustee**"), such Retiring Trustee shall cease to have

the rights, privileges and powers of a Trustee hereunder, shall account to the remaining Trustees as they may require for all property which he or she holds as Trustee and do all such other things as may be required pursuant to Section ~~3.13~~3.11(b) hereof; provided however that notwithstanding any other provision of this Declaration of Trust, each such Retiring Trustee shall always continue to have the protections afforded to Trustees in Article ~~17~~16.

- (d) Upon the incapacity or death of any Trustee, such Retiring Trustee's legal representative shall execute and deliver on such Trustee's behalf such documents as the remaining Trustees may require as provided in this Section 3.7. In the event that a Retiring Trustee or his or her legal representatives, as applicable, are unable or unwilling to execute and deliver such required documents, each of the remaining Trustees is hereby appointed as the attorney of such Trustee for the purpose of executing and delivering such required documents. This power of attorney granted to each of the remaining Trustees is not intended to be a continuing power of attorney within the meaning of the *Substitute Decisions Act, 1992* (Ontario), exercisable during a Trustee's incapacity to manage property, or any similar power of attorney under equivalent legislation in any of the provinces or territories of Canada (a "CPOA"). The execution of this power of attorney will not terminate any CPOA granted by the Trustee previously and will not be terminated by the execution by the Trustee in the future of a CPOA, and the Trustee hereby agrees not to take any action in the future which results in the termination of this power of attorney.

~~3.8~~ — **Nomination Right of Starlight**

- ~~(a) — Notwithstanding anything else in this Article 3, Starlight shall have the exclusive right to nominate one Trustee (the "Starlight Nominee") for election as a Trustee of the Trust (such nominee will be subject to election together with the remaining Trustees at annual meetings of Unitholders) for so long as the Manager (or a Subsidiary of Daniel Drimmer) is the manager of the Trust, by written notice delivered or mailed to the Lead Trustee, or, if there is no Lead Trustee, the Chair of Trustees, the Chief Executive Officer or the Corporate Secretary, at any time but, in any case, no less than 60 calendar days prior to the date of the applicable meeting of Unitholders of the Trust at which Trustees are to be elected to the Board (each, a "Trustee Election Meeting").~~
- ~~(b) — At the time of delivery of any such notice by Starlight, Starlight shall provide the Trust with the following information regarding such proposed Starlight Nominee: the number of securities in the Trust and its Subsidiaries owned or Controlled by such Starlight Nominee, to be included in the information circular of the Trust to be sent to Unitholders in respect of such Trustee Election Meeting; a biography; and such other information reasonably requested by the Trust that is consistent with the information the Trust intends to publish about such Starlight Nominee as Trustee in such information circular.~~
- ~~(c) — Subject to Section 3.8(b), if Starlight fails to deliver notice to the Trust of the Starlight Nominee at least 60 calendar days prior to the date of the applicable Trustee Election Meeting, Starlight shall be deemed to have designated the same Starlight Nominee that serves as a Trustee at such time, subject to such Starlight~~

~~Nominee continuing to satisfy any qualification requirements set out in this Declaration of Trust.~~

~~(d) The Trust shall (i) nominate for election and include in any management information circular relating to any Trustee Election Meeting (or submit to Unitholders by written consent, if applicable) each individual designated as a Starlight Nominee, (ii) recommend (and reflect such recommendation in any management information circular relating to any Trustee Election Meeting or in any such written consent for the purpose of electing Trustees) that the Unitholders vote to elect such Starlight Nominee as a Trustee for a term of office expiring at the subsequent annual meeting of the Unitholders, (iii) use reasonable commercial efforts to solicit, obtain proxies in favour of and otherwise support the election of such Starlight Nominee at the applicable Trustee Election Meeting, each in a manner no less favourable than the manner in which the Trust supports its own nominees for election at the applicable Trustee Election Meeting, and (iv) take all other reasonable steps which it considers in its sole discretion may be necessary or appropriate to recognize, enforce and comply with the rights of Starlight under this Article 3.~~

~~(e) If at any time and from time to time, any Starlight Nominee resigns, is removed or is unable to serve for any reason prior to the expiration of his or her term as a Trustee, then, provided Starlight remains entitled to nominate a Starlight Nominee in accordance with this Section 3.8, Starlight shall be entitled to designate a replacement Trustee to be appointed by the Board as promptly as practicable and without undue delay.~~

~~3.9~~ Nomination Right of KingSett Group

~~Notwithstanding anything else in this Article 3, KingSett Group shall have the exclusive right to nominate one Trustee for election as a Trustee of the Trust (such nominee will be subject to election together with the remaining Trustees at annual meetings of Unitholders) on the terms and subject to the conditions set forth in the Investor Rights Agreement.~~

3.8 ~~3.10~~ Appointment of Trustees

~~The appointment of the Trustees named of the First Part above is hereby confirmed and the term of office applicable to each Trustee shall expire at the close of the first annual meeting of Unitholders. Except as otherwise provided herein, Trustees (including those nominated pursuant to Sections 3.8 and 3.9) shall be elected (including the re-election of incumbent Trustees) at each annual meeting of Unitholders, and may be elected at a special meeting of Unitholders. Notwithstanding the foregoing:~~

- ~~(a) if no Trustees are elected at the annual meeting of Unitholders held immediately before the term of office of the then existing Trustees expires, such existing Trustees shall continue to hold the office of Trustees under this Declaration of Trust until successors have been appointed or they cease to hold office; and~~

- (b) ~~subject to the Investor Rights Agreement,~~ the Trustees may, between annual meetings of the Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Unitholders; provided that the number of additional Trustees so appointed will not at any time exceed one-third of the number of Trustees who held such office at the close of the immediately preceding annual meeting of Unitholders (rounding to the nearest whole number); and
- (c) the Chief Executive Officer shall be nominated for election at each meeting of Unitholders at which Trustees are to be elected. In the event that the Chief Executive Officer is not elected or appointed to the Board, the Chief Executive Officer will have the right to attend all meetings of the Trustees as an observer (except for any meetings that only Independent Trustees may attend).

3.9 ~~**3.11**~~ **Consent to Act**

- (a) An individual who is appointed a Trustee hereunder shall not become a Trustee until the individual has, either before or after such appointment, executed and delivered to the Trust a consent, or such consent is evidenced in minutes of a meeting of Trustees, substantially in the form as follows:

“To: Northview ~~Fund~~ Residential REIT (the “Trust”)
And to: The Trustees thereof

The undersigned hereby certifies that he or she or it is/is not a resident of Canada within the meaning of the *Income Tax Act* (Canada) and consents to act as a Trustee of the Trust and hereby agrees, upon the later of the date of this consent and the date of the undersigned’s appointment as a Trustee of the Trust, to thereby become a party, as a Trustee, to the Declaration of Trust dated the ~~15th~~ day of ~~February~~, ~~2022~~2023, as amended, supplemented or amended and restated from time to time, constituting the Trust.”

- (b) Upon the later of an individual being appointed a Trustee hereunder and executing and delivering to the Trust a form of consent substantially as set forth in Section ~~3.11~~3.9(a), such individual shall become a Trustee hereunder and shall be deemed to be a party (as a Trustee) to this Declaration of Trust.

3.10 ~~**3.12**~~ **Failure to Elect Minimum Number of Trustees**

If a meeting of Unitholders fails to elect the minimum number of Trustees required by this Declaration of Trust by reason of the disqualification or death of any nominee, the Trustees elected at the meeting may exercise all of the powers of the Trustees if the number of Trustees so elected constitutes a quorum and a majority of those elected are Residents.

3.11 ~~**3.13**~~ **Ceasing to Hold Office**

- (a) A Trustee ceases to hold office when:
- (i) the Trustee ceases to be duly qualified to act as a Trustee as provided under Section 3.3;

- (ii) the Trustee ceases to be a Trustee as provided under Section 3.4;
 - (iii) the Trustee dies or resigns in accordance with Section 3.7; or
 - (iv) the Trustee is removed in accordance with Section 3.7.
- (b) Upon a Trustee ceasing to hold office as such hereunder, such Trustee shall cease to be a party (as a Trustee) to this Declaration of Trust; provided, however, that such Trustee shall continue to be entitled to be paid any amounts owing by the Trust to the Trustee and to the benefits of the indemnities provided in Sections ~~17.1~~16.1, ~~17.2~~16.2 and ~~17.3~~16.3. Such Trustee shall execute and deliver such documents as the remaining Trustees shall reasonably require for the conveyance of any Trust Property held in that Trustee's name, shall account to the remaining Trustees as they may reasonably require for all Trust Property which that Trustee holds as Trustee, shall resign from all directorship or similar positions held by such Trustee in any entity in which the Trust has an interest and shall thereupon be discharged as Trustee. Upon the incapacity or death of any Trustee, his or her legal representative shall execute and deliver on his or her behalf such documents as the remaining Trustees may reasonably require as provided in this Section ~~3.13~~3.11(b). In the event that a Trustee or his or her legal representatives, as applicable, are unable or unwilling to execute and deliver such required documents, each of the remaining Trustees is hereby appointed as the attorney of such Trustee for the purposes of executing and delivering such required documents. This power of attorney granted to each of the remaining Trustees is not intended to be a CPOA. The execution of this power of attorney will not terminate any CPOA granted by the Trustee previously and will not be terminated by the execution by the Trustee in the future of a CPOA, and the Trustee hereby agrees not to take any action in the future which results in the termination of this power of attorney.

3.12 ~~3.14~~ Vacancies by Trustees

The death, resignation, bankruptcy, adjudicated incompetence or other incapacity to exercise the duties of the office of a Trustee or the removal or other cessation to hold office of a Trustee shall not operate to annul this Declaration of Trust or affect the continuity of the Trust. ~~In the case of a vacancy resulting from a Trustee who was nominated to the Board by either Starlight or KingSett Group, respectively, Starlight or KingSett Group, as applicable, shall fill such vacancy. In the case of a vacancy resulting from a Trustee who was not nominated to the Board by Starlight or KingSett Group, the~~The Unitholders or, so long as they constitute a quorum and a majority of the Trustees constituting such quorum are Residents and subject to Section ~~3.10~~3.8(b) and the Investor Rights Agreement, a majority of the Trustees continuing in office may fill such vacancy except a vacancy resulting from a failure by the Unitholders to elect the minimum number of Trustees fixed by or pursuant to this Declaration of Trust. If there is not such a quorum of Trustees or the Trustees are precluded by Section ~~3.10~~3.8(b) from filling the vacancy or there is a failure by the Unitholders to elect the minimum number of Trustees required by or pursuant to this Declaration of Trust, the Trustees then in office shall promptly call a special meeting of Unitholders to fill the vacancy and, if they fail to call a meeting or if there are no Trustees then in office, the meeting may be called by any Unitholder. A Trustee appointed to fill a vacancy holds office, subject to Sections 3.3, 3.4, 3.7 and ~~3.13~~3.11, until the close of the next annual meeting of the Unitholders, unless such Trustee is elected at the next annual meeting.

3.13 ~~3.15~~ Successor and Additional Trustees

The right, title and interest of the Trustees in and to the Trust Property and the rights of the Trustees to control and exclusively administer the Trust and all other rights of the Trustees at law or under this Declaration of Trust shall vest automatically in all individuals who may hereafter become Trustees upon their due election or appointment and qualification and acceptance thereof without any further act and they shall thereupon have all the rights, privileges, powers, obligations and immunities of Trustees hereunder. Such right, title and interest shall vest in the Trustees whether or not conveyancing documents have been executed and delivered pursuant to Section ~~3.13~~3.11 or otherwise.

3.14 ~~3.16~~ Compensation and Other Remuneration

Trustees, other than management, shall receive such fees and other reasonable compensation (including, without limitation, fees for serving as Chair of the Trust, for serving as Lead Trustee, for serving as chair of any committee of Trustees and for attendance at each meeting of Trustees and of each committee of Trustees) as the Trustees (or a committee of Trustees to which the power to make such a determination has been delegated) may determine from time to time. The Trustees will be reimbursed for their reasonable travel and ancillary expenses properly incurred for attending meetings or as previously approved by the ~~board of Trustees~~Board, up to a maximum amount per meeting as set by the Trustees.

Each of the Trustees, either directly or indirectly, shall also be entitled to receive remuneration for services rendered to the Trust in any other capacity. Such services may include, without limitation, services as an officer of the Trust, legal, accounting or other professional services or services as a broker, transfer agent or underwriter, whether performed by a Trustee or any Person affiliated with a Trustee. Trustees who are officers or employees of the Trust or its subsidiaries shall not be entitled to receive any remuneration for their services as Trustees but shall be entitled to reimbursement from the Trust of their reasonable travel and ancillary expenses as set forth above.

For greater certainty, Trustees shall not receive additional remuneration for acting as directors of any of the Trust's subsidiaries.

3.15 ~~3.17~~ Validity of Acts

Any act of a Trustee is valid notwithstanding any irregularity in the appointment of the Trustees or a defect in the qualifications of the Trustees.

**ARTICLE 4
TRUSTEES' POWERS AND DUTIES**

4.1 General Powers

The Trustees, subject only to the terms and conditions contained in this Declaration of Trust, including Sections ~~7.1~~6.1, ~~7.26~~2, ~~9.8~~8.8 and ~~9.9~~8.9, shall have, without further or other authorization and free from any control or direction on the part of the Unitholders, full, absolute and exclusive power, control and authority over the Trust Property and over the operations of the Trust to the same extent as if the Trustees were the sole and absolute legal and beneficial owners of such Trust Property in their own right, to do all such acts and things as in their sole judgment and discretion are necessary or incidental to, or desirable for, the carrying out of any of the purposes of the Trust or the conducting of the affairs of the Trust. In construing the provisions of this Declaration of Trust, there shall be a presumption in favour of the power and authority having been granted to the Trustees. The enumeration of any specific power or authority herein shall not be construed as limiting the general powers or authority or any other specified

power or authority conferred herein on the Trustees. Except as specifically required by such laws, the Trustees shall in carrying out investment activities not be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by trustees. Without limiting the generality of the foregoing, the Trustees may, subject to the terms and conditions contained in this Declaration of Trust, make any investments without being required to adhere to all of, or any particular portion of the investment criteria or diversification requirements set forth in the *Trustee Act* (Ontario), as replaced or amended from time to time, including investments in mutual funds, common trust funds, unit trusts and similar types of investment vehicles, to alter or vary such investments from time to time in a like manner, to retain such investments for such length of time as the Trustees, in their discretion determine and to delegate management and authority to discretionary managers of investment funds as the Trustees in their discretion determine appropriate.

~~Without limiting the generality of this Section 4.1, the Trust is authorized to complete the transactions set forth in the Prospectus, including to (i) prepare, file, execute and deliver the Prospectus and all other agreements, documents and instruments as may be necessary or, in the Trustees' discretion, desirable to complete the Offering; (ii) to complete the Proposed Transaction; (iii) enter into the Material Agreements to which it is a party; and (iv) negotiate and enter into any financing arrangements, including those described in the Prospectus; provided that the Trust is not required to complete the Offering unless and until the Trustees are satisfied with the terms and conditions thereof.~~

4.2 Specific Powers and Authorities

Subject only to the terms and conditions contained in this Declaration of Trust, including Sections ~~7.16.1~~, ~~7.26.2~~, ~~9.88.8~~ and ~~9.98.9~~, and in addition to any powers and authorities conferred by this Declaration of Trust or which the Trustees may have by virtue of any present or future statute or rule of law, the Trustees, without any action or consent by the Unitholders, shall have and may exercise, on behalf of the Trust or otherwise, at any time and from time to time the following powers and authorities which may or may not be exercised by them in their sole judgment and discretion and in such manner and upon such terms and conditions as they may from time to time deem proper:

- (a) to supervise the activities and manage the investments and affairs of the Trust;
- (b) to hold the Trust Property in safekeeping, retaining moneys, securities, property, assets or investments, and investing moneys from time to time forming part of the Trust Property;
- (c) to borrow money from or incur indebtedness to any Person, to guarantee, indemnify or act as surety with respect to payment or performance of obligations of owners of Trust Property, and to enter into, assign, convey, transfer, Mortgage, subordinate, pledge, grant security interests in, encumber or hypothecate the Trust Property to secure any of the foregoing;
- (d) to borrow money or incur any other form of indebtedness for the purpose of carrying out the purposes of the Trust or for other expenses incurred in connection with the Trust and for such purposes may draw, make, execute and issue promissory notes and other negotiable and non-negotiable instruments or securities and evidences of indebtedness;
- (e) to pay properly incurred expenses out of Trust Property;

- (f) to open, operate and close bank accounts and other similar credit, deposit and banking arrangements, to negotiate and sign banking and financing contracts and agreements and deposit monies from time to time forming part of the Trust Property in such accounts;
- (g) to possess and exercise rights, powers and privileges appertaining to ownership of or interests in the Trust Property;
- (h) to hold legal title to the Trust Property;
- (i) to reinvest income and gains of the Trust and to take other actions besides the mere protection and preservation of the Trust Property;
- (j) to appoint the registrar and transfer agent for the Trust;
- (k) to appoint the bankers of the Trust;
- (l) to ensure compliance with applicable securities legislation;
- (m) to prepare and file or cause to be prepared and filed any and all requisite returns, reports and filings;
- (n) to monitor and protect the Trust's tax status as a "unit trust", a "mutual fund trust" and a "real estate investment trust", in each case within the meaning of the Tax Act;
- (o) to provide all requisite office accommodation and associated facilities;
- (p) to provide or cause to be provided to the Trust all other administrative and other services and facilities required by the Trust;
- (q) to maintain or cause to be maintained complete records of all transactions in respect of the investment portfolio of the Trust;
- (r) to prescribe any instrument provided for or contemplated by this Declaration of Trust;
- (s) to remit distributions to the Trust Unitholders;
- (t) to collect, sue for and receive all sums of money or other property or items that are believed due to the Trust and obtain security, including encumbrances on assets, to secure the full payment of monies owed to the Trust and the performance of all obligations in favour of the Trust, and to exercise all of the rights of the Trust, and to perform all of the obligations of the Trust, under such security;
- (u) to possess and exercise all the rights, powers and privileges pertaining to the ownership of all or any part of the Trust Property, including the NV Holdings LP Class A Units, to the same extent that any Person might, unless otherwise limited herein;
- (v) where reasonably required, to engage, employ, contract with or retain on behalf of the Trust any Persons as agents, representatives, employees or independent contractors in one or more capacities;
- (w) except as prohibited by law, to delegate from time to time to the Trust's employees, consultants, agents and other Persons ~~including, without limitation, the Manager,~~ the

doing of such things and the exercise of such powers hereunder as the Board may from time to time deem expedient, so long as any such delegation is not inconsistent with any of the provisions of this Declaration of Trust and subject at all times to the general control and supervision of the Board as provided for herein;

- (x) to issue and redeem Units pursuant to the terms and conditions of this Declaration of Trust;
- (y) where desirable, to make or cause to be made application for the listing or quotation on any stock exchange or market of one or more classes of Trust Units, and to do all things which in the opinion of the Board may be necessary or desirable to effect or maintain such listing or quotation;
- (z) pay all taxes or assessments, of whatever kind or nature, whether within or outside Canada, imposed upon or against the Board in connection with the Trust Property, undertaking or income of the Trust, or imposed upon or against the Trust Property in connection with the undertaking or income of the Trust, or any part thereof, and to settle or compromise disputed tax liabilities, and for the foregoing purposes to make such returns, take such deductions, and make such designations, elections, allocations and determinations in respect of income and capital gains of the Trust, or any other amounts distributed, allocated or made payable to Unitholders in a year and any other matter as shall be permitted under the Tax Act and analogous provisions of any provincial income tax legislation, and to do all such other acts and things as may be deemed by the Board in its sole discretion to be necessary, desirable or convenient;
- (aa) in addition to the mandatory indemnification provided for in Sections ~~17.1~~16.1, ~~17.2~~16.2 and ~~17.3~~16.3, to the extent permitted by law, to indemnify, or enter into agreements with respect to the indemnification of, any Person with whom the Trust has dealings, including the Trustees, the depository, the Transfer Agent or any escrow agent, to such extent as the Trustees shall determine;
- ~~(bb) — to extend the Target Recapitalization Date by up to two years in total without the approval of the Unitholders;~~
- ~~(cc) — to do all such acts and things, and to execute, deliver and perform the obligations of the Trust under all such agreements and instruments as are necessary to complete the Offering and the Proposed Transaction or as are contemplated by the Prospectus; and~~
- (bb) ~~(dd)~~ to do all such other acts and things and execute all such agreements and other instruments as are incidental to the foregoing, and to exercise all powers that are necessary or useful to carry on the purpose and activities of the Trust, to promote or advance any of the purposes or objectives for which the Trust is formed and to carry out the provisions of this Declaration of Trust whether or not herein specifically mentioned.

4.3 Further Powers of the Trustees

The Trustees shall have the power to prescribe any form provided for or contemplated by this Declaration of Trust. The Trustees may make, adopt, amend, or repeal regulations containing provisions relating to the Trust, the conduct of its affairs, the rights or powers of the Trustees and the rights or powers of the Unitholders or officers, provided that such regulations shall not be inconsistent with law or

with this Declaration of Trust and not, in the opinion of the Trustees, be prejudicial to Unitholders. The Trustees shall also be entitled to make any reasonable decisions, designations or determinations not inconsistent with law or with this Declaration of Trust which they may determine are necessary or desirable in interpreting, applying or administering this Declaration of Trust or in administering, managing or operating the Trust. To the extent of any inconsistency between this Declaration of Trust and any regulation, decision, designation or determination made by the Trustees, this Declaration of Trust shall prevail and such regulation, decision, designation or determination shall be deemed to be modified to eliminate such inconsistency. Any regulations, decisions, designations or determinations made in accordance with this Section 4.3 shall be conclusive and binding upon all Persons affected thereby.

Subject to any agreement between the Trust and any Trustee and except as otherwise herein provided, the Trustees may from time to time in their discretion appoint, employ, invest in, contract or deal with any Person including any affiliate of any of them and any Person in which any one or more of them may be directly or indirectly interested and, without limiting the generality of the foregoing, any Trustee may purchase, hold, sell, invest in or otherwise deal with Real Property or other property of the same class and nature as may be held by the Trustees as Trust Property, whether for the Trustee's own account or for the account of another (in a fiduciary capacity or otherwise), without being liable to account therefor and without being in breach of his or her duties and responsibilities hereunder.

4.4 Banking

The banking activities of the Trust, or any part thereof, including the operation of the Trust's accounts; the making, signing, drawing, accepting, endorsing, negotiating, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for orders relating to any Trust Property; the execution of any agreement relating to any Trust Property; the execution of any agreement relating to any such banking activities and defining the rights and powers of the parties thereto; and the authorizing of any officer of such bank to do any act or thing on the Trust's behalf to facilitate such banking activities, shall be transacted with such bank, trust company or other firm or corporation carrying on a banking business as the Trustees may designate, appoint or authorize from time to time and shall be transacted on the Trust's behalf by one or more officers of the Trust as the Trustees may designate, appoint or authorize from time to time.

4.5 Standard of Care

The exclusive standard of care required of the Trustees in exercising their powers and carrying out their functions hereunder shall be that they exercise their powers and discharge their duties hereunder as Trustees honestly, in good faith and ~~in~~with a view to the best interests of the Trust and, in connection therewith, that they exercise the degree of care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances. Unless otherwise required by law, no Trustee shall be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations hereunder. The Trustees in their capacity as Trustees shall not be required to devote their entire time to the investments, business or affairs of the Trust.

No Trustee shall be liable in carrying out such Trustee's duties under this Declaration of Trust except in cases where the Trustee fails to act honestly, in good faith and ~~in~~with a view to the best interests of the Trust or, in connection therewith, fails to exercise the degree of care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances. The duties and standard of care of the Trustees provided as aforesaid are intended to be similar to, and not to be any greater than, those imposed on a director of a corporation governed by the CBCA.

4.6 Fees and Expenses

As part of the expenses of the Trust, the Trustees may pay or cause to be paid out of the Trust Property, reasonable fees, costs and expenses incurred in connection with the administration and management of the Trust, including Real Property and brokerage commissions in respect of investments and dispositions of Real Property made by the Trust, all necessary insurance expenses, fees of auditors, accountants, lawyers, engineers, appraisers and other agents, consultants and professional advisors employed by or on behalf of the Trust, fees of stock exchanges and the cost of reporting or giving notices to Unitholders. All costs, charges and expenses properly incurred by the Trustees on behalf of the Trust shall be payable out of the Trust Property.

4.7 Reliance Upon Trustees

Any Person dealing with the Trust in respect of any matters pertaining to the Trust Property and any right, title or interest therein or to securities of the Trust shall be entitled to rely on a certificate or statutory declaration (including a certificate or statutory declaration as to the passing of a resolution of the Trustees) executed by any Trustee or two officers of the Trust or such other Person as may be authorized by the Trustees as to the capacity, power and authority of the Trustees or any such other Person to act for and on behalf and in the name of the Trust. No Person dealing with the Trustees or officers of the Trust shall be bound to see to the application of any funds or property passing into the hands or control of the Trustees. The receipt by or on behalf of the Trustees or officers of the Trust for monies or other consideration shall be binding upon the Trust.

4.8 Determinations of Trustees Binding

All determinations of the Trustees which are made in good faith with respect to any matters relating to the Trust, including whether any particular investment or disposition meets the requirements of this Declaration of Trust, shall be final and conclusive and shall be binding upon the Trust and all Unitholders (and, where the Unitholder is an Exempt Plan, or other similar fund or plan registered under the Tax Act, upon plan beneficiaries and plan holders past, present and future) and Units of the Trust shall be issued and sold on the condition and understanding that any and all such determinations shall be binding as aforesaid.

4.9 Limitations on Liability of Trustees

- (a) Subject to the standard of care set forth in Section 4.5, none of the Trustees nor any officers, employees or agents of the Trust shall be liable to any Unitholder or any other Person in tort, contract or otherwise for any action taken or not taken in good faith in reliance on any documents that are, *prima facie*, properly executed; for any depreciation of, or loss to, the Trust incurred by reason of the sale of any security; for the loss or disposition of monies or securities; for any action or failure to act by any Person to whom the Trustees are permitted to delegate and have delegated any of their duties hereunder; or for any other action or failure to act including, without limitation, the failure to compel in any way any former Trustee to redress any breach of trust or any failure by any Person to perform obligations or pay monies owed to the Trust, unless such liabilities arise out of a breach of the standard of care, diligence and skill as set out in Section 4.5. If the Trustees have retained an appropriate expert, advisor or legal counsel with respect to any matter connected with their duties under this Declaration of Trust, the Trustees may act or refuse to act based on the advice of such expert, advisor or legal counsel and, notwithstanding any provision of this Declaration of Trust, including, without limitation, the standard of care, diligence and skill set out in Section 4.5 hereof,

the Trustees shall not be liable for and shall be fully protected from any action or refusal to act based on the advice of any such expert, advisor or legal counsel which it is reasonable to conclude is within the expertise of such expert or advisor to give.

- (b) The Trustees shall not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Trust arising out of anything done or permitted or omitted to be done in respect of the execution of the duties of the office of Trustees for or in respect to the affairs of the Trust unless such Trustee shall have failed to meet the standard of care set out in Section 4.5. No property or assets of the Trustees, owned in their personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under this Declaration of Trust or under any other related agreements unless such Trustee shall have failed to meet the standard of care set out in Section 4.5. No recourse may be had or taken, directly or indirectly, against the Trustees in their personal capacity or against any incorporator, shareholder, director, officer, employee or agent of the Trustees or any successor of the Trustees unless such Trustee shall have failed to meet the standard of care set out in Section 4.5. The Trust shall be solely liable therefor and resort shall be had solely to the Trust Property for payment or performance thereof unless such Trustee shall have failed to meet the standard of care set out in Section 4.5.

In the exercise of the powers, authorities or discretion conferred upon the Trustees under this Declaration of Trust, the Trustees are and shall be conclusively deemed to be acting as trustees of the Trust Property.

4.10 Reliance

The Trustees shall be entitled to rely on statements, reports, advice or opinions (including financial statements and Auditors' reports) of consultants, ~~the Manager,~~ the Auditors, legal counsel and consultants or agents whose profession gives authority to a statement made by them on the subject in question and who are considered by the Trustees to be competent. The Trustee may rely and act upon any instrument or other document believed by it to be genuine and in force and shall have no liability to any Person as a result of such reliance, except in the case of negligence or wilful misconduct.

4.11 Exculpatory Clauses in Instruments

The Trustees must use reasonable means where practicable to inform all Persons having dealings with the Trust of the limitations of liability set forth in Sections 4.9, ~~17.1~~16.1, ~~17.2~~16.2, ~~17.4~~16.4, ~~17.5~~16.5, and must use reasonable means where practicable to cause to be inserted in any written agreement, undertaking or obligation made or issued on behalf of the Trust an appropriate statement of the disavowal and limitation of liability as set forth in Sections 4.9, ~~17.1~~16.1, ~~17.2~~16.2, ~~17.4~~16.4, ~~17.5~~16.5, but the omission of such statement from any such instrument will not render any Trustee, any Unitholder or officer, consultant or agent of the Trust liable to any Person, nor will any Trustee or any Unitholder or any officer of the Trust be liable to any Person for such omission. If, notwithstanding this provision, any Trustee, Unitholder or any officer of the Trust is held liable to any other Person by reason of the omission of such statement from any such agreement, undertaking or obligation, such Trustee, Unitholder or officer will be entitled to indemnity out of the Trust Property to the full extent of such liability and the costs of any litigation or other proceedings in which such liability has been determined, including without limitation, the fees and disbursements of counsel.

4.12 Liability under Contracts

Any written instrument creating an obligation with respect to the Trust will be conclusively taken to have been executed or done by a Trustee only in the capacity of a Trustee under this Declaration of Trust. Any written instrument creating an obligation of the Trust will contain a disavowal of liability upon and waiver of claim against the Trustee or any Unitholder and indicate that the obligations under such instrument are not personally binding upon, nor will resort be had to the private property of any Trustee, any Unitholder, or any director, officer, employee or agent of the Unitholder, but only the Trust Property or a specific portion thereof will be bound. The omission of a provision of the nature described in this Section 4.12 will not operate to impose personal liability on any Trustee, any Unitholders, or any of the officers, employees, agents, heirs, executors or personal representatives of any of them.

4.13 Conflict of Interest

- (a) ~~Subject to Section 18.20, if~~ If a Trustee or officer of the Trust:
- (i) is a party to a material contract or transaction or proposed material contract or transaction with the Trust (or an affiliate thereof), including a material contract or transaction involving the making or disposition of any investment in Real Property or a joint venture agreement; or
 - (ii) is a director or officer of, or an individual acting in a similar capacity, or otherwise has a material interest in, any Person who is a party to a material contract or transaction or proposed material contract or transaction with the Trust (or an affiliate thereof),

such Trustee or officer of the Trust shall disclose in writing to the Trustees or request to have entered into the minutes of meetings of the Trustees the nature and extent of such interest as follows:

- (iii) the disclosure required in the case of a Trustee shall be made:
 - (A) at the meeting of Trustees at which a proposed contract or transaction is first considered;
 - (B) if the Trustee was not then interested in a proposed contract or transaction, at the first such meeting after he or she becomes so interested;
 - (C) if the Trustee becomes interested after a contract is made or a transaction is entered into, at the first meeting after he or she becomes so interested; or
 - (D) if a Person who is interested in a contract or transaction later becomes a Trustee, at the first such meeting after he or she becomes a Trustee; and
- (iv) the disclosure required in the case of an officer of the Trust who is not a Trustee shall be made:

- (A) forthwith after such Person becomes aware that the contract or transaction or proposed contract or transaction is to be considered or has been considered at a meeting of the Trustees;
 - (B) if such Person becomes interested after a contract is made or transaction is entered into, forthwith after such Person becomes aware that he or she has become so interested; or
 - (C) if a Person who is interested in a contract or a transaction later becomes an officer of the Trust, forthwith after he or she becomes an officer of the Trust.
- (b) Notwithstanding Sections 4.13(a)(i) and 4.13(a)(ii), where this Section 4.13 applies to any Person in respect of a material contract or transaction or proposed material contract or transaction that, in the ordinary course of the affairs of the Trust, would not require approval by the Trustees or the Unitholders, such Person shall disclose in writing to the Trustees or request to have entered into the minutes of meetings of the Trustees the nature and extent of such Person's interest forthwith after such Person becomes aware of the contract or transaction or proposed contract or transaction.
- (c) A Trustee referred to in this Section 4.13 shall not vote on any resolution to approve the said contract or transaction unless the contract or transaction is:
- (i) one relating primarily to such Trustee's remuneration as a Trustee, officer, employee or agent of the Trust; or
 - (ii) one for indemnity of such Trustee under Sections ~~17.1~~16.1, ~~17.2~~16.2 and ~~17.3~~16.3 hereof or the purchase of liability insurance,
- provided, however, that the presence of such Trustee at the relevant meeting or the written recognition by such Trustee of any resolution in writing shall be counted toward any quorum requirement or requirement that at least a minimum number of Trustees act.
- (d) For the purposes hereof, a general notice to the Trustees by a Trustee or an officer of the Trust disclosing that such Person is a director or officer of or has a material interest in a Person and is to be regarded as interested in any contract made or any transaction entered into with that Person, is a sufficient disclosure of interest in relation to any contract so made or transaction so entered into. In the event that a meeting of Unitholders is called to confirm or approve a contract or transaction which is the subject of a general notice to the Trustees, the notice and extent of the interest in the contract or transaction of the Person giving such general notice shall be disclosed in reasonable detail in the notice calling the said meeting of Unitholders or in any information circular to be provided by this Declaration of Trust or by law.
- (e) Where a material contract is made or a material transaction is entered into between the Trust and a Trustee or an officer of the Trust, or between the Trust and another Person in which a Trustee or an officer of the Trust is a director or officer or in which he or she has a material interest:

- (i) such Person is not accountable to the Trust or to the Unitholders for any profit or gain realized from any such material contract or transaction; and
- (ii) the material contract or transaction is neither void nor voidable, by reason only of that relationship or by reason only that such Person is present at or is counted to determine the presence of a quorum at the meeting of the Trustees that authorized the contract or transaction,

if such Person disclosed such Person's interest in accordance with this Section 4.13, and the contract or transaction was reasonable and fair to the Trust at the time it was so approved.

- (f) Notwithstanding anything in this Section 4.13, but without limiting the effect of Section 4.13(c) hereof, a Trustee or an officer of the Trust, acting honestly and in good faith, is not accountable to the Trust or to the Unitholders for any profit or gain realized from any such material contract or transaction by reason only of such Person holding such office or position, and the material contract or transaction, if it was reasonable and fair to the Trust at the time it was approved, is not by reason only of such Person's interest therein void or voidable, where:
 - (i) the material contract or transaction is confirmed or approved at a meeting of Unitholders duly called for that purpose; and
 - (ii) the nature and extent of such Person's interest in the material contract or transaction are disclosed in reasonable detail in the notice calling the meeting or in any information circular to be provided by this Declaration of Trust or by law.
- (g) Subject to Sections 4.13(c), 4.13(e) and 4.13(f) hereof, where a Trustee or an officer of the Trust fails to disclose such Person's interest in a material contract or transaction in accordance with this Declaration of Trust or otherwise fails to comply with this Section 4.13, the Trustees or any Unitholder, in addition to exercising any other rights or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the contract or transaction and directing that such Person account to the Trust for any profit or gain realized.

4.14 Conditions Precedent

The obligation of the Trustees to commence or continue any act, action, suit or proceeding or to represent the Trust in any action, suit or proceeding shall be conditional upon sufficient funds being available to the Trustees from the Trust Property to commence or continue such act, action, suit or proceeding or to represent the Trust in any action, suit or proceeding and an indemnity reasonably satisfactory to the Trustees to protect and hold harmless the Trustees against the costs, charges and expenses and liabilities to be incurred therein and any loss and damage the Trust may suffer by reason thereof. None of the provisions contained in this Declaration of Trust shall require the Trustees to expend or risk their own funds or otherwise incur financial liability in the performance of their duties or in the exercise of any of their rights or powers unless they are given an indemnity and funding satisfactory to the Trustees, acting reasonably.

ARTICLE 5 OFFICERS OF THE TRUST

5.1 General

The Trust shall have a Chair of Trustees, and may have one or more other officers as the Trustees may appoint from time to time, including without limitation, a Chief Executive Officer and a Chief Financial Officer, ~~provided that the Chief Executive Officer and the Chief Financial Officer shall initially be appointed by, and shall be remunerated by, the Manager. In the event that any employee or consultant of the Manager who is acting as Chief Executive Officer or Chief Financial Officer of the Trust ceases to provide such services as a result of death, disability, resignation or termination, the Manager will replace such individual with another employee or consultant of similar qualifications and experience, which individual shall be nominated by the Manager but subject to the approval of the Board.~~ Any officer of the Trust may, but need not be, a Trustee, subject to Section 3.8(c) hereof and the corresponding clause in the Investment Rights Agreement. One individual may hold two or more offices. Officers of the Trust may be appointed and, without prejudice to rights under any employment contract, removed or discharged, and their powers, responsibilities and remuneration determined by the Trustees and, in the absence of such determination, their responsibilities shall be those usually applicable to the office held.

5.2 Chair of Trustees

The Chair of Trustees shall be appointed from among the Trustees. When present, the Chair of Trustees shall be chairperson of meetings of Trustees and Unitholders and shall have such other powers and duties as the Trustees may determine from time to time to manage the affairs of the ~~board of Trustees~~Board and monitor the effectiveness of the Trustees.

5.3 Lead Trustee

If the Chair of Trustees is not an Independent Trustee, a lead trustee (the “**Lead Trustee**”) shall be appointed from among the Independent Trustees. The Lead Trustee will act as an effective leader of the ~~board of Trustees~~Board in respect of matters required to be considered by the Independent Trustees only, and will ensure that the ~~board of Trustees~~Board’ agenda will enable it to successfully carry out its duties.

5.4 Term of Office

The Chair of Trustees, Lead Trustee and any officer appointed by the Trustees shall hold such position until his or her successor is elected or appointed, provided, without prejudice to rights under any employment contract, that the Trustees may remove an officer from office at any time in their sole discretion.

5.5 Independent Contractors

Any office of the Trust appointed by the Trustees may be held by an individual who is not an employee of the Trust but has been retained by the Trust to hold such office pursuant to an independent service agreement entered into between the Trust and that individual or that individual’s employer.

ARTICLE 6 THE MANAGER

6.1 — Management of the Trust

~~The Trust is hereby authorized to enter into a management agreement with the Manager (the “Management Agreement”) containing terms consistent with the description of the Management Agreement set out in the Prospectus and such other terms as may be determined by the Trustees and delegating to the Manager responsibility for the services set out therein. Pursuant to the Management Agreement, the Manager will have discretion to administer and manage the day to day operations of the Trust, act as agent for the Trust, execute documents on behalf of the Trust and to make decisions which conform to general policies and general principles set forth herein or established by the Trustees, provided that the Manager shall only have the powers and duties expressly provided for herein and in the Management Agreement, and the Manager will have the power to further delegate administration of the Trust where in the discretion of the Manager it is in the best interests of the Trust to do so, provided that the Manager shall not be relieved of its obligations in respect of the matters so delegated. To the extent that there is any conflict or inconsistency between the provisions of this Declaration of Trust and the provisions of such Management Agreement, the provisions of this Declaration of Trust shall govern.~~

6.2 — Services of Manager

~~The Manager has the authority to manage the day to day activities of the Trust and, as applicable, any entity which the Trust may Control from time to time, including NV Holdings LP and NV LP, in accordance with the terms of the Management Agreement. If requested by the Trust, the Manager shall provide services to any Subsidiary or subsidiaries of the Trust, provided that if such services are not contemplated by the Management Agreement, the Manager may charge additional fees for such services.~~

6.3 — Liability of Trustees

~~Subject to applicable law, the Trustees shall have no liability or responsibility for any matters delegated to the Manager hereunder or under the Management Agreement, and the Trustees, in relying on the Manager, shall, in respect of any matters so delegated to the Manager, be deemed to have complied with their obligations under Section 4.5 and shall be entitled to the benefit of the indemnity provided in Section 17.1.~~

ARTICLE 6 ~~ARTICLE 7~~ INVESTMENT RESTRICTIONS AND OPERATING POLICY

6.1 ~~7.1~~ Investment Restrictions

Notwithstanding any other provision hereof, the assets of the Trust may be invested only with the approval of the Trustees and only in accordance with the following restrictions:

- (a) the Trust may only invest, directly or indirectly, in interests (including fee ownership and leasehold interests) in multi-residential suites, commercial real estate and executives

located in the Secondary Markets and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment restrictions in this Section ~~7.1~~6.1 (the “**Investment Restrictions**”), provided that the Trust may invest up to 25% of the size of the Gross Book Value in Real Properties which do not comply with the foregoing;

- (b) ~~other than the Initial Portfolio,~~ neither the appraised value nor the purchase price of the interest of the Trust in any single Property shall exceed \$50 million unless approved by the Board;
- (c) the Trust may make its investments and conduct its activities, directly or indirectly, through an investment in one or more Persons on such terms as the Trustees may from time to time determine;
- (d) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, deposits with a savings institution, trust company, credit union or similar financial institution that is organized or chartered under the laws of Canada or a province or territory, short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to the Investment Restrictions and Operating Policy of the Trust, the Trust may not hold securities of a Person other than to the extent such securities would constitute an investment in Real Property (as determined by the Board) and provided further that, notwithstanding anything contained in this Declaration of Trust to the contrary, but in all events subject to paragraph (h), below, the Trust may hold securities of a Person: (i) acquired in connection with the carrying on, directly or indirectly, of the Trust’s activities or the holding of its assets; or (ii) which focuses its activities primarily on the activities described in paragraph (a) above, provided in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 10% of the outstanding securities of an issuer (the “**Acquired Issuer**”) on a fair market value basis, except for investments referred to in paragraph (a) ~~or investments held by the Trust, directly or indirectly, following the Proposed Transaction,~~ unless the investment is made for the purpose of subsequently effecting the merger or combination of the business and assets of the Trust and the Acquired Issuer or for otherwise ensuring that the Trust will Control the business and operations of the Acquired Issuer;
- (e) the Trust shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in Real Property;
- (f) the Trust shall not invest in raw land for development, except for (i) ~~raw land acquired as part of the Proposed Transaction,~~ (ii) existing Properties with additional development, or ~~(iii)~~ (iii) the purpose of renovating or expanding existing Properties, in an amount that does not exceed 5% of the aggregate Gross Book Value of the Trust;
- (g) the Trust may invest in Mortgages (including participating or convertible Mortgages) and similar instruments where: (i) the Board has approved such investment; (ii) the Real Property which is security therefor is income-producing Real Property which otherwise meets the Investment Restrictions; (iii) the aggregate book value of the investments of the Trust in Mortgages, after giving effect to the proposed investment, will not exceed 25% of the Gross Book Value; (iv) such investments are not entered into for speculative purposes; and (v) the Board believes that such investments will provide the Trust with

the opportunity to acquire the Property underlying such investment within one year from the date such investment is made;

- (h) notwithstanding anything else contained in the Declaration of Trust, the Trust will not make any investment, take any action or omit to take any action (or permit any of its subsidiaries to make any investment, take any action, or omit to take any action) that would result in the Trust not qualifying as a “unit trust”, a “mutual fund trust” and a “real estate investment trust”; that would result in the Trust, NV Holdings LP, NV LP or any other Subsidiary of the Trust being a “SIFT”; or that would result in any Units not being “qualified investments” for trusts governed by Exempt Plans, in each case within the meaning of the Tax Act;
- (i) the Trust shall not invest more than 10% of the Gross Book Value in securities of a publicly traded entity; and
- (j) notwithstanding any other provisions of this Declaration of Trust, the Trust shall require NV LP and any other Partnerships to only make investments and adopt the Operating Policy and undertake activities that will allow the Trust to meet all requisite organizational, operational, income, asset and distribution requirements for the Trust to qualify as a “real estate investment trust” under the Tax Act.

For the purpose of the foregoing Investment Restrictions, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the Trust, including NV Holdings LP and NV LP, will be deemed to be those of the Trust and they will be accounted for in accordance with the methods prescribed by IFRS, except in the case of the Investment Restrictions described in Sections ~~7.16.1~~(h) and ~~7.16.1~~(j) above to the extent that such treatment would be inconsistent with the relevant requirements or interpretation of the Tax Act. In addition, any references in the foregoing Investment Restrictions to investment in Real Property will be deemed to include an investment in a joint venture arrangement that invests in Real Property.

6.2 ~~7.2~~ **Operating Policy**

The operations and affairs of the Trust, NV Holdings LP and NV LP are to be conducted in accordance with the following policy (the “**Operating Policy**”):

- (a) the Trust shall not purchase, sell, market or trade in currency or interest rate futures contracts other than for hedging purposes where, for the purposes hereof, the term “hedging” has the meaning ascribed thereto by National Instrument 81-102 – *Investment Funds* adopted by the Canadian Securities Administrators, as replaced or amended from time to time;
- (b)
 - (i) any written instrument creating an obligation which is or includes the granting by the Trust of a Mortgage; and
 - (ii) to the extent the Trustees determine to be practicable and consistent with their fiduciary duties to act ~~in~~with a view to the best interests of the Trust, any written instrument which is, in the judgment of the Trustees, a material obligation,

shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise, the private

property of any of the Trustees, Unitholders, ~~annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier~~ Annuitants, or officers, employees or agents of the Trust, but that only Trust Property or a specific portion thereof is bound; the Trust, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of Real Property;

- (c) the Trust may only engage in construction or development of Real Property to maintain its Real Properties in good repair or to improve the income-producing potential of properties in which the Trust has an interest;
- (d) title to each Real Property shall be held by and registered in the name of NV Holdings LP, a limited partnership or a corporation formed (or acquired) and wholly-owned, directly or indirectly, by the Trust or NV Holdings LP or jointly-owned, directly or indirectly, by the Trust or NV Holdings LP, with joint venturers or in such other manner which, in the opinion of the Board, is commercially reasonable;
- (e) the Trust shall not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the Trust would be more than 70% of Gross Book Value (or 75% of Gross Book Value including convertible debentures);
- (f) the Trust shall obtain and maintain at all times property insurance coverage in respect of potential liabilities of the Trust and the accidental loss of value of the assets of the Trust from risks, in amounts, with such insurers, and on such terms as the Board considers appropriate, taking into account all relevant factors including the practice of owners of comparable properties;
- (g) the Trust shall obtain a Phase I environmental site assessment of each Real Property to be acquired by it ~~(other than the Properties comprising the Initial Portfolio)~~ and, if the Phase I environmental site assessment report recommends that a further environmental site assessment be conducted, the Trust shall conduct such further environmental site assessments, in each case by an independent and experienced environmental consultant; as a condition to any acquisition such assessments shall be satisfactory to the Board;
- (h) the Trust shall obtain a property condition assessment of each Real Property that it intends to acquire ~~(other than the Properties comprising the Initial Portfolio)~~; and
- (i) the Trust shall obtain an independent appraisal of each property, or an independent valuation of a portfolio of properties, that it intends to acquire.

For the purpose of the foregoing Operating Policy, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the Trust, including NV Holdings LP and NV LP, will be deemed to be those of the Trust and they will be accounted for in accordance with the methods prescribed by IFRS. In addition, any references in the foregoing Operating Policy to investment in Real Property will be deemed to include an investment in a joint venture arrangement that invests in Real Property.

6.3 ~~7.3~~ Amendments to Investment Restrictions and Operating Policy

All of the Investment Restrictions set out in Section ~~7.16.1~~ and the Operating Policy contained in Section ~~7.26.2~~(e) may be amended only by Special Resolution. The remainder of the Operating Policy in Section ~~7.26.2~~ may be amended by Ordinary Resolution.

6.4 ~~7.4~~ Tax Status

- (a) The Trustees ~~shall cause~~have caused the Trust to elect, in its return of income for ~~the~~its first ~~taxation year of the Trust~~Taxation Year pursuant to subsection 132(6.1) of the Tax Act, that the Trust be deemed to be a “mutual fund trust” for the purposes of the Tax Act from the date it was established and throughout such year, ~~provided that prior to filing such return of income the Trust has sufficient Unitholders so as to be entitled to make such election and has otherwise complied with the requirements thereof.~~
- (b) Notwithstanding anything else contained in this Declaration of Trust, the Trust shall not make any investment, take any action or omit to take any action that would result in the Trust failing or ceasing to qualify as a “unit trust”, a “mutual fund trust” and a “real estate investment trust”, in each case within the meaning of the Tax Act.

6.5 ~~7.5~~ Application of Investment Restrictions and Operating Policy

With respect to the Investment Restrictions and Operating Policy contained in Sections ~~7.16.1~~ and ~~7.26.2~~, respectively, and where any maximum or minimum percentage limitation is specified in any of the guidelines and policies therein contained, such guidelines and policies shall, unless otherwise specified, be applied on the basis of the relevant amounts calculated immediately after the making of such investment or the taking of such action. Any subsequent change relative to any percentage limitation, which results from a subsequent change in the Gross Book Value, will not require divestiture of any investment.

6.6 ~~7.6~~ Regulatory Matters

Notwithstanding the foregoing in this Article ~~7~~6 if at any time a government or regulatory authority having jurisdiction over the Trust or any Trust Property shall enact any law, regulation or requirement which is in conflict with any Investment Restriction or Operating Policy of the Trust then in force (other than Sections ~~7.16.1~~(h) and ~~7.16.1~~(j)), such Investment Restriction or Operating Policy in conflict shall, if the Trustees on the advice of legal counsel to the Trust so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary herein contained, any such resolution of the Trustees shall not require the prior approval of Unitholders.

~~ARTICLE 7~~ ARTICLE 8
UNITS

7.1 ~~8.1~~ Units

- (a) The beneficial interests in the Trust shall be divided into interests of ~~three~~four classes, described and designated as “Class A Units”, “Class C Units” ~~and~~, “Class F Units” and “Special Voting Units”, respectively, which shall be entitled to the rights and subject to

the limitations, restrictions and conditions set out herein. Each Unit shall vest indefeasibly in the holder thereof and the interest of each Unitholder shall be determined by the number of Units registered in the name of the Unitholder.

- (b) Each Trust Unit shall represent a proportionate, undivided beneficial ownership interest in the Trust and shall confer the right to participate pro rata in any distributions by the Trust and, in the event of termination or winding-up of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities.
- (c) ~~(b)~~ The number of Units of each class that the Trust may issue shall be unlimited. The issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without notice to or approval of the Unitholders, provided that ~~any~~ subdivision or consolidation ~~will not affect the Proportionate Class A Interest, the Proportionate Class C Interest or the Proportionate Class F Interest~~ of any class of Trust Units shall be made concurrently and on the same basis to each other class of Trust Units.

7.2 Special Voting Units

- (a) Each Special Voting Unit shall have no economic entitlement in the Trust or in the distributions or assets of the Trust, but shall entitle the holder of record thereof to one vote at any meeting of the Unitholders.
- (b) The number of Special Voting Units attached to each Exchangeable Unit will be equal to the number of Trust Units that may be obtained upon the exchange of such Exchangeable Unit, except in the case of the NV LP Class B Redeemable Units, where one Special Voting Unit shall be attached to each such NV LP Class B Redeemable Unit.
- (c) ~~Each Unit entitles the holder to the same rights and obligations as a Unitholder and no Unitholder is entitled to any privilege, priority or preference in relation to any other Unitholder, subject to (i) the proportionate entitlement of the holders of Class A Units, Class C Units and Class F Units to participate in distributions made by the Trust, if any, and to receive proceeds on a termination of the Trust, based on the Proportionate Class A Interest, the Proportionate Class C Interest and Proportionate Class F Interest, and (ii) a proportionate allocation of income or loss of the Trust in accordance with the terms of this Declaration of Trust.~~ Special Voting Units shall not be transferable separately from the Exchangeable Units to which they are attached and will automatically be transferred upon the transfer of any such Exchangeable Unit.
- (d) ~~Each Unitholder is entitled to one vote per Unit held and, subject to Section 9.7, votes of Unitholders will be conducted with holders of Class A Units, Class C Units and Class F Units voting together as a single class~~ Upon the exchange or surrender of an Exchangeable Unit for a Trust Unit, the Special Voting Unit attached to such Exchangeable Unit will automatically be redeemed and cancelled for no consideration without any further action of the Trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto.
- (e) Concurrently with the issuance of Special Voting Units attached to Exchangeable Units issued from time to time, the Trust shall enter into an Exchange Agreement, or such

other agreements as may be necessary or desirable to properly provide for the terms of such Exchangeable Units, including to provide for the voting of such Special Voting Units.

7.3 Trust Units

Each Trust Unit shall represent a proportionate, undivided beneficial ownership interest in the Trust and shall confer the right to one vote at any meeting of Unitholders and to participate *pro rata* in any distributions by the Trust, whether of net income, net taxable capital gains of the Trust or other amounts, and, in the event of termination or winding-up of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities. No Trust Unit shall have any preference or priority over any other. Trust Units shall rank among themselves equally and rateably without discrimination, preference or priority.

7.4 ~~8.2~~ Consideration for Units

No Trust Units shall be issued other than as fully paid. A Trust Unit shall not be fully paid until the consideration therefor has been received in full by or on behalf of the Trust. The consideration for any Trust Unit shall be paid in money or in property or in past services that are not less in value than the fair equivalent of the money that the Trust would have received if the Trust Unit had been issued for money. In determining whether property or past services are the fair equivalent of consideration paid in money, the Trustees may take into account reasonable charges and expenses of organization and reorganization and payments for property and past services reasonably expected to benefit the Trust.

7.5 ~~8.3~~ Pre-Emptive Rights

Subject to any binding agreement entered into by the Trust, no Person shall be entitled, as a matter of right, to subscribe for or purchase any Units.

7.6 ~~8.4~~ Fractional Units

If, as a result of any act of the Trustees hereunder, any Person becomes entitled to a fraction of a Unit, such Person shall not be entitled to receive a certificate therefor. ~~Following the Offering, fractional~~ Fractional Units shall not, except to the extent that they may represent in the aggregate one or more whole Units, entitle the holders thereof to notice of or to attend or to vote at meetings of Unitholders. Subject to the foregoing, such fractional Units shall have attached thereto the rights, restrictions, conditions and limitations attaching to whole Units in the proportion that they bear to a whole Unit.

7.7 ~~8.5~~ Allotment and Issue

~~Other than with respect to the Initial Unit and any Units issued in connection with the Plan of Arrangement, the Trust shall not undertake a public or private offering of Units from treasury, except in connection with a Recapitalization Event or Alternative Liquidity Event approved by the Unitholders. For greater certainty, notwithstanding the foregoing, the Trustees may allot and issue Units at such time or times and in such manner as is necessary to facilitate an exchange of Units from one class to another.~~

The Trustees may allot and issue Units or securities exchangeable into Units at such time or times and in such manner (including, without limitation, as consideration for the acquisition of new properties or assets, pursuant to any incentive or option plan established by the Trust from time to time or any plan

from time to time in effect relating to reinvestment by Trust Unitholders of distributions of the Trust in Trust Units or pursuant to a unitholder rights plan of the Trust) and for such consideration and to such person, persons or class of persons as the Trustees in their sole discretion shall determine. Special Voting Units may only be issued in connection with or in relation to Exchangeable Units, for the purpose of providing voting rights to the holders of Exchangeable Units with respect to the Trust. In the event that Trust Units are issued in whole or in part for consideration other than money, the resolution of the Trustees allotting and issuing such Trust Units shall express the fair equivalent in money of the other consideration received. The price or value of the consideration for which Trust Units may be issued will be determined by the Trustees in their sole discretion, generally in consultation with investment dealers or brokers who may act as underwriters in connection with offerings of Trust Units.

7.8 **Rights, Warrants and Options**

The Trust may create and issue rights, warrants, options or other instruments or securities to subscribe for fully paid Trust Units, which rights, warrants, options, instruments or securities may be exercisable at such subscription price or prices and at such time or times as the Trustees may determine. The rights, warrants, options, instruments or securities so created may be issued for such consideration or for no consideration, all as the Trustees may determine. A right, warrant, option, instrument or security shall not be a Unit and a holder thereof shall not be a Unitholder. Upon the approval by the Trustees of any unit option plan or other incentive plan for the Trustees, officers and/or employees of the Trust or any subsidiary of the Trust and/or their personal holding companies or family trusts and/or persons who provide services to the Trust or a unitholders' rights plan, the Trustees may grant options or other securities upon the terms and subject to the conditions set forth in such plan.

Subject to the provisions of Article 6 hereof, the Trustees may create and issue indebtedness of the Trust in respect of which interest, premium or principal payable thereon may be paid, at the option of the Trust or the holder, in fully paid Trust Units, or which indebtedness, by its terms, may be convertible into Trust Units at such time and for such prices as the Trustees may determine. Any indebtedness so created shall not be a Unit and a holder thereof shall not be a Unitholder unless and until fully paid Trust Units are issued in accordance with the terms of such indebtedness.

7.9 **8.6-Commissions and Discounts**

The Trustees may provide for the payment of commissions or may allow discounts to Persons in consideration of their subscribing or agreeing to subscribe, whether absolutely or conditionally, for Trust Units or other securities issued by the Trust or of their agreeing to procure subscriptions therefor, whether absolute or conditional.

7.10 **8.7-Transferability**

The Trust Units are freely transferable and, except as stipulated in Sections ~~8.8~~7.11 and ~~8.9~~7.12, the Trustees shall not impose any restriction on the transfer of Trust Units by any Unitholder except with the consent of such Unitholder. Special Voting Units will not be transferable separately from the exchangeable securities, including Exchangeable Units, to which they are attached and will be automatically transferred upon the transfer of such Exchangeable Unit.

7.11 **8.8-Transfer of Units**

- (a) Subject to the provisions of this Article ~~8.7~~, the Units shall be for all purposes of the Trust and this Declaration of Trust, personal and moveable property, and the Units shall be fully transferable without charge as between Persons, but no transfer of Units shall be

effective as against the Trustees or shall be in any way binding upon the Trustees until the transfer has been recorded on the Register maintained by the Trustees, the Trust or the Transfer Agent. No transfer of a Unit shall be recognized unless such transfer is of a whole Unit.

- (b) Subject to the provisions of ~~Section 8.11~~ Sections 7.2(b) and 7.14, Units shall be transferable on the Register only by the holders of record thereof or their executors, administrators or other legal representatives or by their agents or attorneys duly authorized in writing, and only upon delivery to the Trust or to the Transfer Agent of the certificate therefor, properly endorsed or accompanied by a duly executed instrument of transfer or power of attorney and accompanied by all necessary transfer or other taxes imposed by law, together with such evidence of the genuineness of such endorsement, execution and authorization and other matters that may reasonably be required by the Trustees or the Transfer Agent. Upon such delivery the transfer shall be recorded on the Register and a new Unit Certificate for the Units shall be issued to the transferee and a new Unit Certificate for the balance of Units not transferred shall be issued to the transferor.
- (c) Unit Certificates representing any number of Units may be exchanged without charge for Unit Certificates representing an equivalent number of Units in the aggregate. Any exchange of Unit Certificates may be made at the offices of the Trust or the Transfer Agent where registers are maintained for Unit Certificates pursuant to the provisions of this Article ~~8~~7. Any Unit Certificates tendered for exchange shall be surrendered to the Trustees or appropriate Transfer Agent and then shall be cancelled.

7.12 ~~8.9~~ **Non-Resident Ownership Constraint**

In order for the Trust to maintain its status as a “mutual fund trust” under the Tax Act, the Trust must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, at no time may Non-Residents be the beneficial owners of more than 49% of the Trust Units (on a number of Trust Units or fair market value basis, in each case on a basic or fully diluted basis) and the Board will inform the Transfer Agent of this restriction. The Board may require a registered Trust Unitholder to provide the Trustees with a declaration as to the jurisdictions in which beneficial owners of the Trust Units registered in such Trust Unitholder’s name are resident and as to whether such beneficial owners are Non-Residents (or in the case of a partnership, whether the partnership is a Non-Resident). If the Board becomes aware, as a result of acquiring such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners of 49% of the Trust Units (on a number of Trust Units or fair market value basis, in each case on a basic or fully diluted basis) are, or may be, Non-Residents or that such a situation is imminent, the Board shall inform the Transfer Agent and the Transfer Agent shall not accept a subscription for Trust Units from or issue Trust Units to a Person unless the Person provides a declaration that the Person is not a Non-Resident.

If, notwithstanding the foregoing, the Board determines that more than 49% of the Trust Units (on a number of Trust Units or fair market value basis, in each case on a basic or fully diluted basis) are held by Non-Residents, the Board may send a notice to Non-Resident holders of Trust Units, chosen in inverse order to the order of acquisition or registration or in such other manner as the Board may consider equitable and practicable, requiring them to sell their Trust Units or a portion thereof within a specified period of not less than 60 days. If the Trust Unitholders receiving such notice have not sold the specified number of Trust Units or provided the Board with satisfactory evidence that they are not Non-Residents within such period, the Board may, on behalf of such Trust Unitholders sell such Trust Units without further notice and, in the interim, suspend the voting and distribution rights attached to

such Trust Units. Upon such sale the affected holders shall cease to be holders of Trust Units and their rights will be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the Board which is unpaid and owing to such Trust Unitholders. The Board shall have no liability for the amount received provided that they act in good faith.

Special Voting Units (together with the Exchangeable Units to which they are attached) may not be issued or transferred to Non-Residents.

For greater certainty, the Trust may sell Trust Units in accordance with the terms hereof despite the fact that the Trust does not possess the Unit Certificate or Unit Certificates, if any, representing the Trust Units at the time of the sale. Where, in accordance with this Section 8.97.12, Trust Units are sold by the Trust without possession of the Unit Certificate or Unit Certificates, if any, representing the same and, after the sale, a Person establishes that it is a *bona fide* purchaser without notice of the Trust Units from the Trust Unitholder, then, subject to applicable law:

- (a) the Trust shall be entitled to treat the Trust Units so purchased by the *bona fide* purchaser as validly issued and outstanding Trust Units in addition to the Trust Units sold by the Trust; and
- (b) notwithstanding any other provisions of this Declaration of Trust, the Trust is entitled to the proceeds made with respect to the sale made by the Trust and shall add the amount of the proceeds to the capital account maintained by the Trust in respect of outstanding Trust Units.

The Trustees shall have the sole right and authority to make any determination required or contemplated under this Section 8.97.12. The Trustees shall make all determinations necessary for the administration of the provisions of this Section 8.97.12 and, without limiting the generality of the foregoing, if the Trustees consider that there are reasonable grounds for believing that a contravention of the Non-Resident ownership restriction has occurred or will occur, the Trustees shall make a determination with respect to the matter. Any such determination shall be conclusive, final and binding except to the extent modified by any subsequent determination by the Trustees. Notwithstanding the foregoing, the Trustees may determine not to take any of the actions described above if the Trustees have been advised by legal counsel that the failure to take any of such actions would not adversely affect the status of the Trust as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Trust as a mutual fund trust for purposes of the Tax Act. Notwithstanding the foregoing, the Trustees may delegate, in whole or in part, their power to make a determination to any officer of the Trust.

7.13 ~~8.10~~ **Non-Certificated Inventory System**

- (a) The provisions of this Section ~~8.10~~7.13 shall not in any way alter the nature of Units or the relationships of a Unitholder to the Trustees and of one Unitholder to another but are intended only to facilitate the recording of all transactions in respect of Units whether by the Trust, securities dealers, stock exchanges, transfer agents, registrars or other Persons.
- (b) Except as otherwise provided below, registration of interests in and transfers of Units held through CDS, or its nominee, will be made electronically through the NCI system of CDS. ~~On Closing, the Trust, via its Transfer Agent, will electronically deliver the Units registered to CDS or its nominee, and CDS will credit interests in such Units to the accounts of the CDS Participants as directed by the underwriters in~~

~~respect of the Offering.~~ Units held in CDS will be purchased, transferred and surrendered for redemption through a CDS Participant. All rights of beneficial Unitholders who hold Units in CDS must be exercised through, and all payments or other property to which such beneficial Unitholders are entitled will be made or delivered by CDS or the CDS Participant through which the beneficial Unitholder holds such Units. A beneficial holder of a Unit participating in the NCI system will not be entitled to a certificate or other instrument from the Trust or the Transfer Agent evidencing that Person's interest in or ownership of Units, nor, to the extent applicable, will such beneficial Unitholder be shown on the records maintained by CDS, except through an agent who is a CDS Participant.

- (c) Except as described below, no purchaser of a Unit will be entitled to a certificate or other instrument from the Trust evidencing that purchaser's ownership thereof, and no holder of a beneficial interest in a Unit (a "**Beneficial Owner**") will be shown on the records maintained by CDS except through the accounts of CDS Participants acting on behalf of the Beneficial Owners. CDS will be responsible for establishing and maintaining accounts for CDS Participants having interests in the Units, and sales of interests in the Units can only be completed through CDS Participants.
- (d) Units may be issued in fully registered form to holders or their nominees, if any, who purchase the Units pursuant to a private placement of Units made in reliance upon Rule 144A (or other registration exemption) adopted under the *United States Securities Act of 1933*, and to transferees thereof in the United States who purchase such Units in reliance upon Rule 144A (or other registration exemption). Likewise, any Units transferred to a transferee within the United States or outside the United States to a "U.S. Person" (within the meaning of Regulation S) may be evidenced in definitive certificates representing any such Units unless the Trust otherwise agrees that such Units need not be evidenced in definitive certificates. If any such Units represented by definitive certificates are subsequently traded into Canada, or otherwise outside the United States in compliance with Regulation S, the Transfer Agent will electronically deliver such Units registered to CDS or its nominee, and CDS will credit interests in such Units to the accounts of the CDS Participants as directed by the Transfer Agent.
- (e) Except as noted in Section ~~8.10~~7.13(d), Units will be issued in fully registered form to holders or their nominees, other than CDS or its nominee, only if: (i) the Trust is required to do so by applicable law; (ii) the depository system of CDS ceases to exist; (iii) the Trust determines that CDS is no longer willing, able or qualified to discharge properly its responsibility as depository and the Trust is unable to locate a qualified successor; (iv) the Trust at its option elects to prepare and deliver definitive certificates representing the Units; or (v) the Trust at its option elects to terminate the NCI system in respect of the Units through CDS.
- (f) All references herein to actions by, notices given or payments made to Unitholders shall, where such Units are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the CDS Participants in accordance with CDS's rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Unitholders evidencing a specified percentage of the aggregate Units outstanding, such direction or consent may be given by Unitholders acting through CDS and the CDS Participants owning Units evidencing the requisite percentage of the Units. The rights of a Unitholder whose Units are held through CDS shall be exercised only through CDS and the CDS Participants and

shall be limited to those established by law and agreements between such Unitholders and CDS and/or the CDS Participants or upon instruction from the CDS Participants. Each of the Transfer Agent and the Trustees may deal with CDS for all purposes (including the making of payments) as the authorized representative of the respective Unitholders and such dealing with CDS shall constitute satisfaction or performance, as applicable, towards their respective obligations hereunder.

- (g) For so long as Units are held through CDS, if any notice or other communication is required to be given to Unitholders, the Trustees and the Transfer Agent will give all such notices and communications to CDS.
- (h) If CDS resigns or is removed from its responsibilities as depository and the Trustees are unable or do not wish to locate a qualified successor, CDS shall surrender the Units held by it to the Transfer Agent with instructions from CDS for registration of Units in the name and in the amounts specified by CDS and the Trust shall issue and the Trustee and Transfer Agent shall execute and deliver the aggregate number of Units then outstanding in the form of definitive Unit Certificates representing such Units.

7.14 ~~8.11~~ **Redemption of Units**

- (a) Each Trust Unitholder shall be entitled to require the Trust to redeem at any time on demand by the Trust Unitholder all or any part of the Trust Units registered in the name of the Trust Unitholder at the prices determined and payable in accordance with the conditions hereinafter provided.
- (b)
 - (i) To exercise a Trust Unitholder's right to require redemption under this Section ~~8.11~~7.14, a duly completed and properly executed notice (the "**Redemption Notice**") requiring the Trust to redeem Trust Units, in a form reasonably acceptable to the Trustees, together with written instructions as to the number of Trust Units to be redeemed, shall be sent to the Transfer Agent with a copy to the Trust at the head office of the Trust. A Trust Unitholder not otherwise holding a registered Unit Certificate that wishes to exercise the redemption right will be required to obtain a redemption notice form from the Trust Unitholder's investment dealer who will be required to deliver the completed redemption notice form to the Trust, to the Transfer Agent and to CDS. No form or manner of completion or execution shall be sufficient unless the same is in all respects reasonably acceptable to the Trustees and is accompanied by any further evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the Person giving such notice.
 - (ii) Upon receipt by the Transfer Agent and the Trust of the notice to redeem Trust Units, the Trust Unitholder shall thereafter cease to have any rights with respect to the Trust Units tendered for redemption (other than to receive the redemption payment therefor) including the right to receive any distributions thereon which are declared payable to the Trust Unitholders of record on a date which is subsequent to the day of receipt by the Trust of such notice. Trust Units shall be considered to be tendered for redemption on the date that the Trust has, to the satisfaction of the Board, received the Redemption Notice and further documents or evidence the Trust may reasonably require with respect to the identity,

capacity or authority of the Person giving such notice. Subject to applicable laws, the Trust will redeem the Trust Units specified in such Redemption Notice. Such redemption will be effective as of the date on which the Trust Units are redeemed.

(c)

(i) The redemption price payable per Trust Unit in respect of each class of Trust Units (the “**Redemption Price**”) shall be:

(A) where the Trust Units are listed on a stock exchange or similar market, equal to the lesser of (x) 95% of the average market price of the Trust Units during the 10-trading day period after the Redemption Date; and (y) 100% of the closing market price of the Trust Units on the Redemption Date; and

(B) where the Trust Units are not listed on a stock exchange or similar market, but a class of Trust Units are listed on a stock exchange or similar market, equal to the lesser of (x) 95% of the average market price of such listed class of Trust Units during the 10-trading day period after the Redemption Date; and (y) 100% of the closing market price of such listed class of Trust Units on the Redemption Date on an as-converted basis; or

(C) where none of the Trust Units are listed on a stock exchange or similar market, the fair market value of the Trust Units, which will be determined by the Board in its sole discretion ~~based on the applicable proportionate class interest of the Units being redeemed,~~

~~provided that in each case the Redemption Price shall be adjusted, as necessary, to reflect that the Class F Units are subject to a lower Agents’ Fee than Class A Units, and that Class C Units are not subject to the Agents’ Fee.~~

(ii) Subject to Sections ~~8.11~~7.14(d) and ~~8.11~~7.14(e), the Redemption Price per Trust Unit multiplied by the number of Trust Units tendered for redemption will be paid to a Trust Unitholder by way of a cash payment no later than the last day of the calendar month following the calendar quarter in which the Redemption Date occurs by cheque, drawn on a Canadian chartered bank or a trust company in Canadian dollars. Payments made by the Trust of the Redemption Price are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the former Trust Unitholder unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former Trust Unitholder in respect of the Trust Units so redeemed.

(d) Section ~~8.11~~7.14(c)(ii) shall not be applicable to Trust Units tendered for redemption by a Trust Unitholder, if:

- (i) the total amount payable by the Trust pursuant to Section ~~8.11~~7.14(c) in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar quarter exceeds \$100,000 (the “**Quarterly Limit**”); provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Trust Units tendered for redemption in any calendar quarter and, in the absence of such a waiver, Trust Units tendered for redemption in any calendar quarter in which the total amount payable by the Trust pursuant to Section ~~8.11~~7.14(c)(ii) exceeds the Quarterly Limit will be redeemed for cash pursuant to Section ~~8.11~~7.14(c)(ii) and, subject to any applicable regulatory approvals, by a distribution *in specie* under Section ~~8.11~~7.14(e), on a *pro rata* basis;
 - (ii) the normal trading of any class of outstanding Trust Units is suspended or halted on any stock exchange on which a class of Trust Units are listed for trading, or if not so listed, on any market on which a class of Trust Units are quoted for trading, on the Redemption Date for such Trust Units or for more than five trading days during the 10 trading day period immediately before the Redemption Date for such Trust Units; or
 - (iii) the redemption of the Trust Units will result in the delisting of a class of Trust Units from the principal stock exchange on which such class of Trust Units are listed.
- (e) To the extent that Section ~~8.11~~7.14(c)(ii) is not applicable to all of the Trust Units tendered for redemption by a Trust Unitholder pursuant to Section ~~8.11~~7.14(d) the balance of the Redemption Price per Trust Unit specified in Section ~~8.11~~7.14(c) shall, subject to receipt of all necessary regulatory approvals (which the Trust shall use reasonable commercial efforts to obtain forthwith), be paid and satisfied by way of a distribution *in specie* to such Trust Unitholder of Trust Property and/or Redemption Notes, as determined by the Board in its sole discretion. Upon such payment, together with any cash paid to the Trust Unitholder in accordance with Section ~~8.11~~7.14(c)(ii), the Trust shall be discharged from all liability to such former Trust Unitholder and any party having a security interest in respect of the Trust Units so redeemed. In the event of distributions of Redemption Notes, each Redemption Note so distributed to the redeeming holder of Trust Units shall be in the principal amount of \$100 or such other amount as may be determined by the Board in its sole discretion. No fractional Redemption Notes shall be distributed and where the number of Redemption Notes to be received upon redemption by a holder of Trust Units would otherwise include a fraction, that number shall be rounded down to the next lowest whole number. The Trustees may deduct or withhold from all payments or other distributions payable to any Trust Unitholder pursuant to this Article ~~8~~7 all amounts required by law to be so withheld. Where the Trust makes a distribution *in specie* pursuant to this Section ~~8.11~~7.14, the Trustees may, in their sole discretion, designate and treat as having been paid to the redeeming Trust Unitholders any amount of the capital gains or income realized by the Trust on or in connection with the distribution to the Trust Unitholder.
- (f) All Trust Units redeemed under this Section ~~8.11~~7.14 shall be cancelled and such Trust Units shall no longer be outstanding and shall not be reissued.

- (g) Trust Units will be redeemed according to the order in which Redemption Notices are received.

7.15 ~~8.12~~ Certificate Fee

The Trustees may establish a reasonable fee to be charged for every Unit Certificate issued.

7.16 ~~8.13~~ Form of Unit Certificate

The form of certificate representing Units and the instrument of transfer, if any, on the reverse side thereof shall be in such form as is from time to time authorized by the Trustees.

7.17 ~~8.14~~ Unit Certificates

- (a) If issued, Unit Certificates are issuable only in fully registered form.
- (b) The definitive form of the Unit Certificates shall:
 - (i) be in the English language or in the English language and the French language;
 - (ii) be dated as of the date of issue thereof; and
 - (iii) contain such distinguishing letters and numbers as the Trustees shall prescribe.
- (c) In the event that the Unit Certificate is translated into the French language and any provision of the Unit Certificate in the French language shall be susceptible of an interpretation different from the equivalent provision in the English language, the interpretation of such provision in the English language shall be determinative.
- (d) Each Unit Certificate shall be signed on behalf of the Trustees and, unless otherwise decided by the Trustees, signed or certified by the Transfer Agent of the Trust. The signature of the Trustees and the Transfer Agent required to appear on such certificate may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid as if they had been signed manually. If a Unit Certificate contains the printed or mechanically reproduced signature of an individual, then the Trust may issue the Unit Certificate even though such individual has ceased to be a Trustee or an authorized representative of the Transfer Agent and such Unit Certificate is valid as if such individual continued to be a Trustee or an authorized representative of the Transfer Agent at the date of its issue.

7.18 ~~8.15~~ Contents of Unit Certificates

- (a) Until otherwise determined by the Trustees, each Unit Certificate shall legibly set forth on the face thereof, *inter alia*, the following:
 - (i) the name of the Trust and the words “A trust governed under the laws of the Province of Ontario governed by a Declaration of Trust made the 29th day of September, 2020, as amended or amended and restated from time to time” or words of like effect;

- (ii) the name of the Person to whom the Unit Certificate is issued as Unitholder;
 - (iii) the number of Units represented thereby and whether or not the Units represented thereby are fully paid;
 - (iv) that, subject to the terms of this Declaration of Trust, the Units represented thereby are transferable;
 - (v) “The Units represented by this certificate are issued upon the terms and subject to the conditions of the Declaration of Trust, which Declaration of Trust is binding upon all holders of Units and, by acceptance of this certificate, the holder assents to the terms and conditions of the Declaration of Trust. A copy of the Declaration of Trust, pursuant to which this certificate and the Units represented thereby are issued, may be obtained by a Unitholder on demand and without fee from the head office of the Trust” or words of like effect;
 - (vi) “For information as to personal liability of a Unitholder, see the reverse side of this certificate” or words of like effect; and
 - (vii) the legends and other information required by the TSX (or such other stock exchange on which a class of Trust Units are listed for trading) and under applicable Securities Law.
- (b) Until otherwise determined by the Trustees, each such certificate shall legibly set forth on the reverse side thereof, *inter alia*, the following:
- (i) “The Declaration of Trust provides that no Unitholder shall be subject to any personal liability whatsoever, in tort, contract or otherwise, to any Person in connection with the assets of the Trust or the obligations or the affairs of the Trust and all such Persons shall look solely to the assets of the Trust for satisfaction of claims of any nature arising out of or in connection therewith and the assets of the Trust only shall be subject to levy or execution”, or words of like effect; and
 - (ii) appropriate forms of notice of exercise of the right of redemption and of powers of attorney for transferring Units.

The Unit Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Trustees may determine.

7.19 ~~8.16~~ **Register of Unitholders**

A register (the “**Register**”) shall be kept by, or on behalf and under the direction of, the Trustees, which Register shall contain the names and addresses of the Unitholders, the respective numbers of Units held by them, the certificate numbers of certificates representing such Units, if applicable, and a record of all transfers and redemptions thereof. Only Unitholders whose Units are so recorded shall be entitled to receive distributions or to exercise or enjoy the rights of Unitholders hereunder. The Trustees shall have the right to treat the Person registered as a Unitholder on the Register as the owner of such Units for all purposes, including payment of any distribution, giving notice to Unitholders and determining the right to attend and vote at meetings of Unitholders.

7.20 ~~8.17~~ Successors in Interest to Unitholders

Any Person purporting to become entitled to any Units as a consequence of the death, bankruptcy or incompetence of any Unitholder or otherwise by operation of law, shall be recorded in the Register as the holder of such Units, but until such record is made, the Unitholder of record shall continue to be and shall be deemed to be the holder of such Units for all purposes whether or not the Trust, the Trustees or the Transfer Agent or registrar of the Trust shall have actual or other notice of such death, bankruptcy, incompetence or other event and any Person becoming entitled to such Units shall be bound by every notice or other document in respect of the Units which shall have been duly given to the Person from whom such Person derives title to such Units. Once such record is made, the Trustees shall deal with the new holder of such Units as Unitholder from thereon and shall have no liability to any other Person purporting to have been entitled to the Units prior to the making of such record.

7.21 ~~8.18~~ Units Held Jointly or in Fiduciary Capacity

The Trust may treat two or more Persons holding any Unit as joint tenants of the entire interest therein unless the ownership is expressly otherwise recorded in the Register, but no entry shall be made in the Register that any Person is in any other manner entitled to any future, limited or contingent interest in any Unit; provided, however, that any Person recorded in the Register as a Unitholder may, subject to the provisions herein contained, be described in the Register as a fiduciary of any kind and any customary words may be added to the description of the holder to identify the nature of such fiduciary relationship.

7.22 ~~8.19~~ Performance of Trusts

None of the Trustees of the Trust, the officers of the Trust, the Unitholders or the Transfer Agent or other agent of the Trust or the Trustees shall have a duty to inquire into any claim that a transfer of a Unit or other security of the Trust was or would be wrongful or that a particular adverse Person is the owner of or has an interest in the Unit or other security or any other adverse claim, or be bound to see to the performance of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the Units or other securities or any interest therein are or may be subject, or to ascertain or inquire whether any sale or transfer of any such Units or other securities or interest therein by any such Unitholder or holder of such security or his, her or its personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any Person as having any interest therein, except for the Person recorded as Unitholder.

7.23 ~~8.20~~ Lost Unit Certificates

In the event that any Unit Certificate is lost, stolen, destroyed or mutilated, the Trustees may authorize the issuance of a new Unit Certificate for the same number of Units in lieu thereof. The Trustees may in their discretion, before the issuance of such new Unit Certificate, require the owner of the lost, stolen, destroyed or mutilated Unit Certificate, or the legal representative of the owner, to make such affidavit or statutory declaration, setting forth such facts as to the loss, theft, destruction or mutilation as the Trustees or any officers of the Trust deem necessary and may require the applicant to surrender any mutilated Unit Certificate and to require the applicant to supply to the Trust a "lost certificate bond" or similar bond in such reasonable amount as the Trustees direct indemnifying the Trustees or any officers of the Trust and the Transfer Agent for so doing. The Trustees or any officers of the Trust shall have the power to acquire from an insurer or insurers a blanket lost security bond or bonds in respect of the replacement of lost, stolen, destroyed or mutilated Unit Certificates. The Trust shall pay all premiums and other sums of money payable for such purpose out of the Trust Property with such contribution, if any, by those insured as may be determined by the Trustees or any officers of the Trust. If such blanket lost security bond is acquired, the Trustees or any officers of the Trust may authorize and direct (upon such terms and

conditions as they from time to time impose) any registrar, transfer agent, trustee or others to whom the indemnity of such bond extends to take such action to replace such lost, stolen, destroyed or mutilated Unit Certificates without further action or approval by the Trustees or any officers of the Trust.

7.24 ~~8.21~~ Death of Unitholders

The death of a Unitholder during the continuance of the Trust shall not terminate the Trust or give the personal representatives or the heirs of the estate of the deceased Unitholder a right to an accounting or to take any action in the courts or otherwise against other Unitholders or the Trustees, officers of the Trust or the Trust Property, but shall only entitle the personal representatives or the heirs of the estate of the deceased Unitholder to succeed to all rights of the deceased Unitholder under this Declaration of Trust.

7.25 ~~8.22~~ Unclaimed Payments

In the event that the Trustees hold any amounts to be paid to Trust Unitholders under Article ~~4211~~ or otherwise because such amounts are unclaimed or cannot be paid for any reason, neither the Trustees nor any distribution disbursing agent shall be under any obligation to invest or reinvest the same and shall only be obligated to hold the same in a current or other non-interest bearing account with a chartered bank or trust company, pending payment to the Person or Persons entitled thereto. The Trustees shall, as and when required by law, and may at any time prior to such required time, pay all or part of such amounts so held to a court in the province where the Trust has its principal office or to the Public Guardian and Trustee (or other similar government official or agency) in the province where the Trust has its principal office whose receipt shall be a good and sufficient discharge of the obligations of the Trustees.

7.26 ~~8.23~~ Repurchase of Units

The Trust shall be entitled to purchase for cancellation at any time the whole or from time to time any part of the outstanding Units, at a price per Unit and on a basis determined by the Trustees in compliance with all applicable Securities Laws or the rules or policies of any applicable stock exchange.

7.27 ~~8.24~~ Take-Over Bids

- (a) If within 120 days after the date of a Take-Over Bid (which, for purposes of this Section ~~8.24~~7.27, includes an issuer bid made by the Trust) the bid is accepted by the holders of not less than 90% of the Units, calculated on a fully diluted basis, other than Units held at the date of the Take-Over Bid by or on behalf of the Offeror or an affiliate or associate of the Offeror, the Offeror is entitled, on complying with this Section ~~8.24~~7.27, to acquire the Units held by Dissenting Offerees.
- (b) An Offeror may acquire Units held by a Dissenting Offeree by sending by registered mail within 60 days after the date of termination of the Take-Over Bid and in any event within 180 days after the date of the Take-Over Bid, an Offeror's notice to each Dissenting Offeree stating that:
 - (i) the Offerees holding more than 90% of the Units, calculated on a fully diluted basis, accepted the Take-Over Bid, other than Units held at the date of the ~~takeover bid~~Take-Over Bid by or on behalf of the Offeror or an affiliate or associate of the Offeror;

- (ii) the Offeror is bound to take up and pay for or has taken up and paid for the Units of the Offerees who accepted the Take-Over Bid;
- (iii) a Dissenting Offeree is required to elect:
 - (A) to transfer his, her or its Units to the Offeror on the terms on which the Offeror acquired the Units of the Offerees who accepted the ~~takeover bid~~Take-Over Bid, or
 - (B) to demand payment of the fair value of his, her or its Units in accordance with Sections ~~8.247.27~~(h) to ~~8.247.27~~(q) by notifying the Offeror within 20 days after he, she or it receives the Offeror's notice;
- (iv) a Dissenting Offeree who does not notify the Offeror in accordance with Section ~~8.247.27~~(b)(iii)(B) is deemed to have elected to transfer his, her or its Units to the Offeror on the same terms that the Offeror acquired the Units from the Offerees who accepted the Take-Over Bid; and
- (v) a Dissenting Offeree must send his, her or its Units to which the Take-Over Bid relates to the Trust within 20 days after he, she or it receives the Offeror's notice.
- (c) Concurrently with sending the Offeror's notice under Section ~~8.247.27~~(b), the Offeror shall send to the Trust a notice of adverse claim disclosing the name and address of the Offeror and the name of the Dissenting Offeree with respect to each Unit held by a Dissenting Offeree.
- (d) A Dissenting Offeree to whom an Offeror's notice is sent under Section ~~8.247.27~~(b) shall, within 20 days after he, she or it receives that notice, send his, her or its Unit Certificates, or the Unit Certificates issuable upon the exchange of his, her or its Exchangeable Units, to the Trust.
- (e) Within 20 days after the Offeror sends an Offeror's notice under Section ~~8.247.27~~(b), the Offeror shall pay or transfer to the Trust the amount of money or other consideration that the Offeror would have had to pay or transfer to a Dissenting Offeree if the Dissenting Offeree had elected to accept the Take-Over Bid under Section ~~8.247.27~~(b)(iii)(A).
- (f) The Trust is deemed to hold in trust for the Dissenting Offeree the money or other consideration it receives under Section ~~8.247.27~~(e) and the Trust shall deposit the money in a separate account in a bank or other body corporate any deposits of which are insured by the Canada Deposit Insurance Corporation or guaranteed by the Québec Deposit Insurance Board, and shall place the other consideration in the custody of a bank or such other body corporate.
- (g) Within 30 days after the Offeror sends an Offeror's notice under Section ~~8.247.27~~(b), the Trust shall:

- (i) issue to the Offeror a Unit Certificate in respect of the Units that were held by Dissenting Offerees;
- (ii) give to each Dissenting Offeree who elects to accept the Take-Over Bid terms under Section 8.247.27(b)(iii)(A) and who sends his, her or its Unit Certificates, or the Unit Certificates issuable upon the exchange of his, her or its Exchangeable Units, as required under Section 8.247.27(d), the money or other consideration to which he, she or it is entitled, disregarding fractional Units, if any, which may be paid for in money; and
- (iii) send to each Dissenting Offeree who has not sent his, her or its Unit Certificates, or the Unit Certificates issuable upon the exchange of his, her or its Exchangeable Units, as required under Section 8.247.27(d) a notice stating that:
 - (A) his, her or its Units have been cancelled,
 - (B) the Trust or some designated Person holds in trust for him, her or it the money or other consideration to which he, she or it is entitled as payment for or in exchange for his, her or its Units, and
 - (C) the Trust will, subject to Sections 8.247.27(h) to 8.247.27(q), send that money or other consideration to him, her or it forthwith after receiving his, her or its Units.
- (h) If a Dissenting Offeree has elected to demand payment of the fair value of his, her or its Units under Section 8.247.27(b)(iii)(B), the Offeror may, within 20 days after it has paid the money or transferred the other consideration under Section 8.247.27(e), apply to a court to fix the fair value of the Units of that Dissenting Offeree.
- (i) If an Offeror fails to apply to a court under Section 8.247.27(h), a Dissenting Offeree may apply to a court for the same purpose within a further period of 20 days.
- (j) Where no application is made to a court under Section 8.247.27(i) within the period set out in that subsection, a Dissenting Offeree is deemed to have elected to transfer his, her or its Units to the Offeror on the same terms that the Offeror acquired the Units from the Offerees who accepted the Take-Over Bid.
- (k) An application under Sections 8.247.27(h) or 8.247.27(i) shall be made to a court having jurisdiction in the place where the Trust has its registered office.
- (l) A Dissenting Offeree is not required to give security for costs in an application made under Sections 8.247.27(h) or 8.247.27(i).
- (m) On an application under Sections 8.247.27(h) or 8.247.27(i):
 - (i) all Dissenting Offerees referred to in Section 8.247.27(b)(iii)(B) whose Units have not been acquired by the Offeror shall be joined as parties and shall be bound by the decision of the court; and

- (ii) the Offeror shall notify each affected Dissenting Offeree of the date, place and consequences of the application and of his, her or its right to appear and be heard in person or by counsel.
- (n) On an application to a court under Sections ~~8.247.27~~(h) or ~~8.247.27~~(i), the court may determine whether any other Person is a Dissenting Offeree who should be joined as a party, and the court shall then fix a fair value for the Units of all Dissenting Offerees.
- (o) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the Units of a Dissenting Offeree.
- (p) The final order of the court shall be made against the Offeror in favour of each Dissenting Offeree and for the amount for his, her or its Units as fixed by the court.
- (q) In connection with proceedings under this Section ~~8.247.27~~, a court may make any order it thinks fit and, without limiting the generality of the foregoing, it may:
 - (i) fix the amount of money or other consideration that is required to be held in trust under Section ~~8.247.27~~(f);
 - (ii) order that money or other consideration be held in trust by a Person other than the Trust; and
 - (iii) allow a reasonable rate of interest on the amount payable to each Dissenting Offeree from the date he, she or it sends or delivers his, her or its Unit Certificates under Section ~~8.247.27~~(d) until the date of payment.
- (r) Where an Offeror is entitled to acquire Units held by a Dissenting Offeree pursuant to Section 7.27(b) and the Offeror wishes to exercise such right, the Offeror shall also deliver an offer (the “Exchange Offer”) to the Trustees, at the same time that an Offeror’s notice is delivered pursuant to Section 7.27(b), addressed to each holder of Exchangeable Units to acquire all Trust Units issued to such holder by the Trust following the exchange of the holder’s Exchangeable Units for Trust Units pursuant to the applicable Exchange Agreement and limited partnership agreement governing the Partnership that issued such Exchangeable Units. The Exchange Offer shall be made on the same terms as the Offeror acquired the Trust Units of the Unitholders who accepted the Take-Over Bid and the exchange by the holder of the Exchangeable Units and the acquisition by the Offeror of the Trust Units issuable upon exchange thereof shall occur within 30 days of delivery of the Exchange Offer to the Trustees. The Trustees shall deliver the Exchange Offer to each holder of Exchangeable Units forthwith upon receipt, if any such holders exist.

7.28 ~~8.25~~ Coattail Provisions

If ~~prior to the Target Recapitalization Date~~ a “formal take-over bid”, as defined in the Securities Act, is made for Trust Units of a class other than the Class A Units (a “**Class Offer**”) and the Class Offer does not include a concurrent identical ~~take-over bid~~ Take-Over Bid for the Class A Units, including in terms of relative price (on an as-converted basis) for the Class A Units, then the Trust shall by press release provide written notice to the holders of the Class A Units that the Class Offer has been made and of the right of such holders to convert all or a part of their Class A Units into the class of Trust Units that

are subject to the Class Offer (the “**Bid Units**”) and tender such Bid Units to the Class Offer. Such Class A Units may, in such circumstances, be converted at any time prior to the Business Day that is five Business Days prior to the expiry of the Class Offer (the “**Conversion End Date**”) by delivering a notice to the Trust and surrendering such Trust Units by 5:00 p.m. on the Conversion End Date. Any such Class A Units so delivered shall be converted into Bid Units and tendered on behalf of the Trust Unitholder to the Class Offer. In connection with such conversion and tender by any such Trust Unitholder, the Trust Unitholder shall complete and execute any and all such documentation as the Trust shall require or consider necessary to give effect to this provision. For each Class A Unit so converted, a holder will receive ~~a number of one~~ Bid ~~Units equal to the Coattail Conversion Rate as of the Conversion End Date~~Unit, provided that, to the extent that such Bid Units are not acquired pursuant to the Class Offer, such Bid Units shall be reconverted into that number of Class A Units that they were prior to the conversion. ~~Fractional Bid Units will not be issued and the number of Bid Units issuable under this provision to a Unitholder will be rounded down to the nearest whole Bid Unit.~~

7.29 ~~8.26~~ **Conversion**

Holders of Class C Units and Class F Units may convert their Class C Units and Class F Units into Class A Units in accordance with this Section ~~8.26~~7.29. Holders of Class C Units may convert their Class C Units into Class F Units in accordance with this Section ~~8.26~~7.29. Holders of Class A Units may convert their Class A Units into Class F Units in accordance with this Section ~~8.26~~7.29. Convertible Units may be converted at any time by delivering a notice and surrendering such Convertible Units to the Trust, subject to the limitation on conversion of Class A Units set out herein. For each Class A Unit so converted, a holder will receive ~~that number of one~~ Class F ~~Units equal to the Class A Unit Conversion Rate~~Unit. For each Class C Unit so converted for Class A Units, a holder will receive ~~that number of one~~ Class A ~~Units equal to the Class C Unit to Class A Unit Conversion Rate~~Unit. For each Class C Unit so converted for Class F Units, a holder will receive ~~that number of one~~ Class F ~~Units equal to the Class C Unit to Class F Unit Conversion Rate~~Unit. For each Class F Unit so converted for Class A Units, a holder will receive ~~that number of one~~ Class A ~~Units equal to the Class F Unit Conversion Rate. No fractions of Class A Units or Class F Units, as applicable, will be issued upon conversion of Convertible Units. Any fractional amounts will be rounded down to the nearest whole number of Class A Units or Class F Units, as applicable~~Unit. In the event that a conversion of Class A Units into Class F Units would cause the Trust not to satisfy the minimum listing requirements of the TSX (or such other stock exchange on which the Class A Units are listed for trading), such Class A Units will not be converted and further conversions of Class A Units into Class F Units will not be permitted until such time as the conversion would not cause the Trust to fail to satisfy the minimum listing requirements of the TSX (or such other stock exchange on which the Class A Units are listed for trading).

~~8.27~~ **Contractual Right of Rescission**

~~Original Canadian purchasers of Convertible Offered Units (“Original Purchasers”) will have a contractual right of rescission against the Trust following the issuance of the Class A Units or Class F Units, as applicable, to such Original Purchasers upon the conversion of the Convertible Offered Units. The contractual right of rescission will entitle such Original Purchasers to receive the amount paid for the applicable Convertible Offered Unit upon surrender of the Class A Unit or Class F Unit issued upon the conversion of the applicable Convertible Offered Units, in the event the Prospectus or any amendment thereto contains a misrepresentation (within the meaning of the Securities Act), provided that: (i) the conversion takes place within 180 days of the date of the purchase under the Prospectus of the applicable Convertible Offered Unit; and (ii) the right~~

~~of rescission is exercised within 180 days of the date of the purchase under the Prospectus of the applicable Convertible Offered Unit. This contractual right of rescission shall be subject to the defences, limitations and other provisions described under part XXIII of the Securities Act, and is in addition to any other right or remedy available to Original Purchasers under section 130 of the Securities Act or otherwise at law. Original Purchasers are further advised that in certain provinces the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the applicable convertible security that was purchased under a prospectus.~~

~~ARTICLE 8~~**ARTICLE 9** ~~MEETINGS OF UNITHOLDERS~~

8.1 ~~9.1~~ **Annual Meeting**

There shall be an annual meeting of the Unitholders, ~~commencing in 2021~~, at such time and place in Canada and for such purposes as the Trustees may prescribe for the purpose of electing or removing Trustees, appointing or removing the Auditors of the Trust and transacting such other business as the Trustees may determine or as may properly be brought before the meeting. The annual meeting of Unitholders shall be held after delivery to the Unitholders of the annual report, if required, referred to in Section ~~18.8~~17.8 and, in any event, within 270 days after the end of each Fiscal Year, unless such longer period is permitted under applicable Securities Laws and stock exchange rules. For greater certainty, an annual meeting of the Unitholders may be held partially or entirely by electronic means in accordance with Section 8.19.

8.2 ~~9.2~~ **Other Meetings**

The Board shall have power at any time to call special meetings of the Unitholders at such time and place in Canada and for any purpose as the Board may determine. Unitholders holding in the aggregate not less than 5% of the outstanding Units may requisition the Board in writing to call a special meeting of the Unitholders for the purposes stated in the requisition. A meeting of holders of a class of Units may be called by the Board if the nature of the business to be transacted at the meeting is only relevant to the holders of such class of Units. A meeting of holders of a class of Units shall be called by the Board upon written request of the Unitholders of the class holding in the aggregate not less than 5% of the Units of the class then outstanding, which requisition must specify the purpose or purposes for which such meeting is to be called. If there are no Trustees, the officers of the Trust shall promptly call a special meeting of the Unitholders for the election of successor Trustees. The requisition shall state in reasonable detail the business proposed to be transacted at the meeting and shall be sent to each of the Trustees at the principal office of the Trust. Unitholders shall have the right to obtain a list of Unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the CBCA. Upon receiving the requisition, the Trustees shall call a meeting of Unitholders to transact the business referred to in the requisition, unless:

- (a) a record date for a Meeting of the Unitholders has been fixed and notice thereof has been given to each stock exchange in Canada on which ~~the~~any class of Trust Units are listed for trading;
- (b) the Trustees have called a Meeting of the Unitholders and have given notice thereof pursuant to Section ~~9.3~~8.3; or

- (c) in connection with the business as stated in the requisition:
- (i) it clearly appears to the Trustees, acting reasonably, that the matter covered by the requisition is submitted by the Unitholder primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Trust, the Trustees, the officers of the Trust or its security holders, or primarily for the purpose of promoting general economic, political, racial, religious, social or similar causes;
 - (ii) the Trust, at the Unitholder's request, included a matter covered by a requisition in an information circular relating to a meeting of Unitholders held within two years preceding the receipt of such request, and the Unitholder failed to present the matter, in person, by electronic means (in the case of a meeting of Unitholders held partially or entirely by electronic means) or by proxy, at the meeting;
 - (iii) substantially the same matter covered by the requisition was submitted to Unitholders in an information circular (including a dissident's information circular) relating to a meeting of Unitholders held within two years preceding the receipt of the Unitholder's request and the matter covered by the requisition was defeated; or
 - (iv) the rights conferred by this Section ~~9.28.2~~ are being abused to secure publicity.

Subject to the foregoing, if the Trustees do not within 21 days after receiving the requisition call a meeting, any Unitholder who signed the requisition may call the meeting in accordance with the provisions of Section ~~9.38.3~~ and Section ~~9.108.10~~ and the Trustees' Regulations, *mutatis mutandis*. The phrase "**Meeting of the Unitholders**" wherever it appears in this Declaration of Trust shall mean and include both an annual meeting and any other meeting of Unitholders. For greater certainty, a special meeting of the Unitholders may be held partially or entirely by electronic means in accordance with Section 8.19.

8.3 ~~9.3~~ **Notice of Meeting of Unitholders**

Notice of all meetings of the Unitholders shall be mailed or delivered by the Trustees to each Unitholder and to the Auditors not less than 21 days nor more than 60 days or within such other number of days as required by law or the relevant stock exchange before the meeting. Such notice shall specify the time when, and the place (to the extent applicable) where, such meeting is to be held and shall state briefly the general nature of the business to be transacted at such meeting, and shall otherwise include such information as would be provided to shareholders of a corporation governed by the CBCA in connection with a meeting of shareholders. Notice of any Meeting of the Unitholders shall state the purposes of the meeting. Any adjourned meeting, other than a meeting adjourned for lack of a quorum under Section ~~9.68.6~~, may be held as adjourned without further notice. Notwithstanding the foregoing, a meeting of Unitholders may be held at any time without notice if all the Unitholders are present or represented thereat or those not so present or represented have waived notice. Any Unitholder (or a duly appointed proxy of a Unitholder) may waive any notice required to be given under the provisions of this Section ~~9.38.3~~, and such waiver, whether given before or after the meeting, shall cure any default in the giving of such notice. Attendance at a meeting of Unitholders shall constitute a waiver of notice unless the Unitholder or other Person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not properly called.

8.4 ~~9.4~~ Nominations of Trustees

- (a) Only individuals who are nominated in accordance with the following procedures, ~~in accordance with Section 3.8~~ or in accordance with the Investor Rights Agreement ~~(as provided in Section 3.9)~~ shall be eligible for election as Trustees of the Trust. Nominations of individuals for election to the ~~board of Trustees~~ Board may be made at any annual meeting of Unitholders, or at any special meeting of Unitholders, if one of the purposes for which the special meeting was called was the election of Trustees:
- (i) by or at the direction of the ~~board of Trustees~~ Board, including pursuant to a notice of meeting;
 - (ii) by or at the direction or request of one or more Unitholders pursuant to a requisition of the Unitholders made in accordance with this Article 98; or
 - (iii) by any Person (a “**Nominating Unitholder**”): (A) who, at the close of business on the date of the giving of the notice provided for below in this Section ~~9.4~~ 8.4 and on the record date for notice of such meeting, is entered in the Register as a holder of one or more Units carrying the right to vote at such meeting or who beneficially owns Units that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Section ~~9.4~~ 8.4.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof to the Trustees in the manner prescribed by this Declaration of Trust. Furthermore, if such notice is made on a day which is not a Business Day or later than 5:00 p.m. (Toronto Time) on a day which is a Business Day, then such notice shall be deemed to have been made on the subsequent day that is a Business Day.
- (c) To be timely, a Nominating Unitholder’s notice to the Trustees must be made:
- (i) in the case of an annual meeting of Unitholders, not less than 30 days prior to the date of the annual meeting of Unitholders; provided, however, that in the event that the annual meeting of Unitholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Unitholder may be made not later than the close of business on the 10th day following the Notice Date; ~~and~~
 - (ii) in the case of a special meeting (which is not also an annual meeting) of Unitholders called for the purpose of electing Trustees (whether or not called for other purposes), not later than the close of business on the 15th day following the day that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the special meeting of Unitholders was made; and
 - (iii) notwithstanding the foregoing, in the case of an annual meeting of Unitholders or a special meeting (which is not also an annual meeting) of Unitholders called for the purpose of electing Trustees (whether or not also called for other

purposes) where “notice-and-access” (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy-related materials and the Notice Date is not less than 50 days before the date of the meeting, not less than 40 days prior to the date of the meeting.

In no event shall any adjournment or postponement of a meeting of Unitholders or the announcement thereof commence a new time period for the giving of a Nominating Unitholder’s notice as described above.

- (d) To be in proper written form, a Nominating Unitholder’s notice to the Trustees must set forth:
 - (i) as to each individual whom the Nominating Unitholder proposes to nominate for election as a Trustee: (A) the name, age, business address and residential address of the individual and confirmation as to whether they are a Resident; (B) the principal occupation or employment of the individual; (C) the class or series and number of Units which are Controlled or which are owned beneficially or of record by the individual as of the record date for the meeting of Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the individual that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable Securities Laws; and
 - (ii) as to the Nominating Unitholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Unitholder has a right to vote any Units and any other information relating to such Nominating Unitholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable Securities Laws.

The Trust may require any proposed nominee to furnish such other information as may reasonably be required by the Trust to determine the proposed nominee’s qualifications, relevant experience, Unit holdings or voting interest in the Trust, or independence, or lack thereof, in the same manner as would be required for nominees made by the Trust, or otherwise as may be required by applicable law or regulation.

- (e) No individual shall be eligible for election as a Trustee of the Trust unless nominated in accordance with the provisions of this Section 9.48.4; provided, however, that nothing in this Section 9.48.4 shall be deemed to preclude discussion by a Unitholder (as distinct from the nomination of Trustees) at a meeting of Unitholders of any matter in respect of which it would have been entitled to submit to a vote pursuant to the terms and conditions contained in this Declaration of Trust. The chairperson of the applicable meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (f) For purposes of this Section 9.48.4, “public announcement” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly

filed by the Trust under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

- (g) Notwithstanding the foregoing, the board of Board may, in its sole discretion, waive any requirement in this Section ~~9.4~~8.4.

8.5 ~~9.5~~ Chairperson

The chairperson of any Meeting of the Unitholders shall be the Chair of the Trustees or any other Trustee specified by resolutions of the Trustees or, in the absence of any Trustee, any individual appointed as chairperson of the meeting by the Unitholders present.

8.6 ~~9.6~~ Quorum

A quorum for any Meeting of the Unitholders, or any class of Unitholders shall be individuals present in person or represented by proxy, not being less than two in number and such Persons holding or representing by proxy in aggregate not less than 10% of the total number of outstanding Units or class of Units, as the case may be, provided that if the Trust has only one Unitholder, the Unitholder present in person or by proxy constitutes a meeting and a quorum for such meeting. If a quorum is present at the opening of a meeting, the Unitholders may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. The chairperson of any meeting at which a quorum of Unitholders is present may, with the consent of the majority of the Unitholders present in person or by proxy, adjourn any such meeting and no notice of any such adjournment need be given. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if called by request of Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to such day being not less than 10 days later and to such place and time as may be appointed by the chairperson of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Unitholders present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

8.7 ~~9.7~~ Voting

Holders of Units may attend and vote at all meetings of the Unitholders either in person or by proxy. Each Trust Unit shall entitle the holder of record thereof to one vote at all meetings of the Unitholders. Each Special Voting Unit will entitle the holder of record thereof to one vote at all meetings of the Unitholders.

Notwithstanding the foregoing, if the Board determines that the nature of the business to be transacted at a meeting affects Unitholders of one class of Units in a manner materially different from its effect on Unitholders of another class of Units, the Units of such affected class will be voted separately as a class.

In the event the Trust enters into a transaction that is subject to review under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, and as a result requires approval from each class of Units, in each case voting separately as a class, the Trust will apply to applicable securities regulatory authorities for discretionary relief from such obligation given that (i) this Section ~~9.7~~8.7 provides that Unitholders will vote as a single class unless the nature of the business to be transacted at the meeting of Unitholders affects holders of one class of Units in a manner materially different from its effect on holders of another class of Units, (ii) the relative returns of any proposed

transaction to each class of Units are fixed pursuant to the formula set out herein, and (iii) providing a class vote could grant disproportionate power to a potentially small number of Unitholders.

Any action to be taken by the Unitholders shall, except as otherwise required by this Declaration of Trust or by law, be authorized when approved by a majority of the votes cast at a Meeting of the Unitholders. The chairperson of any such meeting shall not have a second or casting vote. Every question submitted to a meeting, other than a Special Resolution, shall, unless a poll vote is demanded, be decided by a show of hands (or by other electronic means, if applicable), on which every person present and entitled to vote shall be entitled to one vote.

At any such meeting, unless a poll is demanded, a declaration by the chairperson that a resolution has been carried or carried unanimously or by a particular majority, or lost or not carried by a particular majority, shall be conclusive evidence of that fact. If a poll is demanded concerning the election of a chairperson or an adjournment, it shall be taken immediately upon request and, in any other case, it shall be taken at such time as the chairperson may direct. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question on which the poll has been demanded.

At any meeting of Unitholders, on a show of hands (or by other electronic means, if applicable), every Person who is present and entitled to vote, whether as a Unitholder or as a proxy, shall have one vote. At any meeting of Unitholders on a poll, each Unitholder present in person or represented by a duly appointed proxy shall have one vote for each Unit held on the applicable record date, except as otherwise set forth herein.

8.8 ~~9.8~~ Approval by Ordinary Resolution

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

- (a) matters relating to the administration of the Trust for which the approval of the Unitholders is required by applicable ~~securities laws, regulations, rules or policies~~ Securities Laws or the rules or policies of any applicable stock exchange in effect from time to time, and such policies, laws or regulations do not require approval by Special Resolution;
- (b) except as provided in Sections 3.4, 3.6, 3.7, ~~3.10~~3.8, ~~3.13~~3.11 or ~~3.14~~3.12, the election or removal of Trustees;
- (c) except as provided in Section ~~18.6~~17.6, the appointment or removal of Auditors;
- (d) any amendment to this Declaration of Trust, or matter or thing stated in this Declaration of Trust to be required to be consented to or approved by the Unitholders, not specified as requiring a Special Resolution (except as provided in Sections ~~7.6~~6.6, ~~14.1~~, ~~14.2~~13.1 or ~~14.6~~13.5); and
- (e) any matter which the Board considers appropriate to present to the Unitholders for their confirmation or approval.

8.9 ~~9.9~~ **Approval by Special Resolution**

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

- (a) any amendment to this Section ~~9.9~~8.9 or any other change to the amendment provisions of this Declaration of Trust;
- (b) matters relating to the administration of the Trust for which the approval of the Unitholders is required by applicable ~~securities laws, regulations, rules or policies~~Securities Laws or the rules or policies of any applicable stock exchange in effect from time to time;
- (c) changes to any of the Investment Restrictions and the Operating Policy contained in Section ~~7.26.2~~6.2(e);
- (d) any change in the basis of calculating fees or other expenses that are charged to the Trust which could result in an increase in charges to the Trust, other than a fee charged by a Person or company that is arm's length to the Trust;
- (e) a reduction in the equal beneficial interest in the Trust Property represented by a Unit or the amount payable on any outstanding Units upon termination of the Trust or the entitlement to distributions from the Trust provided by this Declaration of Trust;
- ~~(f) — any extension of the Target Recapitalization Date of the Trust, including to allow for a Recapitalization Event, following the exercise by the Board of its right to extend the Target Recapitalization Date by up to two years in total;~~
- (f) ~~(g)~~ an increase in the liability of any Unitholders;
- (g) ~~(h)~~ an amendment, modification or variation in the provisions or rights (including without limitation, voting rights) attaching to the Units;
- (h) ~~(i)~~ the sale or transfer of the assets of the Trust and its subsidiaries as an entirety or substantially as an entirety (other than as a part of an internal reorganization of the assets of the Trust or its subsidiaries as approved by the Trustees);
- (i) ~~(j)~~ the combination, amalgamation or arrangement of any of the Trust or its subsidiaries with any other entity that is not the Trust or a Subsidiary of the Trust (other than as part of an internal reorganization approved by the Trustees);
- ~~(k) — any Recapitalization Event or Alternative Liquidity Event; and~~
- (j) ~~(l)~~ the termination of the Trust.

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

8.10 ~~9.10~~ Record Dates

For the purpose of determining the Unitholders who are entitled to receive notice of and vote at any meeting or any adjournment thereof or for the purpose of any other action, the Trustees may from time to time, without notice to the Unitholders, close the transfer books for such period, not exceeding 35 days, as the Trustees may determine; or without closing the transfer books the Trustees may fix a date not more than 60 days prior to the date of any Meeting of the Unitholders or other action as a record date for the determination of Unitholders entitled to receive notice of and to vote at such meeting or any adjournment thereof or to be treated as Unitholders of record for purposes of such other action, and any Unitholder who was a Unitholder at the time so fixed shall be entitled to receive notice of and vote at such meeting or any adjournment thereof, even though he, she or it has since that date disposed of his, her or its Units, and no Unitholder becoming such after that date shall be entitled to receive notice of and vote at such meeting or any adjournment thereof or to be treated as a Unitholder of record for purposes of such other action. If, in the case of any meeting of Unitholders, no record date with respect to voting has been fixed by the Trustees, the record date for voting shall be 5:00 p.m. on the last Business Day before the meeting.

8.11 ~~9.11~~ Proxies

Whenever the vote or consent of Unitholders is required or permitted under this Declaration of Trust, such vote or consent may be given either directly by the Unitholder or by a proxy in such form as the Trustees may prescribe from time to time or, in the case of a Unitholder who is a body corporate or association, by an individual authorized by the board of directors or governing body of the body corporate or association to represent it at a Meeting of the Unitholders. A proxy need not be a Unitholder. The Trustees may solicit such proxies from the Unitholders or any of them in any matter requiring or permitting the Unitholders' vote, approval or consent.

The Trustees may adopt, amend or repeal such regulations relating to the appointment of proxyholders and the solicitation, execution, validity, revocation and deposit of proxies, as they in their discretion from time to time determine.

An instrument of proxy executed in compliance with the foregoing shall be valid unless challenged at the time of or prior to its exercise and the Person challenging the instrument shall have the burden of proving, to the satisfaction of the chairperson of the meeting at which the instrument is proposed to be used, that the instrument of proxy is invalid. Any decision of the chairperson of the meeting in respect of the validity of an instrument of proxy shall be final and binding upon all Persons. An instrument of proxy shall be valid only at the meeting with respect to which it was solicited or any adjournment thereof.

A vote cast in accordance with any proxy shall be valid notwithstanding the death, incapacity, insolvency or bankruptcy of the Unitholder giving the proxy or the revocation of the proxy unless written notice of the death, incapacity, insolvency, bankruptcy or revocation of the proxy has been received by the chairperson of the meeting prior to the time the vote is cast.

8.12 ~~9.12~~ Personal Representatives

If a Unitholder is deceased, his or her personal representative, upon filing with the secretary of the meeting such proof of his, her or its appointment as the secretary considers sufficient, shall be entitled to exercise the same voting rights at any meeting of Unitholders as the Unitholder would have been entitled to exercise if he or she were living and for the purpose of the meeting shall be considered to be a Unitholder. Subject to the provisions of the will of a deceased Unitholder, if there is more than one personal representative, the provisions of Section ~~8.19~~7.22 relating to joint holders shall apply. When any Unit is held jointly by several Persons, any one of them may vote at any meeting in person,

electronically (if applicable) or by proxy in respect of such Unit, but if more than one of them shall be present at such meeting in person, electronically (if applicable) or by proxy, and such joint owners or their proxies so present disagree as to any vote to be cast, such vote purporting to be executed by or on behalf of a Unitholder shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

8.13 ~~9.13~~ Attendance by Others

Any Trustee, officer of the Trust, officer, director or employee of the Trust's subsidiaries, representative of the Auditors or other individual approved by the Trustees may attend and speak at any meeting of Unitholders.

8.14 ~~9.14~~ Conduct of Meetings

To the extent that the rules and procedures for the conduct of a meeting of Unitholders are not prescribed herein, the rules and procedures shall be such reasonable rules and procedures as are determined by the chairperson of the meeting and such rules and procedures shall be binding upon all parties participating in the meeting.

8.15 ~~9.15~~ Binding Effect of Resolutions

Every resolution passed at a meeting in accordance with the provisions of this Article ~~98~~ shall be binding upon all Unitholders, whether present at or absent from the meeting. Subject to Sections ~~9.8~~~~8.8~~ and ~~9.98~~~~9.9~~ no action taken by Unitholders at any meeting of Unitholders shall in any way bind the Trust or the Trustees without approval of the Trustees.

8.16 ~~9.16~~ Actions by Unitholders

Any action, change, approval, decision or determination required or permitted to be taken or made by the Unitholders hereunder shall be effected by a resolution passed by the Unitholders at a duly constituted meeting (or a written resolution in lieu thereof) in accordance with this Article ~~98~~.

8.17 ~~9.17~~ Voting on Special Resolutions

Votes on a Special Resolution shall always be given on a poll and no demand for a poll on a Special Resolution shall be necessary.

8.18 ~~9.18~~ Meaning of "Outstanding"

Whether issued electronically through the NCI system of CDS or in certificated form, every Unit issued, certified and delivered hereunder, as applicable, shall be deemed to be outstanding until it shall be cancelled or redeemed or delivered to the Trustees or Transfer Agent for cancellation or redemption provided that:

- (a) when a new certificate has been issued in substitution for a Unit Certificate which has been lost, stolen, mutilated or destroyed, only one of such Unit Certificates shall be counted for the purposes of determining the number of Units outstanding; and
- (b) for the purpose of any provision of this Declaration of Trust entitling holders of outstanding Units to vote, sign consents, requisitions or other instruments or take any

action under this Declaration of Trust, Units owned directly or indirectly, legally or equitably, by the Trust or any Subsidiary thereof shall be disregarded, except that:

- (i) for the purpose of determining whether the Trustees shall be protected in relying on any such vote, consent, requisition or other instrument or action only the Units which the Trustees know are so owned shall be so disregarded; and
- (ii) Units so owned which have been pledged in good faith other than to the Trust or an affiliate thereof shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustees the pledgee's right to vote such Units in his, her or its discretion free from the control of the Trust or any affiliate thereof, and
- (iii) for the purposes of Section ~~9-188.18~~(b), any Trustee, any officer of the Trust or the Transfer Agent will provide a certificate that will state the number of Units and the certificate numbers of certificates, if certificates are issued, held by the Trust or any affiliate thereof. The Trustees will be entitled to rely on such certificate in order to disregard the votes of any of the parties mentioned above.

8.19 ~~9.19~~ Meetings by Telephone, Electronic or Other Communications Facility

Any meeting of Unitholders may be held entirely by means of a telephonic, electronic or other communication facility. A Person who votes at the meeting or establishes a communications link to the meeting is deemed to be present in person at the meeting. Any such Meeting of the Unitholders shall be deemed to be held at the place where the registered office of the Trust is located. The rules and procedures for any meeting of Unitholders held by means of a telephonic, electronic or other communication facility shall be such reasonable rules and procedures as are determined by the Trustees and such rules and procedures shall be binding upon all parties participating in the meeting.

ARTICLE 9~~ARTICLE 10~~ MEETINGS OF THE TRUSTEES

9.1 ~~10.1~~ Trustees May Act Without Meeting

The Trustees may act with or without a meeting. Any action of the Trustees or any committee of the Trustees may be taken at a meeting by vote, or without a meeting by written consent signed by all of the Trustees or the members of the applicable committee, as the case may be.

9.2 ~~10.2~~ Notice of Meeting

Meetings of the Trustees may be held from time to time upon the giving of notice by any Trustee. Regular meetings of the Trustees may be held without call or notice at a time and place fixed in accordance with the Trustees' Regulations. Notice of the time and place of any other meetings shall be mailed or otherwise verbally, by telephone or by other means of communication, given not less than 48 hours before the meeting but may be waived in writing by any Trustee either before or after such meeting. Notice of a meeting of Trustees need not specify the purpose of or the business to be transacted at the meeting. If a quorum of Trustees is present, the Trustees may, without notice, hold a meeting immediately following an annual meeting of Unitholders. The attendance of a Trustee at a meeting, in person or by other means permitted pursuant to Section ~~10.89.8~~, shall constitute a waiver of notice of such meeting except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

9.3 ~~10.3~~ Place of Meeting

Meetings of the Trustees may be held at any place in Canada and may not be held outside Canada. A Trustee who attends a meeting of Trustees, in person or by other means permitted pursuant to Section ~~10.8~~9.8, is deemed to have consented to the location of the meeting except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened. A majority of Trustees participating in a meeting of Trustees must be present in person in Canada or participating from a location in Canada.

9.4 ~~10.4~~ Chair

The chair of any meeting of the Trustees shall be the Trustee present at the meeting who holds the office of Chair of the Trustees or if such Person is not present, the Lead Trustee, or if such Person is not present the Trustees present shall choose one of their number to be chairperson.

9.5 ~~10.5~~ Quorum

A quorum for all meetings of the Trustees or any committee thereof shall be a majority of the Trustees then holding office or of the Trustees on such committee, provided that a majority of the Trustees comprising the quorum must be (a) Residents, and (b) present at the meeting or participating from a location in Canada. Notwithstanding any vacancy among the number of Trustees, a quorum of Trustees may exercise all of the powers of the Trustees.

9.6 ~~10.6~~ Adjourned Meeting

Any meeting of Trustees may be adjourned from time to time by the chairperson of the meeting with the consent of the meeting to a fixed time and place. Further notice of the adjourned meeting need not be given. The adjourned meeting shall be duly constituted if a quorum is present and if it is held in accordance with the terms of the adjournment. If there is not a quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated upon its adjournment.

9.7 ~~10.7~~ Voting at Meetings

- (a) Questions arising at any meeting of the Trustees or of a committee of Trustees shall, unless otherwise specified herein, be decided by a majority of the votes cast.
- (b) Each of the following matters will also require the approval of a majority of the Independent Trustees:
 - (i) an acquisition of a property or an investment in a property, whether by co-investment or otherwise, in which any ~~of the Retained Interest Holders or any~~ Related Party of the Trust has any direct or indirect interest, whether as owner, operator or manager;
 - (ii) a change to any agreement with ~~the Retained Interest Holders or~~ a Related Party of the Trust or any renewal, extension or termination thereof or any increase in any fees (including any transaction fees) or distributions payable thereunder;
 - (iii) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under, any agreement entered into by the Trust, or the making, directly

or indirectly, of any co-investment, in each case with (A) any Trustee, (B) any entity directly or indirectly Controlled by any Trustee or in which any Trustee holds a significant interest, or (C) any entity for which any Trustee acts as a director or other similar capacity;

- (iv) the refinancing, increase or renewal of any indebtedness owed by or to (A) any Trustee, (B) any entity directly or indirectly Controlled by any Trustee or in which any Trustee holds a significant interest, or (C) any entity for which any Trustee act as a director or other similar capacity; and
 - (v) decisions relating to any claims by or against one or more parties to ~~any agreement any of the Retained Interest Holders or~~ any agreement with any Related Party to the Trust.
- (c) In the case of an equality of votes at any meeting of Trustees or of a committee of Trustees, the chairperson of the meeting shall not have a second or casting vote in addition to his or her original vote, if any.
 - (d) The powers of the Trustees may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all Trustees. Resolutions in writing may be signed in counterparts, each of which shall be deemed to be an original, and all originals together shall be deemed to be one and the same instrument.
 - (e) In connection with any transaction involving the Trust, including any transaction which requires the approval of a majority of the Independent Trustees, the Board shall have the authority to retain external legal counsel, consultants or other advisors to assist it in negotiating and completing such transaction without consulting or obtaining the approval of any officer of the Trust.

9.8 ~~10.8~~ Meeting by Telephone or Electronic Means

Any Trustee may participate in a meeting of the Trustees or any committee thereof by means of a conference telephone or other electronic communications ~~equipment~~facilities by means of which all Persons participating in the meeting can hear and communicate with each other and a Trustee so participating shall be considered for the purposes of this Declaration of Trust to be present in person at that meeting, provided that the conference telephone or other electronic communication facility is originated within Canada.

~~ARTICLE 10~~ARTICLE 11 COMMITTEES OF TRUSTEES

10.1 ~~11.1~~ General

Except as prohibited by law, the Trustees may appoint from among their number a committee of Trustees and may delegate to such committee any of the powers of the Trustees, provided that (i) a majority of the Trustees appointed to any committee shall be Residents, except in the case of the Audit Committee, which requires that all Trustees appointed be Residents, and (ii) a majority of the Trustees appointed to any committee shall be Persons determined by the Trustees to be Independent Trustees, except for temporary periods where a sufficient number of Independent Trustees are not available to form the committee and then only until such time as a new Independent Trustee is appointed. The Trustees shall have the power to appoint, employ or contract with any Person for any matter relating to the Trust or its

assets or affairs. For greater certainty, the Trustees may delegate to any Person (including, without limitation any one or more officers of the Trust) the power to execute any document or enter into any agreement on behalf of the Trust or exercise any discretion or make any amendment in relation thereto. The Trustees may grant or delegate such authority to an advisor or a committee of Trustees as the Trustees may in their sole discretion deem necessary or desirable without regard to whether such authority is normally granted or delegated by trustees. The Trustees shall have the power to determine the term and compensation of an advisor or any other Person whom they may employ or with whom they may contract. The Trustees shall have the power to grant powers of attorney as required in connection with any financing or security relating thereto.

Without in any way limiting the generality of the foregoing, the Trustees shall appoint an audit committee (the “**Audit Committee**”) to consist of at least three Trustees, all of whom shall (a) be financially literate and independent within the meaning of National Instrument 52-110 – *Audit Committees*, except for temporary periods in limited circumstances in accordance with National Instrument 52-110 – *Audit Committees*, (b) shall meet any requirements imposed by applicable law for the purpose of membership on such committee, and (c) be a Resident. The Audit Committee shall have the powers, rights and responsibilities as the Trustees may approve, all as set out in any written charter for such purpose approved by the Trustees.

10.2 ~~11.2~~ **Additional Committees**

The Trustees may create such additional committees as they, in their discretion, determine to be necessary or desirable for the purposes of properly governing the affairs of the Trust; provided that the Trustees may not delegate to any committee any powers or authority in respect of which a board of directors of a corporation governed by the CBCA may not so delegate.

10.3 ~~11.3~~ **Procedure**

Each committee shall have the power to appoint its chairperson who must be a Resident and delineate the duties and responsibilities of such chairperson. The rules for calling (including, for greater certainty, the giving of notice), location, holding, conducting, participating in, voting at and adjourning meetings of the committee shall be the same as those governing meetings of the Trustees, except as the Trustees may otherwise determine. Each member of a committee shall serve during the pleasure of the Trustees and, in any event, only so long as he or she shall be a Trustee. The Trustees may fill vacancies in a committee by appointment of another qualifying Trustee from among their members. Provided that a quorum is maintained, the committee may continue to exercise its powers notwithstanding any vacancy among its members.

~~ARTICLE 11~~ **ARTICLE 12** DISTRIBUTIONS

11.1 ~~12.1~~ **Distributions**

The Trustees shall have full discretion respecting the timing ~~and the~~, amount and composition of any distributions, provided that any distribution shall be made on a Distribution Date on Trust Units held by Trust Unitholders as of the close of business on the record date for such distribution as determined by the Trustees from time to time. The Trustees shall declare any distribution to Trust Unitholders payable on or prior to the Distribution Date, provided that distributions made in respect of the final **Distribution Period** ~~distribution period~~ of the Taxation Year shall be made payable on ~~December 31~~ the last day of such Taxation Year. For greater certainty, a Trust Unitholder shall have the immediate legal right to enforce payment at the time a distribution is made payable, which in the case of the final **Distribution**

Period distribution period of a Taxation Year shall be ~~December 31~~ the last day of such Taxation Year. The Trustees may adopt a distribution policy pursuant to which distributions will be made by the Trust to Trust Unitholders, and the Trustees may amend or revoke such distribution policy from time to time. The Trustees, if they so determine when income has been accrued but not collected may, on a temporary basis, transfer sufficient moneys from the capital to the income account of the Trust to permit distributions under this Section ~~12.1~~11.1 to be effected.

Provided the Trust is not a SIFT Trust, in calculating the Trust's income for tax purposes for any Taxation Year, the Trust intends to deduct such amounts that the Trustees paid or declared payable to Trust Unitholders in the Taxation Year as is necessary to reduce or eliminate the Trust's liability for non-refundable income tax under Part I of the Tax Act in the Taxation Year to the maximum extent possible. In furtherance thereof, and unless the Trustees otherwise determine, the amount required to be distributed to comply with the preceding sentence for a particular ~~taxation year of the Trust~~ Taxation Year shall be due and payable to Trust Unitholders on December 31 of such year, such amount to be payable in cash unless the Trustees determine in their absolute discretion to pay such amount in Trust Units.

~~If and when declared by the Trustees, the amount of the distributions payable in respect of each Unit will differ and be allocated based on, initially, the proportionate interest of the Trust attributable to each class and determined, from time to time, as follows:~~

- ~~(a) — the product of the Proportionate Class A Interest and the balance of the Distributable Cash Flow (the “Distributable Cash Flow Balance”) shall be distributed to the holders of Class A Units, pro rata in accordance with their respective proportionate shares;~~
- ~~(b) — the product of the Proportionate Class C Interest and the Distributable Cash Flow Balance shall be distributed to the holders of Class C Units, pro rata in accordance with their respective proportionate shares; and~~
- ~~(c) — the product of the Proportionate Class F Interest and the Distributable Cash Flow Balance shall be distributed to the holders of Class F Units, pro rata in accordance with their respective proportionate shares.~~

Special Voting Units have no economic entitlement in the Trust and have no entitlement to any distributions from the Trust.

11.2 ~~12.2~~ Allocation

Income of the Trust for a Taxation Year and net taxable capital gains of the Trust ~~for the purposes of the Tax Act~~ will be allocated to the Trust Unitholders in the same proportions as the distributions received by Trust Unitholders.

11.3 ~~12.3~~ Payment of Distributions

Distributions shall be made by cheque payable to or to the order of the Trust Unitholder or by electronic fund transfer or by such other manner of payment approved by the Trustees from time to time. The payment, if made by cheque, shall be conclusively deemed to have been made upon hand-delivery of a cheque to the Trust Unitholder or to his, her or its agent duly authorized in writing or upon the mailing of a cheque by prepaid first-class mail addressed to the Trust Unitholder at his, her or its address as it

appears in the Register unless the cheque is not paid on presentation. The Trustees may issue a replacement cheque if they are satisfied that the original cheque has not been received or has been lost or destroyed upon being furnished with such evidence of loss, indemnity or other document in connection therewith that they may in their discretion consider necessary.

The Trustees shall deduct or withhold from distributions payable to any Trust Unitholder all amounts required by law to be withheld from such distributions and the Trust shall remit such taxes to the appropriate governmental authority within the times prescribed by law. Trust Unitholders who are Non-Residents will be required to pay all Canadian withholding taxes payable in respect of any distributions by the Trust.

If the Trustees determine that the Trust does not have cash in an amount sufficient to make payment of the full amount of any distribution, the payment may include or consist entirely of the issuance of additional Trust Units, or fractions of Trust Units, having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution. Such additional Trust Units will be issued based on the proportionate interest of each class and with respect to such class, *pro rata* in proportion to the number of Trust Units held as of record by such Trust Unitholder on such date. Immediately after a *pro rata* distribution of such Trust Units to all Trust Unitholders in satisfaction of any non-cash distribution, the number of outstanding Trust Units will be consolidated so that each Trust Unitholder will hold, after the consolidation, the same number of Trust Units as the Trust Unitholder held before the non-cash distribution. Each Unit Certificate representing a number of Trust Units prior to the non-cash distribution is deemed to represent the same number of Trust Units after the non-cash distribution and the consolidation. Such additional Trust Units will be issued pursuant to applicable exemptions under applicable Securities Laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing. The value of each Trust Unit that is issued pursuant to this Section ~~12.3~~11.3 will be the average market price of the Trust Units during the 10-trading day period preceding the trading day immediately prior to the applicable record date in respect of the distribution.

Notwithstanding the foregoing, where tax is required to be withheld from a Trust Unitholder's share of the distribution and such amount is not paid by the Trust Unitholder to the Trust, the consolidation will result in such Trust Unitholder holding that number of Trust Units equal to (i) the number of Trust Units held by such Trust Unitholder prior to the distribution plus the number of Trust Units received by such Trust Unitholder in connection with the distribution (net of the number of whole and part Trust Units withheld on account of withholding taxes) multiplied by; (ii) the fraction obtained by dividing the aggregate number of Trust Units outstanding prior to the distribution by the aggregate number of Trust Units that would be outstanding following the distribution and before the consolidation if no withholding were required in respect of any part of the distribution payable to any Trust Unitholder. Such Trust Unitholder will be required to surrender the Unit Certificates, if any, representing such Trust Unitholder's original Trust Units, in exchange for a Unit Certificate representing such Trust Unitholders' post-consolidation Trust Units.

For clarity, notwithstanding anything else contained in this Declaration of Trust, all distributions declared by the Trust shall be at the discretion of the Trustees.

11.4 ~~12.4~~ Income Tax Matters

In computing the net income of the Trust for income tax purposes for any year, the Trust shall claim the maximum amount available to it as deductions under the relevant law, including but not limited to maximum capital cost allowance, unless the Trustees determine otherwise.

11.5 ~~12.5~~ Designations

The Trustees shall make such elections, designations or other filings for tax purposes in respect of amounts paid or payable to Trust Unitholders for such amounts that the Trustees consider to be reasonable, including elections, designations or other filings relating to taxable dividends received by the Trust in the year on shares of taxable Canadian corporations, net taxable capital gains of the Trust in the year and foreign source income of the Trust for the year.

11.6 Partnership Distributions

In exercising their discretion to declare a cash distribution on the Trust Units, the Trustees shall confirm that each Partnership with outstanding Exchangeable Units has or will have sufficient funds to make a corresponding cash distribution on the Exchangeable Units in accordance with their terms.

11.7 ~~12.6~~ Definitions

Unless otherwise specified or the context otherwise requires, any term in this Article ~~12~~11 which is defined in the Tax Act shall have for the purposes of this Article ~~12~~11 the meaning that it has in the Tax Act.

11.8 ~~12.7~~ Allocation on Redemption

In connection with a redemption of Trust Units, the Trustees may designate for the purposes of the Tax Act capital gains realized by the Trust as a result of the redemption of Trust Units (including any income or capital gains realized by the Trust on an in specie redemption of Trust Units) as being paid to the redeeming Trust Unitholders. In addition, on the redemption of Trust Units, the Trust may in its sole discretion, designate payable to redeeming Trust Unitholders, the Trust Unitholder's proportionate share at the time of the redemption of any capital gains realized by the Trust in the Taxation Year in which the redemption occurred. Any such allocations and designations will reduce the ~~redemption price~~ Redemption Price otherwise payable to the redeeming Trust Unitholder of the Trust Units redeemed. Notwithstanding the foregoing, no capital gains shall be designated to redeeming Trust Unitholders to the extent that such designation would result in any deduction of the Trust being denied pursuant to ~~proposed~~ subsection 132(5.3) of the Tax Act or any substantially similar provisions which may be subsequently enacted.

~~ARTICLE 12~~ ~~ARTICLE 13~~
FEES AND EXPENSES

12.1 ~~13.1~~ Expenses

The Trust shall pay all expenses incurred in connection with the administration and management of the Trust and its investments out of the Trust Property, including:

- (a) interest and other costs of borrowed money;
- (b) fees and expenses of lawyers, accountants, auditors, appraisers and other agents or consultants employed by or on behalf of the Trust or the Trustees;
- (c) fees and expenses of the Trustees;

- ~~(d) fees and expenses payable to the Manager pursuant to the Management Agreement;~~
- (d) ~~(e)~~ fees and expenses connected with the due diligence, acquisition, disposition, financing and ownership of Real Property interests or Mortgage loans or other property;
- ~~(f) fees and expenses connected with a Recapitalization Event or Alternative Liquidity Event;~~
- (e) ~~(g)~~ insurance as considered necessary by the Trustees;
- (f) ~~(h)~~ expenses in connection with payments of distributions of ~~Units of the~~ Trust Units;
- (g) ~~(i)~~ expenses in connection with communications to Unitholders and the other bookkeeping and clerical work necessary in maintaining relations with Unitholders;
- (h) ~~(j)~~ expenses of changing or terminating the Trust;
- (i) ~~(k)~~ fees and charges of transfer agents, registrars, indenture trustees and other trustees and custodians;
- (j) ~~(l)~~ all fees, expenses, taxes and other costs incurred in connection with the issuance, distribution, transfer and qualification for distribution to the public of Units and other required governmental filings; and
- (k) ~~(m)~~ all costs and expenses in connection with the incorporation or establishment, organization and maintenance of corporations and other entities formed to hold Real Property or other Trust Property.

12.2 ~~13.2~~ **Payment of Real Property and Brokerage Commissions**

The Trust may pay Real Property and brokerage commissions at commercial rates in respect of the acquisition and disposition of any investment acquired or disposed of by it.

12.3 ~~13.3~~ **Asset Management, Development, Leasing and Financing Fees**

The Trust may pay asset management fees, development fees, leasing fees and financing fees in respect of any Real Property owned by it. For greater certainty and notwithstanding anything contained herein, the Trust may pay any amounts payable pursuant to the Material Agreements.

~~ARTICLE 13~~ **ARTICLE 14**
AMENDMENTS TO THIS DECLARATION OF TRUST

13.1 ~~14.1~~ **Amendments by the Trustees**

Notwithstanding Section ~~9.9~~8.9, the Board may, without the approval of or notice to the Unitholders, but subject to the prior approval of the TSX, make certain amendments to this Declaration of Trust, including amendments that:

- (a) remove any conflicts or other inconsistencies which may exist between any terms of this Declaration of Trust and any provisions of any law or regulation applicable to or affecting the Trust;
- (b) provide, in the opinion of the Board, additional protection for the Unitholders or obtain, preserve or clarify the provision of desirable tax treatment to Unitholders;
- (c) in the opinion of the Board, based on the advice of its counsel or auditors (as the case may be), are necessary or desirable in the interests of the Unitholders as a result of changes in taxation laws or accounting rules or in their interpretation or administration;
- (d) remove conflicts or inconsistencies between the disclosure in the Prospectus Circular and this Declaration of Trust that, in the opinion of the Board, based on the advice of counsel, are necessary or desirable in order to make this Declaration of Trust consistent with the Prospectus Circular;
- (e) make any change or correction in this Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;
- (f) bring this Declaration of Trust into conformity with applicable laws, including the rules and policies of Canadian securities regulators or with current practice within the securities industry, provided that any such amendment does not adversely affect the rights, privileges or interests of Unitholders;
- (g) ~~maintain, or permit the Manager to take such steps as may be desirable or necessary to maintain,~~ the status of the Trust as a “mutual fund trust”, a “unit trust” and a “real estate investment trust” for the purposes of the Tax Act, maintain or avoid any other relevant status under the Tax Act or, respond to amendments to the Tax Act or to the interpretation thereof or, better comply with existing provisions of the Tax Act;
- (h) to create and otherwise provide for one or more additional classes of units solely to provide voting rights to holders of shares, units or other securities that are exchangeable for Trust Units entitling the holder thereof to a number of votes not exceeding the number of Trust Units into which the exchangeable shares, units or other securities are exchangeable or convertible but that do not otherwise entitle the holder thereof to any rights with respect to the Trust’s Property or income other than a return of capital (if applicable); or
- (i) ~~(h)~~ are required to undertake an internal reorganization involving the sale, lease, exchange or other transfer of the assets of the Trust as a result of which, based on the advice of counsel, the Trust has substantially the same interest, whether direct or indirect, in the Trust Property that it had prior to the reorganization and includes an amalgamation, arrangement or merger of the Trust and its affiliates with any entities provided that in the opinion of the Board, based on the advice of counsel, the rights of Unitholders are not prejudiced thereby.

Subject to Section ~~14.6~~13.5, notwithstanding the foregoing, other than Sections ~~14.1~~13.1(d), ~~14.1~~13.1(e) and ~~14.1~~13.1(g), no such amendment shall be effective until approved by a Special Resolution, if such an

amendment to the Declaration of Trust also requires approval by a Special Resolution pursuant to Section ~~9.9~~.

~~14.2~~ Amendment by Trustees

~~Notwithstanding Sections 9.9 and 14.1, prior to the Closing, the Trustees may make any amendment to this Declaration of Trust including this Section 14.2~~8.9.

13.2 ~~14.3~~ Internal Restructuring

Notwithstanding anything to the contrary herein contained, if at any time the Trustees so resolve to implement an internal reorganization of the assets of the Trust and/or any of the Trust's subsidiaries (including, without limitation, forming additional trusts or limited partnerships to be subsidiaries of the Trust), any such resolution or reorganization shall not require the prior approval of Unitholders provided that such reorganization is not prejudicial to the Unitholders.

13.3 ~~14.4~~ No Termination

No amendment to or amendment and restatement of this Declaration of Trust, whether pursuant to this Article ~~14.13~~ or otherwise, shall be construed as a termination of the Trust and the settlement or establishment of a new trust.

13.4 ~~14.5~~ Trustees to Sign Amendment

When a vote of the Unitholders approves an amendment to this Declaration of Trust or when the Trustees may amend this Declaration of Trust alone as provided herein, then the Trustees shall sign such documents as may be necessary to effect such amendment.

13.5 ~~14.6~~ Restriction on Amendments Affecting Certain Rights of Certain Unitholders

~~(a) — Subject to Sections 14.1(d) and 14.1(e), provided that the Manager (or a Subsidiary of Daniel Drimmer) is the manager of the Trust, without the express written consent of Starlight, acting reasonably, no amendment shall be made: (i) that limits or alters the rights of Starlight contained in Section 3.8, or (ii) to this Section 14.6(a).~~Subject to Sections 13.1(d) and 13.1(e), notwithstanding anything to the contrary contained in this Declaration of Trust, any amendment that directly or indirectly adds, removes or changes any of the rights, privileges, restrictions or conditions in respect of the Special Voting Units shall not occur without the approval of (i) holders of more than a majority of the Special Voting Units represented at any such meeting and voted on a poll upon such resolution (or by written resolution in lieu thereof) and (ii) holders of more than a majority of the Units (excluding Special Voting Units) represented at any such meeting and voted on a poll upon such resolution (or by written resolution in lieu thereof).

~~(b) — Subject to Sections 14.1(d) and 14.1(e), provided that the members of KingSett Group collectively are a Qualifying Holder (as defined in the Investor Rights Agreement), without the express written consent of KingSett Group, acting reasonably, no amendment shall be made that: (i) limits or alters the rights of KingSett Group contained in Section 3.9 or (ii) to this Section 14.6(b).~~

~~ARTICLE 14~~ **ARTICLE 15**
~~SUPPLEMENTAL INDENTURES~~

14.1 ~~15.1~~ **Provision for Supplemental Indentures for Certain Purposes**

The Trustees may, without approval of or notice to the Unitholders, and subject to the provisions hereof and to the prior approval from the TSX, and shall, when so directed in accordance with the provisions hereof, execute and deliver indentures or instruments supplemental hereto which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) modifying or amending any provisions of this Declaration of Trust in the circumstances set forth in Section ~~14.1~~ 13.1 where the Trustees may do so without the consent, approval or ratification of the Unitholders or any other Person; and
- (b) modifying or amending any provisions of this Declaration of Trust where the modification or amendment has been approved by Ordinary Resolution, Special Resolution or, if required, with the consent of the holders of all of the Units or pursuant to Section ~~14.6~~ 13.5.

~~ARTICLE 15~~ **ARTICLE 16**
~~TERMINATION OF THE TRUST~~

15.1 ~~16.1~~ **Duration of the Trust**

Unless the Trust is sooner terminated as otherwise provided herein, the Trust shall continue in full force and effect so long as the Trustees hold any Trust Property, and the Trustees shall have all the powers and discretions, expressed and implied, conferred upon them by law or by this Declaration of Trust.

15.2 ~~16.2~~ **Termination**

The Trust shall terminate at the time specified in a decision to terminate the Trust by a Special Resolution passed at a meeting of Unitholders called for that purpose.

15.3 ~~16.3~~ **Effect of Termination**

Upon the termination of the Trust, the liabilities of the Trust shall be discharged with due speed and the net assets of the Trust shall be liquidated and the proceeds distributed in the following order:

- (a) to pay any costs involved in the sale of the assets of the Trust and to pay all amounts required to discharge any Mortgages or encumbrances registered against the assets, to pay all unpaid expenses which are required to be paid under this Declaration of Trust and all expenses incurred in the winding-up of the Trust, to pay all of the liabilities of the Trust and to establish reserves as the Board considers necessary for the contingent liabilities of the Trust; and
- (b) to Trust Unitholders ~~on a proportionate basis based upon the Proportionate Class A Interest, Proportionate Class C Interest and Proportionate Class F Interest, respectively, and within each class~~ *pro rata* based upon the number of Trust Units held.

Such distribution may be made in cash or in kind or partly in each, all as the Board in their sole discretion may determine. The holders of Special Voting Units are not entitled to any distributions with respect to the termination of the Trust.

15.4 ~~16.4~~ Procedure Upon Termination

Forthwith upon being required to commence to wind up the affairs of the Trust, the Trustees shall give notice thereof to the Unitholders, which notice shall designate the time or times at which Unitholders may surrender their Units for cancellation and the date at which the Registers shall be closed.

15.5 ~~16.5~~ Powers of the Trustees Upon Termination

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

15.6 ~~16.6~~ Further Notice to Unitholders

In the event that less than all of the Unitholders have surrendered their Units for cancellation within six months after the time specified in the notice referred to in Section ~~16.4~~15.4, the Trustees shall give further notice to the remaining Unitholders to surrender their Units for cancellation and if, within one year after the further notice, all the Units shall not have been surrendered for cancellation, such remaining Units shall be deemed to be cancelled without prejudice to the rights of the holders of such Units that are Trust Units to receive their *pro rata* share of the remaining Trust Property, and the Trustees may either take appropriate steps, or appoint an agent to take appropriate steps, to contact such Unitholders that are Trust Unitholders (deducting all expenses thereby incurred from the amounts to which such Trust Unitholders are entitled as aforesaid) or, in the discretion of the Trustees, may pay such amounts into court.

15.7 ~~16.7~~ Responsibility of the Trustees after Sale and Conversion

The Trustees shall be under no obligation to invest the proceeds of any sale of investments or other assets or cash forming part of the Trust Property after the date referred to in Section ~~16.4~~15.4 and, after such sale, the sole obligation of the Trustees under this Declaration of Trust shall be to hold such proceeds or assets in trust for distribution under Section ~~16.3~~15.3.

**~~ARTICLE 16~~ ~~ARTICLE 17~~
LIABILITIES OF TRUSTEES AND OTHERS**

16.1 ~~17.1~~ Liability and Indemnification of the Trustees

The Trustees shall at all times, including, for the purposes of this Article ~~17~~16, the time after they have ceased to be a Trustee, be indemnified and saved harmless out of the Trust Property from and against all liabilities, damages, losses, debts and claims whatsoever, including costs, charges and expenses in connection therewith, sustained, incurred, brought, commenced or prosecuted against them for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of their duties as Trustees and also from and against all other liabilities, damages, losses, debts, claims, costs, charges, and expenses (including, without limitation, legal fees and disbursements on a full-indemnity (solicitor and client) basis) which they sustain or incur in or about or

in relation to the affairs of the Trust (whether accrued, actual, contingent or otherwise), including claims, costs, charges or expenses arising out of or in connection with the presence, release, discharge or disposal of any hazardous substance or any adverse environmental conditions at, on, under or near any Real Property or any investigation, remediation or clean up action required to be undertaken in connection with any Real Property. Further, the Trustees shall not be liable to the Trust or to any Unitholder or Annuitant for any loss or damages relating to any matter regarding the Trust, including, without limitation, any loss or diminution in the value of the Trust or its assets. The foregoing provisions of this Section ~~17.1~~16.1 in favour of any Trustee do not apply unless:

- (a) the Trustee acted honestly and in good faith with a view to the best interests of the Trust; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Trustee had reasonable grounds for believing his or her conduct was lawful.

16.2 ~~17.2~~ Indemnification of Trustees and Officers

Each Trustee, each former Trustee, each officer of the Trust and each former officer of the Trust shall be entitled to be and shall be indemnified and reimbursed out of the Trust Property in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon the Trustee or former Trustee or officer or former officer in consequence of its performance of its duties hereunder and in respect of any and all costs, charges and expenses, including amounts paid to settle an action or satisfy a judgment, reasonably incurred in respect of any civil, criminal or administrative action or proceeding to which the Trustee, former Trustee, officer or former officer is made a party by reason of being or having been a Trustee or officer of the Trust or, at the request of the Trust, a trustee, director or officer of any Subsidiary or affiliate thereof, provided that a Trustee, former Trustee, officer or former officer shall not be indemnified out of the Trust Property in respect of unpaid taxes or other governmental charges or in respect of such costs, charges and expenses that arise out of or as a result of or in the course of a breach of the standard of care, diligence and skill set out in Section 4.5. A Trustee, former Trustee, officer or former officer shall not be entitled to satisfy any right of indemnity or reimbursement granted herein, or otherwise existing under law, except out of the Trust Property, and no Unitholder or other Trustee or officer shall be personally liable to any Person with respect to any claim for such indemnity or reimbursement as aforesaid.

16.3 ~~17.3~~ Contractual Obligations of the Trust

The omission of the statement described in Section ~~7.2~~6.2(b) from any document or instrument shall not render the Trustees or the Unitholders liable to any Person, nor shall the Trustees or the Unitholders be liable for such omission. If the Trustees or any Unitholder shall be held liable to any Person by reason of the omission of such statement from any such agreement, undertaking or obligation, such Trustee or Unitholder shall be entitled to indemnity and reimbursement out of the Trust Property to the full extent of such liability.

16.4 ~~17.4~~ Liability of the Trustees

The Trustees shall not be liable to the Trust or to any Unitholder, Annuitant or any other Person for the acts, omissions, receipts, neglects or defaults of any Person, firm or corporation employed or engaged by it as permitted hereunder, or for joining in any receipt or act of conformity or for any loss, damage or expense caused to the Trust through the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Trust shall be paid out or invested, or for any loss or damage arising

from the bankruptcy, insolvency or tortious act of any Person, firm or corporation with whom or which any monies, securities or Trust Property shall be lodged or deposited, or for any loss occasioned by error in judgment or oversight on the part of the Trustees, or for any other loss, damage or misfortune which may happen in the execution by the Trustees of their duties hereunder, except to the extent the Trustees have not acted in accordance with Sections ~~17.1~~16.1(a) and ~~17.1~~16.1(b).

16.5 ~~17.5~~ **Liability of Unitholders and Others**

No Unitholder or Annuitant or any officer, employee or agent of the Trust shall be held to have any personal liability as such, and no resort shall be had to his, her or its private property (including, without limitation, any property consisting of or arising from a distribution of any kind or nature by the Trust) for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees or any obligation which a Unitholder or Annuitant would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such, but rather the assets of the Trust only are intended to be liable and subject to levy or execution for such satisfaction. Any written instrument creating an obligation which is or includes the granting by the Trust of a lease, sublease or Mortgage or which is, in the judgment of the Trustees, a material obligation, shall contain a provision to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property (including, without limitation, any property consisting of or arising from a distribution of any kind or nature by the Trust) of any of the Unitholders or Annuitant or officers, employees and agents of the Trust, but the Trust Property or a specific portion thereof only shall be bound. If the Trust acquires any Real Property investment subject to existing contractual obligations, the Trustees shall use their reasonable efforts to have any such obligations under material agreements (including Mortgages), other than leases, modified so as to achieve the aforesaid disavowal of contractual liability. Further, the Trustees shall cause the operations of the Trust to be conducted in such a way and in such jurisdictions as to avoid, as far as reasonably possible, any material risk of liability on the Unitholders or Annuitant for claims against the Trust, and shall, to the extent which they determine to be possible and reasonable, including in the cost or premiums, to cause the Trust to carry insurance for the benefit of such Persons in such amounts as they consider adequate to cover any foreseeable non-contractual or non-excluded contractual liability. Any potential liability of the Trustees with respect to their foregoing obligations or their failure to perform the same shall be governed by the provisions of Sections 4.9, ~~17.1~~16.1 and ~~17.4~~16.4. Nothing in this Declaration of Trust will preclude the Trustees from exercising any rights granted to them under the Tax Act or any other applicable taxation legislation to withhold from amounts payable to Unitholders or otherwise recover from Unitholders any taxes that the Trustees have paid on behalf of Unitholders.

ARTICLE 17~~ARTICLE 18~~ GENERAL

17.1 ~~18.1~~ **Execution of Instruments**

The Trustees shall have power from time to time to appoint any Trustee or Trustees or officer or officers of the Trust or any Person or Persons on behalf of the Trust, ~~including the Manager,~~ either to sign instruments in writing generally or to sign specific instruments in writing. Provisions respecting the foregoing may be contained in the Trustees' Regulations.

17.2 ~~18.2~~ **Manner of Giving Notice**

- (a) Subject to Section ~~18.10~~17.10, any notice or other document required or permitted by the provisions of this Declaration of Trust to be given to a Unitholder, a Trustee or the Auditors shall be deemed conclusively to have been given if given either by delivery or

by prepaid first-class mail addressed to the Unitholder at the address shown in the Register, to a Trustee at the last address provided by such Trustee to the Chief Executive Officer of the Trust, or to the Auditors of the Trust at the last address provided by the Auditors to the Trustees, as the case may be; provided that if there is a general discontinuance of postal service due to strike, lockout or otherwise, such notice may be delivered or may be given by publication twice in the Report on Business section of the National Edition of The Globe and Mail or similar section of any other newspaper having national circulation in Canada; provided further that if there is no newspaper having national circulation, then by publishing twice in the business section of a newspaper in each city where the register or a branch register is maintained. Any notice so given shall be deemed to have been given on the day of hand delivery or the day following that on which the notice was mailed or, in the case of notice being given by publication, after publishing such notice twice in the designated newspaper or newspapers. In proving notice was mailed, it shall be sufficient to prove that such notice was properly addressed, stamped and mailed.

- (b) Any written notice or written communication given to the Trustees shall be addressed to the Trustees at the head office of the Trust, and shall be deemed to have been given on the date of delivery or date sent by facsimile or other means of prepaid, transmitted or recorded communications or, if mailed, five days from the date of mailing. If any such notice or communication shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such notice or communication shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted any notice or other communication shall be given by personal delivery or by facsimile or other means of prepaid, transmitted or recorded communication.

17.3 ~~18.3~~ **Failure to Give Notice**

The failure by the Trustees, by accident or omission or otherwise unintentionally, to give any Unitholder, any Trustee or the Auditors any notice provided for herein shall not affect the validity, effect, taking effect or time of taking effect of any action referred to in such notice, and the Trustees shall not be liable to any Unitholder for any such failure.

17.4 ~~18.4~~ **Joint Holders**

Service of a notice or document on any one of several joint holders of Units shall be deemed effective service on the other joint holders.

17.5 ~~18.5~~ **Service of Notice**

Any notice or document sent by post to or left at the address of a Unitholder pursuant to this Article ~~18~~¹⁷ shall, notwithstanding the death or bankruptcy of such Unitholder, and whether or not the Trustees have notice of such death or bankruptcy, be deemed to have been fully served and such service shall be deemed sufficient service on all Persons having an interest in the Units concerned.

17.6 ~~18.6~~ **Trust Auditors**

The Auditors shall be appointed at each annual meeting save that, until the first such annual meeting, such Auditors shall be appointed by the Trustees. If at any time a vacancy occurs in the position of

auditors of the Trust, the Trustees may appoint a firm of chartered professional accountants qualified to practice in all provinces of Canada to act as the Auditors at the next annual meeting of Unitholders. The Auditors shall report to the Trustees and the Unitholders on the annual financial statements of the Trust and shall fulfil such other responsibilities as they may properly be called upon by the Trustees to assume. The Auditors shall have access to all records relating to the affairs of the Trust.

17.7 ~~18.7~~ Fiscal Year

The Fiscal Year of the Trust shall end on December 31 in each year.

17.8 ~~18.8~~ Reports to Unitholders

The Trust will furnish to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by this Declaration of Trust and by applicable law.

Prior to a meeting of Unitholders, the Trustees will provide the Unitholders (along with notice of such meeting) information required by applicable tax laws and Securities Laws.

17.9 ~~18.9~~ Trust Property to be Kept Separate

The Trustees shall maintain the Trust Property separate from all other property in their possession.

17.10 ~~18.10~~ Electronic Documents

Any requirement under this Declaration of Trust, Securities Laws or any other applicable law that a notice, statement, document or other information be created or provided is satisfied by the creation or provision of an electronic document to the extent permitted by law.

17.11 ~~18.11~~ Trustees May Hold Units

Any Trustee or associate of a Trustee may be a Unitholder or may be an Annuitant, and may be required to hold Units as the ~~board of Trustees~~ Board may determine from time to time.

17.12 ~~18.12~~ Trust Records

The Trustees shall prepare and maintain, at the Trust's principal office or at any other place in Canada designated by the Trustees, records containing (a) this Declaration of Trust; and (b) minutes of meetings and resolutions of Unitholders. The Trust shall also prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the Trustees and any committee thereof. Such records shall be kept at the principal office of the Trust or at such other place as the Trustees think fit and shall at all reasonable times be open to inspection by the Trustees.

17.13 ~~18.13~~ Right to Inspect Documents

A Unitholder and any agent, consultant or creditor of the Trust shall have the right to examine this Declaration of Trust, the Trustees' Regulations, the minutes of meetings and resolutions of Unitholders and any other documents or records which the Trustees determine should be available for inspection by such Persons during normal business hours at the principal office of the Trust. Unitholders and creditors of the Trust shall have the right to obtain or make or cause to be made a list of all or any of the registered

holders of Units, to the same extent and upon the same conditions as those which apply to shareholders and creditors of a corporation governed by the CBCA.

17.14 ~~18.14~~ Taxation Information

On or before March 31 in each year (or March 30 in a leap year), or such other day as is required by applicable legislation or regulation, the Trust will provide to Trust Unitholders who received distributions from the Trust in the prior calendar year, such information required by Canadian law to be submitted to Trust Unitholders for Canadian income tax purposes to enable Trust Unitholders to complete their tax returns in respect of such distributions. In particular, each Trust Unitholder shall be informed each year of the composition of the amounts payable by the Trust to such Trust Unitholder in terms of net income, taxable dividends, net taxable gains, foreign source income and return of capital, and will be informed of the portion of such net income that has been designated as taxable dividends on shares of taxable Canadian corporations and taxable capital gains and of the amount of any foreign taxes paid by the Trust in respect of which the Trust Unitholder may claim a credit for tax purposes to the extent permitted by the Tax Act, where those items are applicable.

17.15 ~~18.15~~ Consolidations

Any one or more Trustees may prepare consolidated copies of this Declaration of Trust as it may from time to time be amended, supplemented or amended and restated from time to time, and may certify the same to be a true consolidated copy of this Declaration of Trust, as amended, supplemented or amended and restated from time to time.

17.16 ~~18.16~~ Counterparts

This Declaration of Trust may be executed in several counterparts, by facsimile or electronic PDF format each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

17.17 ~~18.17~~ Severability

The provisions of this Declaration of Trust are severable. If any provision of this Declaration of Trust shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Declaration of Trust in any jurisdiction.

17.18 ~~18.18~~ Headings for Reference Only

The headings preceding the articles and sections hereof have been inserted for convenience and reference only and shall not be construed to affect the meaning, construction, interpretation or effect of this Declaration of Trust.

17.19 ~~18.19~~ Governing Law

This Declaration of Trust and the Unit Certificates shall be interpreted and governed by and take effect exclusively in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. Any and all disputes arising under this Declaration of Trust, whether as to interpretation, performance or otherwise, shall be subject to the

exclusive jurisdiction of the courts of the Province of Ontario and each of the Trustees hereby irrevocably attorns, and each Unitholder shall be deemed to hereby irrevocably attorn, to the exclusive jurisdiction of the courts of the Province of Ontario.

18.20 Transition

~~Notwithstanding any other provision hereof, if otherwise applicable, the approval of a majority of the Independent Trustees shall not be required for, and the provisions of Section 4.13 shall not be operative or effective with respect to the entering into of, any Material Agreement, transaction or arrangement or proposed Material Agreement, transaction or arrangement disclosed in the Prospectus.~~

17.20 ~~18.21~~ TSX Approval

Notwithstanding any other provision hereof, any references to or provisions herein requiring approval of the TSX shall only apply if the relevant securities of the Trust are listed on the TSX at such time.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Trustees have hereby caused this Declaration of Trust to be executed as of the day and year first above written.

TODD COOK

~~(signed) "DANIEL
DRIMMER"~~

~~(signed) "ROB
KUMER"~~

~~DANIEL DRIMMER~~

~~ROB KUMER~~

~~(signed) "GRAHAM ROSENBERG"~~
ROB KUMER

~~(signed) "HARRY ROSENBAUM"~~

~~GRAHAM
ROSENBERG~~

~~HARRY
ROSENBAUM~~

~~(signed) "LAWRENCE D. WILDER"~~

KELLY SMITH

~~LAWRENCE D.
WILDER~~

APPENDIX “L” – EQUITY INCENTIVE PLAN

**NORTHVIEW RESIDENTIAL REIT
OMNIBUS EQUITY INCENTIVE PLAN**

As adopted [●], 2023

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Northview Residential REIT
Omnibus Equity Incentive Plan

ARTICLE 1
PURPOSE

1.1 Purpose

The purposes of this Plan are (i) to advance the interests of the REIT by enhancing the ability of the REIT and its Subsidiaries to attract, motivate and retain Employees, Trustees, and Consultants, (ii) to reward such Persons for their sustained contributions and (iii) to encourage such Persons to take into account the long-term financial performance of the REIT.

ARTICLE 2
INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

"**Affiliate**" means, in respect of a Person: (a) another Person that is a Subsidiary of such Person; (b) another Person of which such Person is a Subsidiary and (c) another Person under common Control with such Person;

"**Annual Retainer Fees**" means the annual Board, Board committee, Board chair, Board committee chair and lead independent Trustee retainer fees, as applicable, paid by the REIT to a Trustee in a calendar year for service on the Board, but, for greater certainty, shall exclude any meeting fees payable in respect of attendance at individual meetings and amounts paid as a reimbursement for expenses incurred in attending meetings;

"**Award**" means any Option, Restricted Unit, Performance Unit or Deferred Unit granted under this Plan, which may be denominated or settled in Units, cash or in such other forms as provided for herein;

"**Award Agreement**" means a signed, written agreement between a Participant and the REIT, in the form or any one of the forms approved by the Plan Administrator, and evidencing the terms and conditions on which an Award has been granted under this Plan (including written or other applicable employment agreements) and which need not be identical to any other such agreements;

"**Board**" means the board of trustees of the REIT as it may be constituted from time to time;

"**Business Day**" means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Toronto, Ontario and Calgary, Alberta, are open for commercial business during normal banking hours;

"**Cashless Exercise**" has the meaning set forth in Section 4.5(b);

"**Cause**" means, for the purpose of a Participant's rights and entitlements under this Plan and not for any other purpose or entitlement, the occurrence of any one or more of the following events unless, to the extent capable of correction, the Participant fully corrects the circumstances constituting Cause within fifteen (15) days after receipt of the written notice of termination:

- (a) the Participant's willful and gross misconduct in the performance of their duties (other than by reason of his incapacity or disability), it being expressly understood that the REIT's dissatisfaction with Participant's performance shall not constitute Cause;

- (b) the Participant's commission of an act of fraud or material dishonesty resulting in reputational, economic or financial injury to the REIT or any Subsidiary of the REIT;
- (c) the Participant's commission of, including any entry by the Participant of a guilty or no contest plea to, a felony or other crime involving moral turpitude;
- (d) a material breach by the Participant of their fiduciary duty to the REIT or any Subsidiary of the REIT which results in reputational, economic or other injury to the REIT or any Subsidiary of the REIT; or
- (e) the Participant's material breach of the Participant's obligations under their employment agreement, if applicable;

"Change in Control" means the occurrence of any one or more of the following events:

- (a) any transaction at any time and by whatever means, whether or not the REIT is a party thereto, pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the REIT or a wholly-owned Subsidiary of the REIT) hereafter acquires the direct or indirect "beneficial ownership" (as defined in the *Securities Act* (Ontario)) of, or acquires the right to exercise Control or direction over, securities of the REIT representing more than fifty percent (50%) of the combined voting power of the then outstanding securities of the REIT eligible to vote on the election the Trustees, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the REIT with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;
- (b) the sale, assignment or other transfer (in one transaction or a series of related transactions) of all or substantially all of the consolidated assets of the REIT;
- (c) the dissolution or liquidation of the REIT, other than in connection with the distribution of assets of the REIT to one or more Persons which were wholly-owned Subsidiaries of the REIT prior to such event;
- (d) the occurrence of a transaction requiring approval of the REIT's unitholders whereby the REIT is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a wholly-owned Subsidiary of the REIT);
- (e) any other event which the Board unanimously determines to constitute a change in control of the REIT; or
- (f) individuals who comprise the Board as of the last annual meeting of unitholders of the REIT (the **"Incumbent Board"**) for any reason cease to constitute at least a majority of the members of the Board, unless the election, or nomination for election by the REIT's unitholders, of any new trustee was approved by a vote of at least a majority of the Incumbent Board, and in that case such new trustee shall be considered as a member of the Incumbent Board;

provided that, notwithstanding clauses (a), (b), (c) and (d) above, a Change in Control shall be deemed not to have occurred pursuant to clauses (a), (b), (c) and (d) above if immediately following the transaction set forth in clause (a), (b), (c) and (d) above: (A) the holders of securities of the REIT that immediately prior to the consummation of such transaction or event represented more than fifty percent (50%) of the combined voting power of the then outstanding securities eligible to vote for the election of the Trustees hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the REIT in a transaction contemplated in clause (b) above) (the **"Surviving Entity"**) that represent more than fifty percent (50%) of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Surviving Entity, or (y) if applicable, securities

of the entity that directly or indirectly has beneficial ownership of one hundred percent (100%) of the securities eligible to elect directors or trustees of the Surviving Entity (the "**Parent Entity**") that represent more than fifty percent (50%) of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons, acting jointly or in concert, is the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a "**Non-Qualifying Transaction**" and, following the Non-Qualifying Transaction, references in this definition of "Change in Control" to the "REIT" shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the "Board" shall mean and refer to the board of directors or trustees, as applicable, of such entity);

"**Committee**" has the meaning set forth in Section 3.2(b);

"**Consultant**" means a Person that:

- (a) is engaged to provide services on a *bona fide* basis, for an initial, renewable or extended period of twelve (12) months or more, consulting, technical, management or other services to the REIT or a Subsidiary of the REIT, other than services provided in relation to a distribution of securities of the REIT or a Subsidiary of the REIT;
- (b) provides the services under a written contract with the REIT or a Subsidiary of the REIT; and
- (c) in the reasonable opinion of the REIT, spends or will spend a significant amount of time and attention on the affairs and business of the REIT or a Subsidiary of the REIT;

and includes

- (d) for an individual Consultant, a corporation of which the individual Consultant is an employee or shareholder, and a partnership of which the individual Consultant is an employee or partner; and
- (e) for a Consultant that is not an individual, an employee, executive officer, trustee or director of the Consultant, provided that the individual employee, executive officer, trustee or director spends or will spend a significant amount of time and attention on the affairs and business of the REIT or a Subsidiary of the REIT.

"**Control**" means:

- (a) when applied to the relationship between a Person and another Person, the beneficial ownership by that first Person, directly or indirectly, of voting securities or other interests in such second Person entitling the holder to exercise control and direction in fact over the activities of such second Person, including by way of electing a majority of the members of the board of the second Person; and
- (b) notwithstanding the foregoing, when applied to the relationship between a Person and a partnership, limited partnership or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership or joint venture; and

the words "**Controlled by**", "**Controlling**" and similar words have corresponding meanings; provided that a Person who Controls a second Person will be deemed to Control a third Person which is Controlled by such second Person and so on;

"**Convertible Units**" means the trust units of the REIT designated as "Class C Units" and the trust units of the REIT designated as "Class F Units";

"Date of Grant" means, for any Award, the date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;

"Deferred Unit" means a contractual right representing a notional unit equivalent in value to a Unit, credited by means of a bookkeeping entry in the books of the REIT in accordance with Article 7 and for clarity includes an entry in respect of both Trustee Contributed Deferred Units and REIT Contributed Deferred Units;

"Effective Date" means the effective date of this Plan, being [●], 2023;

"Effective Outstanding Units" means at any particular time, the number of Units that would be outstanding at that time if the then outstanding Convertible Units and Exchangeable Units were converted or exchanged for Units, as applicable, in accordance with their terms, immediately prior to such time;

"Elected Amount" means the amount of the Annual Retainer Fees, as elected by the Non-Employee Trustee, between fifty percent (50%) and one hundred percent (100%) of any Annual Retainer Fees that would otherwise be paid in cash, which for greater certainty excludes any portion of the Annual Retainer Fees that is to be payable to Non-Employee Trustees in the form of Deferred Units pursuant to Section 7.1(a);

"Election Notice" has the meaning set forth in Section 7.1(b);

"Employee" means an individual who:

- (a) is considered an employee of the REIT or a Subsidiary of the REIT for purposes of source deductions under applicable tax or social welfare legislation; or
- (b) works full-time or part-time on a regular weekly basis for the REIT or a Subsidiary of the REIT providing services normally provided by an employee and who is subject to the same control and direction by the REIT or a Subsidiary of the REIT over the details and methods of work as an employee of the REIT or such Subsidiary;

"Exchange" means the TSX and any other exchange on which a class of Units are listed and posted for trading from time to time;

"Exchangeable Units" means securities of any Subsidiary of the REIT which are exchangeable or redeemable, whether subject to conditions or not, for Units, and includes class B limited partnership units of Northview Canadian HY Holdings LP, the class B limited partnership units of Northview EON Sub LP, and the class B redeemable units of Northview Canadian HY Properties LP;

"Exercise Notice" means a notice in writing, signed by a Participant and stating the Participant's intention to exercise a particular Option;

"Exercise Price" means the price at which an Option Unit may be purchased pursuant to the exercise of an Option;

"Expiry Date" means the expiry date specified in the Award Agreement (which, subject to Section 8.2, shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;

"Good Reason" mean the occurrence of any one or more of the following events without the Participant's prior written consent, unless the REIT fully corrects the circumstances constituting Good Reason (provided such circumstances are capable of correction) as provided below:

- (a) there is a material diminution in the Participant's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities, excluding for this purpose any isolated,

insubstantial or inadvertent actions not taken in bad faith and which are remedied by the REIT promptly after receipt of notice thereof given by the Participant;

- (b) the REIT's reduction of the Participant's base salary, as the same may be increased from time to time, or the percentage on which any short-term incentive payment is based, as such terms are defined in the Participant's employment agreement;
- (c) the REIT's reduction or elimination of benefits granted to the Participant in their employment agreement or granted to the Participant during their employment;
- (d) a material change in the geographic location of the principal location of the head office of the REIT, which shall, in any event, include only a relocation of such principal location by more than twenty-five (25) miles from its existing location;
- (e) the REIT's material breach of the employment agreement between the REIT and a Participant; or
- (f) any other act or omission that constitutes constructive dismissal at common law (if applicable);

"**Insider**" has the meaning given to such term in the TSX Company Manual, as such manual may be amended, supplemented or replaced from time to time;

"**In-the-Money Amount**" has the meaning set forth in Section 4.5(b);

"**Market Price**" at any date in respect of the Units shall be the volume weighted average price of the Units on the TSX, for the five (5) trading days immediately preceding such date (or, if such Units are not then listed and posted for trading on the TSX, on such Exchange as may be selected for such purpose by the Board); provided that, in the event that the Units are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of the Units as determined by the Board in its sole discretion;

"**Non-Employee Trustee**" means a Trustee who is not an Employee;

"**Option**" means a right to purchase Units in accordance with Article 4 of this Plan;

"**Option Units**" means Units issuable by the REIT upon the exercise of outstanding Options;

"**Participant**" means Trustees, Employees and Consultants;

"**Performance Goals**" means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the REIT, a Subsidiary of the REIT, a division of the REIT or a Subsidiary of the REIT, or an individual, or may be applied to the performance of the REIT or a Subsidiary of the REIT relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;

"**Performance Unit**" means a contractual right representing a notional unit equivalent in value to a Unit, credited by means of a bookkeeping entry in the books of the REIT in accordance with Article 6 of this Plan;

"**Person**" means an individual, corporation, company, cooperative, sole proprietorship, partnership, limited partnership, limited liability partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, trust, trustee, executor, administrator, legal personal representative, estate, unincorporated association, organization or syndicate, entity with juridical personality or governmental authority or body, or other entity, whether or not having legal status, however designated or constituted, and pronouns which refer to a Person shall have a similarly extended meaning;

"**Plan**" means this Omnibus Equity Incentive Plan, as may be amended from time to time;

"Plan Administrator" means the Board or, to the extent that the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

"REIT" means Northview Residential REIT;

"REIT Contributed Deferred Units" has the meaning set forth in Section 7.3(a);

"Restricted Unit" means a contractual right representing a notional unit equivalent in value to a Unit, credited by means of a bookkeeping entry in the books of the REIT in accordance with Article 5;

"Securities Laws" means securities legislation, securities regulation and securities rules, as amended, and the written policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the REIT or to which it is subject and the applicable rules of the Exchange;

"Security Based Compensation Arrangement" means an option, option plan, security based appreciation right, employee unit purchase plan, restricted, performance of deferred unit plan, long-term incentive plan or any other compensation or incentive mechanism, in each case, involving the issuance or potential issuance of trust units of the REIT of any class to one or more directors, Trustees or officers of the REIT or any Subsidiary, current or past full-time or part-time Employees, Insiders or Consultants, including a purchase of a trust unit of the REIT of any class from treasury by one or more Trustees, current or past full-time or part-time Employees, Insiders or Consultants of the REIT or any Subsidiary which is financially assisted by the REIT or any Subsidiary by way of a loan, guarantee or otherwise;

"Subsidiary" means, in respect of a Person, another Person that is Controlled directly or indirectly by such Person and includes a Subsidiary of that Subsidiary;

"Tax Act" has the meaning set forth in Section 4.5(d);

"Termination Date" means the date that a Participant ceases to provide services to, or otherwise ceases its relationship with, the REIT or any Subsidiary of the REIT on a permanent basis, for any reason, whether lawful or otherwise (including, without limitation by reason of termination for Cause, termination without Cause, resignation with Good Reason, resignation without Good Reason, death or disability), without regard to any applicable period of notice, payment in lieu of notice, severance pay, benefits continuation, or similar compensation and/or benefits to which the Participant may then be entitled, subject only to the express minimum requirements of applicable employment or labour standards legislation (if applicable);

"Trustee" means a trustee of the REIT;

"Trustee Contributed Deferred Units" has the meaning set forth in Section 7.3(a);

"TSX" means the Toronto Stock Exchange; and

"Unit" means one class A trust unit in the capital of the REIT.

2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term "discretion" means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender or gender identity.

- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

ARTICLE 3 ADMINISTRATION

3.1 Administration

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the eligibility for Awards to be granted and the individuals to whom grants of Awards under the Plan may be made;
- (b) make grants of Awards under the Plan, whether relating to the issuance of Units or otherwise (including any combination of Options, Restricted Units, Performance Units or Deferred Units), in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which:
 - (A) Awards may be granted to Participants; or
 - (B) Awards may be forfeited to the REIT,including any conditions relating to the attainment of specified Performance Goals;
 - (iii) the number of Units to be covered by any Award;
 - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Units covered by any Awards;
 - (v) whether restrictions or limitations are to be imposed on the Units issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements;
- (d) cancel, amend, adjust or otherwise change the type of or the terms and conditions of any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;

- (e) construe and interpret this Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

3.2 Delegation to Committee

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to any committee of the Board (the “Committee”) all or any of the powers conferred on the Plan Administrator pursuant to this Plan. In such event, the Committee will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party.

3.3 Determinations Binding

Except as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the REIT or a Subsidiary of the REIT and the Participant, any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the REIT and all Subsidiaries of the REIT, the affected Participant(s), their respective legal and personal representatives and all other Persons.

3.4 Eligibility

All Participants are eligible to participate in the Plan, subject to Section 9.1(b). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Participant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Participant is entitled to receive a grant of an Award pursuant to the Plan will be determined in the discretion of the Plan Administrator.

3.5 Plan Administrator Requirements

Any Award granted under this Plan shall be subject to the requirement that, if at any time the REIT shall determine that the listing, registration or qualification of the Units issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the REIT is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Units thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Nothing herein shall be deemed to require the REIT to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the REIT in complying with such legislation, rules, regulations and policies.

3.6 Total Units Subject to Awards

- (a) The maximum number of Units issuable under the Plan and any other Security Based Compensation Plan shall not exceed ten percent (10%) of the Effective Outstanding Units from time to time and, at all times, the REIT will reserve and keep available a sufficient number of Units to satisfy the requirements of all outstanding Awards granted under this Plan.

- (b) For greater certainty, the Plan is an evergreen plan in that Units covered by Awards exercised, settled, surrendered, terminated, expired or cancelled, in whole or in part, shall be available for issuance pursuant to the exercise or settlement of Awards subsequently granted under this Plan and the number of Units available for grants of Awards increases as the number of issued and outstanding Units increases.

3.7 Limits on Grants of Awards

Notwithstanding anything in this Plan:

- (a) the aggregate number of Units:
 - (i) issuable to Insiders at any time pursuant to Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the Effective Outstanding Units; and
 - (ii) issued to Insiders within any one (1) year period, under all Security Based Compensation Arrangements shall not exceed ten percent (10%) of the Effective Outstanding Units, provided that the acquisition of Units by the REIT for cancellation shall not constitute non-compliance with this Section 3.7 for any Awards outstanding prior to such purchase of Units for cancellation; and
- (b) the aggregate number of Units reserved for issuance pursuant to grants of Restricted Units, Performance Units and Deferred Units ("**Full-Value Awards**") under the Plan, and grants of Full-Value Awards and other non-option awards under all other Security Based Compensation Arrangements, shall not exceed five percent (5.0%) of the Effective Outstanding Units;
- (c) the aggregate fair value on the Date of Grant of all Deferred Units granted to any one Non-Employee Trustee pursuant to Section 7.1(h) (or in respect thereof under Section 8.1) and grants under all other Security Based Compensation Arrangements made other than in lieu of cash fees shall not exceed \$150,000 per calendar year; and
- (d) the aggregate number of Units reserved for issuance to all Non-Employee Trustees pursuant to Section 7.1(h) (or in respect thereof under Section 8.1) and grants under all other Security Based Compensation Arrangements made other than in lieu of cash fees shall not exceed one percent (1.0%) of the Effective Outstanding Units.

3.8 Award Agreements

An Award under this Plan may be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the REIT is authorized and empowered to execute and deliver, for and on behalf of the REIT, any Award Agreement to a Participant granted an Award pursuant to this Plan.

3.9 Non-transferability of Awards

Except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards or under this Plan whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

ARTICLE 4 OPTIONS

4.1 Granting of Options

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant, other than Non-Employee Trustees. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.

4.2 Exercise Price

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the Market Price on the Date of Grant.

4.3 Term of Options

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date.

4.4 Vesting and Exercisability

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options. The vesting schedule any Options granted pursuant to this Plan shall be stated in the Award Agreement for such Options.
- (b) Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the REIT or a Subsidiary of the REIT and the Participant. Each vested Option may be exercised at any time or from time to time for up to the total number of Option Units with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any instalment of any Option becomes exercisable.
- (c) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the REIT.
- (d) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

4.5 Payment of Exercise Price

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by certified cheque, bank draft or money order payable to the REIT in an amount equal to the aggregate Exercise Price of the Units to be purchased, or by such other means as might be specified from time to time by the Plan Administrator, which may include (i) through an arrangement with a broker approved by the REIT (or through an arrangement directly with the REIT) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Units deliverable upon the exercise of the Option, (ii) through the Cashless Exercise process set out in Section 4.5(b), or (iii) such other consideration and method of payment for the issuance of Units to the extent permitted by the Securities Laws, or any combination of the foregoing methods of payment.
- (b) A Participant may, in lieu of exercising an Option pursuant to an Exercise Notice, elect to surrender such Option to the REIT (a "**Cashless Exercise**") in consideration for an amount from the REIT

equal to (i) the Market Price of the Units issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Units, (the "**In-the-Money Amount**") by written notice to the REIT indicating the number of Options such Participant wishes to exercise using the Cashless Exercise, and such other information that the REIT may require. Subject to Section 8.3, the REIT shall satisfy payment of the In-the-Money Amount by delivering to the Participant such number of Units (rounded down to the nearest whole number) having a fair market value equal to the In-the-Money Amount.

- (c) No Units will be issued or transferred until full payment therefor has been received by the REIT.
- (d) If a Participant exercises Options through the Cashless Exercise process set out in Section 4.5(b), to the extent that such Participant would be entitled to a deduction under paragraph 110(1)(d) of the *Income Tax Act* (Canada) (the "**Tax Act**") in respect of such exercise if the election described in subsection 110(1.1) of the Tax Act were made and filed (and the other procedures described therein were undertaken) on a timely basis after such exercise, the REIT will cause such election to be so made and filed (and such other procedures to be so undertaken).

ARTICLE 5 RESTRICTED UNITS

5.1 Granting of Restricted Units

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan, the terms of a Participant's employment agreement with the REIT or a Subsidiary of the REIT, as the case may be, and such other terms and conditions as the Plan Administrator may prescribe, grant Restricted Units to any Participant, other than Non-Employee Trustees.
- (b) The number of Restricted Units (including fractional Restricted Units) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any compensation that is to be paid in Restricted Units, as determined by the Plan Administrator, by (ii) the Market Price of a Unit on the Date of Grant.

5.2 Restricted Unit Account

All Restricted Units received by a Participant shall be credited to an account maintained for the Participant on the books of the REIT, as of the Date of Grant.

5.3 Vesting of Restricted Units

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of Restricted Units, provided that unless otherwise determined by the Plan Administrator or as set out in any Award Agreement, no Restricted Unit shall vest later than three (3) years after the Date of Grant.

5.4 Settlement of Restricted Units

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of Restricted Units. Except as otherwise provided in an Award Agreement, on the settlement date for any Restricted Units, the Participant shall redeem each vested Restricted Unit for:
 - (i) one fully paid Unit issued from treasury to the Participant or as the Participant may direct,
or

- (ii) if so elected by the Participant, a cash payment, subject to the approval of the Plan Administrator, or
 - (iii) a combination of Units and cash as contemplated by paragraphs (i) and (ii) above,
- in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 5.4 by the REIT to a Participant in respect of Restricted Units to be redeemed for cash shall be calculated by multiplying the number of Restricted Units to be redeemed for cash by the Market Price per Unit as at the settlement date.
 - (c) Payment of cash to Participants on the redemption of vested Restricted Units may be made through the REIT's payroll in the pay period that the settlement date falls within.
 - (d) Except as otherwise provided in an Award Agreement, no settlement date for any Restricted Unit shall occur, and no Unit shall be issued or cash payment shall be made in respect of any Restricted Unit, under this Section 5.4 any later than the final Business Day of the third (3rd) calendar year following the year in which the Restricted Unit is granted.

ARTICLE 6 PERFORMANCE UNITS

6.1 Granting of Performance Units

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan, the terms of a Participant's employment agreement with the REIT or a Subsidiary of the REIT, as the case may be, and such other terms and conditions as the Plan Administrator may prescribe, grant Performance Units to any Participant, other than Non-Employee Trustees.
- (b) Each Performance Unit will consist of a right to receive a Unit, cash payment, or a combination thereof (as provided in Section 6.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.
- (c) The number of Performance Units (including fractional Performance Units) granted at any particular time pursuant to this Article 6 will be calculated by dividing (i) the amount of any compensation that is to be paid in Performance Units, as determined by the Plan Administrator, by (ii) the Market Price of a Unit on the Date of Grant.

6.2 Terms of Performance Units

The Performance Goals to be achieved during any performance period, the length of any performance period, the number of Performance Units granted, the treatment of Performance Units upon termination of a Participant's employment, engagement or relationship with the REIT or a Subsidiary of the REIT, and the amount of any payment or transfer to be made pursuant to any Performance Unit will be determined by the Plan Administrator and by the other terms and conditions of any Performance Unit, all as set forth in the applicable Award Agreement.

6.3 Performance Goals

The Plan Administrator will issue Performance Goals prior to the Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied relative to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the Performance Goals as necessary to align them with the REIT's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or

specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which maximum vesting will occur), all as set forth in the applicable Award Agreement.

6.4 Performance Unit Account

All Performance Units received by a Participant shall be credited to an account maintained for the Participant on the books of the REIT, as of the Date of Grant.

6.5 Vesting of Performance Units

The Plan Administrator shall have the authority to determine any vesting terms, including the timing of vesting, applicable to the grant of Performance Units. Vesting of Performance Units shall be subject to and dependent on the achievement of the Performance Goals as determined by the Plan Administrator and as set forth in the applicable Award Agreement.

6.6 Settlement of Performance Units

- (a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of Performance Units. Except as otherwise provided in an Award Agreement, on the settlement date for any Performance Unit, the Participant shall redeem each vested Performance Unit for:
 - (i) one fully paid Unit issued from treasury to the Participant or as the Participant may direct, or
 - (ii) if so elected by the Participant, a cash payment, subject to the approval of the Plan Administrator, or
 - (iii) a combination of Units and cash as contemplated by paragraphs (i) and (ii) above,in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 6.6 by the REIT to a Participant in respect of Performance Units to be redeemed for cash shall be calculated by multiplying the number of Performance Units to be redeemed for cash by the Market Price per Unit as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested Performance Units may be made through the REIT's payroll in the pay period that the settlement date falls within.
- (d) Except as otherwise provided in an Award Agreement, no settlement date for any Performance Unit shall occur, and no Unit shall be issued or cash payment shall be made in respect of any Performance Unit, under this Section 6.6 any later than the final Business Day of the third (3rd) calendar year following the year in which the Performance Unit is granted.

ARTICLE 7 DEFERRED UNITS

7.1 Granting of Deferred Units

- (a) The Board may fix from time to time a portion of the Annual Retainer Fees that is to be payable to Non-Employee Trustees in the form of Deferred Units, provided that any such determination must be made in compliance with applicable Securities Laws by December 31st in the year prior to the year to which such Annual Retainer Fees relate. In addition, each Non-Employee Trustee is given, subject to the conditions stated herein, the right to elect in accordance with Section 7.1(b) to receive Annual Retainer Fees in the form of Deferred Units pursuant to this Article 7 in lieu of cash.

- (b) Subject to Section 7.1(e), each Non-Employee Trustee who elects to receive their Elected Amount in the form of Deferred Units in lieu of cash will be required to file a notice of election in the form of Schedule A hereto (the "**Election Notice**") with the Chief Financial Officer of the REIT: (i) in the case of an existing Non-Employee Trustee, by December 31st in the year prior to the year to which such election is to apply (other than for Annual Retainer Fees payable for the 2023 financial year, in which case any Non-Employee Trustee shall file the Election Notice by the date that is thirty (30) days from the Effective Date with respect to compensation paid for services to be performed after such date); and (ii) in the case of a newly appointed Non-Employee Trustee, within thirty (30) days of such appointment with respect to compensation paid for services to be performed after such date. If no election is made within the foregoing time frames, the Non-Employee Trustee shall be deemed to have an Elected Amount of fifty percent (50%) of their Annual Retainer Fees.
- (c) Subject to Sections 7.1(d) and 7.1(e), the election of a Non-Employee Trustee under Section 7.1(b) shall be deemed to apply to all Annual Retainer Fees paid subsequent to the filing of the Election Notice, and such Non-Employee Trustee is not required to file another Election Notice for subsequent calendar years
- (d) Subject to Section 7.1(e), each Non-Employee Trustee is entitled once per calendar year to terminate their election to receive Deferred Units in lieu of cash by filing with the Chief Financial Officer of the REIT a notice in the form of Schedule B hereto, in which case such Non-Employee Trustee's Elected Amount shall be thereafter deemed to be fifty percent (50%) of their Annual Retainer Fees. Such termination shall be effective immediately upon receipt of such notice. Thereafter, any portion of such Electing Person's Annual Retainer Fees payable or paid in the same calendar year and, subject to complying with Section 7.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent a Non-Employee Trustee terminates their participation in the grant of Deferred Units pursuant to this Article 7, they shall not be entitled to elect to receive the Elected Amount, or any other amount of their Annual Retainer Fees in Deferred Units in lieu of cash again until the calendar year following the year in which the termination notice is delivered.
- (e) Notwithstanding any of the foregoing provisions of this Article 7, the REIT shall not effect any election to receive their Elected Amount in the form of Deferred Units in lieu of cash or any termination of such election (and shall notify any applicable Non-Employee Trustee of such determination) where the Board does not believe such action is appropriate having regard for any material information to which the Board may be privy that has not been publicly disclosed.
- (f) Any Deferred Unit granted pursuant to this Article 7 prior to the delivery of a termination notice pursuant to Section 7.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (g) The number of Deferred Units (including fractional Deferred Units) granted at any particular time pursuant to this Article 7 will be calculated by dividing (i) the Elected Amount, by (ii) the Market Price of a Unit on the Date of Grant.
- (h) In addition to the foregoing, subject to Sections 3.7(b) and 3.7(d), the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Deferred Units to any Participant.

7.2 Deferred Unit Account

All Deferred Units received by a Participant shall be credited to an account maintained for the Participant on the books of the REIT, as of the Date of Grant.

7.3 Vesting of Deferred Units

- (a) Except as otherwise determined by the Plan Administrator, Deferred Units granted further to the Elected Amount ("**Trustee Contributed Deferred Units**") and Deferred Units otherwise granted pursuant to Section 7.1(h) (collectively, "**REIT Contributed Deferred Units**") shall vest immediately upon grant.
- (b) Notwithstanding the foregoing or anything else herein contained the Board shall have the discretion to provide for the vesting of Deferred Units granted hereunder in a manner different from the foregoing.

7.4 Settlement of Deferred Units

- (a) Deferred Units shall be settled on the date established in the Award Agreement (if applicable). If there is no Award Agreement or the Award Agreement does not establish a date for the settlement of the Deferred Units, then the settlement date shall be the Termination Date. Notwithstanding the foregoing, Deferred Units shall only be settled after the Participant's Termination Date and settlement shall occur before December 31st of the year following the Participant's Termination Date. On the settlement date for any Deferred Unit, the Participant shall redeem each vested Deferred Unit for:
 - (i) one fully paid Unit issued from treasury to the Participant or as the Participant may direct; or
 - (ii) if so elected by the Participant, a cash payment, subject to the approval of the Plan Administrator, or
 - (iii) a combination of Units and cash as contemplated by paragraphs (i) and (ii) above,in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 7.4 by the REIT to a Participant in respect of Deferred Units to be redeemed for cash shall be calculated by multiplying the number of Deferred Units to be redeemed for cash by the Market Price per Unit as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested Deferred Units may be made through the REIT's payroll in the pay period that the settlement date falls within.

ARTICLE 8 ADDITIONAL AWARD TERMS

8.1 Distribution Equivalents

- (a) Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, Restricted Units, Performance Units and Deferred Units shall be credited with distribution equivalents in the form of additional Restricted Units, Performance Units and Deferred Units, respectively, as of each distribution payment date in respect of which normal cash distributions are paid on Units. Such distribution equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the distribution declared and paid per Unit by the number of Restricted Units, Performance Units and Deferred Units (in each case, vested and unvested), as applicable, held by the Participant on the record date for the payment of such distribution, by (b) the Market Price at the close of the first (1st) Business Day immediately following the distribution payment date, with fractions computed to three decimal places. Distribution equivalents credited to a Participant's accounts shall vest on the same schedule as the Restricted

Units, Performance Units and Deferred Units to which they relate, and shall be settled in accordance with Sections 5.4, 6.6 and 7.4, respectively.

- (b) The foregoing does not obligate the REIT to declare or pay distributions on Units and nothing in this Plan shall be interpreted as creating such an obligation.

8.2 Blackout Period

If an Award expires during, or within ten (10) Business Days after, a routine or special trading black-out period imposed by the REIT to restrict trades in the REIT's securities by the holder of such Award, then, notwithstanding any other provision of this Plan, unless the delayed expiration would result in tax penalties, the Award shall expire ten (10) Business Days after the trading black-out period is lifted by the REIT.

8.3 Withholding Taxes

Notwithstanding any other terms of this Plan, the granting, modification, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, modification, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the REIT the minimum amount as the REIT or an Affiliate of the REIT is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the REIT or an Affiliate of the REIT, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the REIT may (a) withhold such amount from any remuneration or other amount payable by the REIT or any Affiliate to the Participant, (b) require the sale of a number of Units issued upon exercise, vesting, or settlement of such Award and the remittance to the REIT of the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

8.4 Recoupment

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the REIT or the relevant Subsidiary of the REIT and in effect at the Date of Grant of the Award, or as set out in the Participant's employment agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 8.4 to any Participant or category of Participants.

ARTICLE 9 TERMINATION OF EMPLOYMENT OR SERVICES

9.1 Termination of Employment, Services or Trustee

Subject to Section 9.2, unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, Award Agreement or other written agreement:

- (a) all Awards held by Participants (whether vested or unvested) shall expire and immediately terminate automatically on the Termination Date and the Participant shall not be entitled to any damages in lieu thereof whether pursuant or attributable to any common law or contractual notice period or otherwise, provided, however, that:
 - (i) any vested Options shall be exercisable by the Participant until the earlier of (i) the date that is twelve (12) months after the Termination Date and (ii) the Expiry Date of such Options. Any vested Options that are not exercised in accordance with this Section 9.1(a)(i) shall terminate and expire and the Participant shall not be entitled to any damages in lieu

thereof whether pursuant or attributable to any common law or contractual notice period or otherwise;

- (ii) any vested Restricted Units, Performance Units and Deferred Units shall be permitted to be settled in accordance with Sections 5.4, 6.6 and 7.4, as applicable, provided that if such Restricted Units, Performance Units or Deferred Units are not settled within thirty (30) days from the Termination Date, such Restricted Units, Performance Units or Deferred Units shall be settled for Units on such date without any action required on the part of the Participant;
- (b) a Participant's eligibility to receive further grants of Awards under this Plan ceases as of the Participant's Termination Date.
- (c) unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Awards are not affected by a change of employment or consulting agreement or arrangement, or trusteeship within or among the REIT or a Subsidiary of the REIT for so long as the Participant continues to be a Trustee, Employee or Consultant, as applicable, of the REIT or a Subsidiary of the REIT.

9.2 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 9.1, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, Award Agreement or other written agreement between the REIT or a Subsidiary of the REIT and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator.

9.3 Participants' Entitlement

Except as otherwise provided in this Plan, Awards previously granted under this Plan are not affected by any change in the relationship between, or ownership of, the REIT and an Affiliate of the REIT. For greater certainty, all grants of Awards remain outstanding and are not affected by reason only that, at any time, an Affiliate of the REIT ceases to be an Affiliate of the REIT.

ARTICLE 10 EVENTS AFFECTING THE REIT

10.1 General

The existence of any Awards does not affect in any way the right or power of the REIT or its unitholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the REIT's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the REIT, to create or issue any bonds, debentures, Units or other securities of the REIT or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the REIT or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 10 would have an adverse effect on this Plan or on any Award granted hereunder.

10.2 Change in Control

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the REIT or a Subsidiary of the REIT and the Participant:

- (a) Notwithstanding anything else in this Plan, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, to ensure the preservation of the

economic interests of the Participants in, and to prevent the dilution or enlargement of, any Awards granted under the Plan, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value (or greater value), as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control (provided that for any Participant that is a resident of Canada for the purposes of the Tax Act, any such securities will be shares of a corporation or units of a "mutual fund trust" (for the purposes of the Tax Act) and any such rights will be rights to acquire shares of a corporation or units of a "mutual fund trust", in any case of an entity that does not deal at arm's length with the REIT (for the purposes of the Tax Act) at the time such shares, units or rights are issued or granted); (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; or (iii) any combination of the foregoing. In taking any of the actions permitted under this Section 10.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. For greater certainty, the Plan Administrator cannot cause any Participant that is a resident of Canada for the purposes of the Tax Act to receive anything other than a shares of a corporation or units of a "mutual fund trust", or rights to acquire such shares or units, in any case of an entity that does not deal at arm's length with the REIT (for the purposes of the Tax Act) at the time such shares, units or rights are issued or granted.

- (b) Notwithstanding Section 9.1, and except as otherwise provided in an employment agreement, consulting agreement or arrangement, or other written agreement between the REIT or a Subsidiary of the REIT and a Participant, if within twelve (12) months following the completion of a transaction resulting in a Change in Control, a Participant's employment, consulting agreement or arrangement is terminated by the REIT or a Subsidiary of the REIT without Cause or the Participant resigns with Good Reason, without any action by the Plan Administrator, the vesting of all Awards held by such Employee shall immediately accelerate and be settled (based on the Performance Goals achieved up to the Termination Date in respect of the Performance Units), and all Options shall immediately vest and be exercisable notwithstanding Section 4.4 until the earlier of: (i) the Expiry Date of such Award; and (ii) the date that is twelve (12) months after the Termination Date.

10.3 Reorganization of REIT's Capital

Should the REIT effect a subdivision or consolidation of Units or any similar capital reorganization or a payment of a Unit distribution (other than a Unit distribution that is in lieu of a cash distribution), or should any other change be made in the capitalization of the REIT that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Units that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange (if required), authorize such steps to be taken, and shall adjust the number of Awards outstanding and Units issuable under this Plan, as it may in its discretion deem appropriate to reflect the event.

10.4 Other Events Affecting the REIT

In the event of an amalgamation, combination, arrangement, merger, liquidation, dissolution or other transaction or reorganization involving the REIT and occurring by exchange of Units, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Units that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange (if required), authorize such steps to be taken and shall adjust the number of Awards outstanding and Units issuable under this Plan, as it may in its discretion deem appropriate to reflect the event.

10.5 Immediate Acceleration of Awards

In taking any of the steps provided in Sections 10.3 and 10.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 10.3 and 10.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required, to permit the immediate vesting of any unvested Awards.

10.6 Issue by REIT of Additional Units

Except as expressly provided in this Article 10, neither the issue by the REIT of Units or securities convertible into or exchangeable for Units, nor the conversion or exchange of such Units or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Units that may be acquired as a result of a grant of Awards or other entitlements of the Participants under such Awards.

10.7 Fractions

No fractional Units will be issued pursuant to an Award. Accordingly, (whether as a result of any adjustment under this Article 10, a dividend equivalent or otherwise), a Participant would become entitled to a fractional Unit, the Participant has the right to acquire only the adjusted number of full Units and no payment or other adjustment will be made with respect to the fractional Units, which shall be disregarded.

ARTICLE 11 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

11.1 Amendment, Suspension, or Termination of the Plan

The Plan Administrator may from time to time, without notice and without approval of the holders of Units, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws.

11.2 Unitholder Approval

Notwithstanding Section 11.1 and subject to any rules of the Exchange, approval of the holders of the Units shall be required for any amendment, modification or change that:

- (a) increases the number of Units reserved for issuance under the Plan as set forth in Section 3.6(a), except pursuant to the provisions of Article 10;
- (b) increases or removes the ten percent (10%) limits on Units issuable or issued to Insiders as set forth in Section 3.7(a);
- (c) reduces the Exercise Price of an Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its Expiry Date followed by the reissuing an Option to the same Participant with a lower Exercise Price within three (3) months following such termination shall be treated as an amendment to reduce the Exercise Price of an Option) except pursuant to the provisions Article 10;
- (d) extends the term of an Award beyond the original Expiry Date except pursuant to the provisions of Section 8.2;
- (e) permits an Award to be exercisable beyond ten (10) years from its Date of Grant except pursuant to the provisions of Section 8.2;

- (f) increases or removes the limit on grants of Full-Value Awards and other non-option awards in Section 3.7(b);
- (g) increases or removes the limits on the participation of Non-Employee Trustees in Sections 3.7(c) or 3.7(d);
- (h) changes the eligible participants of the Plan;
- (i) permits Awards to be transferable or assignable other than by will or as required by law pursuant to Section 3.9; or
- (j) deletes or reduces the range of amendments which require approval of unitholders under this Section 11.2.

11.3 Permitted Amendments

Without limiting the generality of Section 11.1, but subject to Section 11.2, the Plan Administrator may, without unitholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to the provisions set out in Article 9;
- (c) making any amendments to add covenants of the REIT for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Trustees; or
- (e) making such changes or corrections which, on the advice of counsel to the REIT, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

ARTICLE 12 MISCELLANEOUS

12.1 Legal Requirement

The REIT is not obligated to grant any Awards, issue any Units or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its discretion, such action would constitute a violation by a Participant or the REIT of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Units may then be listed.

12.2 Securities Law Compliance

No Awards shall be granted under the Plan and no Units shall be issued and delivered upon the exercise of Options granted under the Plan unless and until the REIT and/or the Participant have complied with all applicable federal and state registration, listing and/or qualification requirements and all other requirements of law or of any regulatory agencies having jurisdiction.

12.3 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Consultant or Trustee. No Participant has any rights (including, without limitation, voting rights, distribution entitlements (other than as set out in this Plan) or rights on liquidation) as a unitholder of the REIT in respect of Units issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Units.

12.4 Unfunded Plan

The Plan shall be unfunded. Neither the REIT nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

12.5 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan, on the one hand, and a Participant's employment agreement with the REIT or a Subsidiary of the REIT, as the case may be, on the other hand, the provisions of the employment agreement or other written agreement shall prevail.

12.6 Anti-Hedging Policy

By accepting the Option or Award each Participant acknowledges that they are restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Options or Awards.

12.7 Participant Information

Each Participant shall provide the REIT with all information (including personal information) required by the REIT in order to administer the Plan. Each Participant acknowledges that information required by the REIT in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such Persons (including Persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the REIT to make such disclosure on the Participant's behalf.

12.8 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the REIT to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Units. The REIT does not assume responsibility for the income or other tax consequences for the Participants and Trustees and they are advised to consult with their own tax advisors.

12.9 International Participants

With respect to Participants who reside or work outside Canada and the United States, the Plan Administrator may, in its discretion, amend, or otherwise modify, without unitholder approval, the terms of the Plan, any Award Agreement, or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

12.10 Successors and Assigns

The Plan shall be binding on all successors and assigns of the REIT and its Subsidiaries.

12.11 General Restrictions on Assignment

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

12.12 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

12.13 Notices

All written notices to be given by a Participant to the REIT shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Northview Residential REIT
6131 6 ST E, Suite 200
Calgary, Alberta T2H 1L9

Attention: Chief Financial Officer

All notices to a Participant will be addressed to the principal address of the Participant on file with the REIT. Either the REIT or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth (5th) Business Day following the date of mailing; provided that in the event of any actual or imminent postal disruption, notices shall be delivered to the appropriate party and not sent by mail. Any notice given by either the Participant or the REIT is not binding on the recipient thereof until received.

12.14 Effective Date

This Plan becomes effective on the Effective Date, but no Award shall be exercised (or, in the case of an Award in Units, shall be granted) unless and until this Plan has been approved by the unitholders of the REIT (or a predecessor of the REIT), which approval shall be within twelve (12) months before or after the Effective Date (which is the date on which this Plan was adopted by the Board on behalf of the REIT).

12.15 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without reference to conflicts of law rules.

12.16 Submission to Jurisdiction

The REIT and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Alberta in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Units made in accordance with the Plan.

SCHEDULE A

**NORTHVIEW RESIDENTIAL REIT
OMNIBUS EQUITY INCENTIVE PLAN (THE "PLAN")**

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of Deferred Units pursuant to Article 7 of the Plan and to receive ___% of my Annual Retainer Fees in the form of Deferred Units in lieu of cash, provided that such percentage shall be deemed to be 50% if a proportionate that is less than 50% is elected.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when Deferred Units credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the Deferred Units, the REIT will make all appropriate withholdings as required by law at that time.
- (c) The value of Deferred Units is based on the value of the Units of the REIT and therefore is not guaranteed.
- (d) I am not currently aware of any material non-public information concerning any securities of the REIT.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date: _____

(Name of Participant)

(Signature of Participant)

SCHEDULE B

**NORTHVIEW FUND
OMNIBUS EQUITY INCENTIVE PLAN (THE "PLAN")**

ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DEFERRED UNITS

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion greater than 50% of the Annual Retainer Fees accrued after the date hereof shall be paid in Deferred Units in accordance with Article 7 of the Plan.

I understand that the Deferred Units already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: _____

(Name of Participant)

(Signature of Participant)

Note: An election to terminate receipt of additional Deferred Units can only be made by a Participant once in a calendar year.

APPENDIX "M" – BOARD OF TRUSTEES MANDATE



BOARD MANDATE

Northview Fund (the “Fund”)

As of November 2, 2020

1. PURPOSE

The purpose of this Mandate is to set out the mandate and responsibilities of the board of trustees of the Fund (the “**Board**”). By approving this Mandate, the Board confirms its responsibility for overseeing the management of, and providing stewardship over, the Fund and its affairs. This stewardship function includes responsibility for the matters set out in this Mandate. The responsibilities of the Board described herein are pursuant to, and subject to, the provisions of applicable statutes and the Declaration of Trust of the Fund and do not impose any additional responsibilities or liabilities on the trustees at law or otherwise.

2. COMPOSITION, PROCEDURES AND ORGANIZATION

2.1 Trustees

- (a) The Board is composed of trustees who are elected annually by the unitholders of the Fund. Trustees may also sit on the committees of the Board, upon recommendation by the Governance and Nominating Committee.
- (b) The Board shall ensure that the majority of trustees are qualified as unrelated: independent of management and free of conflicts that would impair the ability of a trustee to act in the best interest of the Trust. Trustees must also be aware of their relationship with significant unitholders (i.e. a unitholder with over 10% of the voting interests of the Fund).

2.2 Meetings

- (a) The Board shall meet regularly without management present through in camera sessions or at such other times and places as the Board may determine in accordance with the Declaration of Trust of the Fund.
- (b) Meetings of the Board shall be held at least four times annually, at the request of the Chair or otherwise in accordance with the Declaration of Trust of the Fund.
- (c) The Board will adhere to the meeting protocols set out in the Declaration of Trust of the Fund.

3. TRUSTEES' RESPONSIBILITIES

The Board is explicitly responsible for the stewardship of the Fund. To discharge this obligation, the Board shall:

3.1 Strategic Planning Process

- (a) Provide input to management on emerging trends and issues.
- (b) Review and approve management's strategic plans.
- (c) Review and approve the Fund's financial objectives, plans and actions, including significant capital allocations and expenditures.

3.2 Monitoring and Supervising Tactical Progress and Conflicts of Interest

- (a) Supervise the activities of the Fund and manage the investments and affairs of the Fund.
- (b) Monitor the performance of the Fund against its strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.
- (c) Overseeing the manager of the Fund and the fulfillment of its responsibilities under the Management Agreement.
- (d) Monitoring and ensuring proper governance is followed in connection with potential and actual conflicts of interest.

3.3 Risk Assessment

- (a) Identify the principal risks of the Fund's businesses and ensure that appropriate systems are in place to manage these risks.
- (b) Participate in decision making with respect to specific risks in which the Board member has particular interest or expertise.

3.4 Senior Level Staffing

- (a) Monitor the Chief Executive Officer and Chief Financial Officer and monitor and evaluate other senior executives, and ensure management succession planning, if appropriate.
- (b) Approve a position description for the Chief Executive Officer including limits to management's responsibilities and corporate objectives which the Chief Executive Officer is responsible for meeting, all upon recommendation from the Governance and Nominating Committee.

3.5 Integrity

- (a) Ensure the integrity of the Fund's internal control and management information systems.
- (b) Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the Fund's own governing documents.

- (c) Ensure the integrity of the Chief Executive Officer and other executive officers.
- (d) Monitor compliance with the Code of Business Conduct and Ethics.
- (e) Create a culture of integrity throughout the organization.

3.6 Material Transactions, Major Decisions and Voting

- (a) Review and approve material transactions and major decisions of the Fund that are outside the scope of the authority delegated to the Fund's committees and senior management or any decisions the Board deems necessary or appropriate.
- (b) Act for, vote on behalf of, and represent the Fund as a holder of limited partnership units of Northview Canadian HY Holdings LP.

3.7 Disclosure

- (a) Maintain records and provide reports to unitholders of the Fund.
- (b) Adopt a communication policy and ensure effective and adequate communication with unitholders of the Fund, other stakeholders and the public.
- (c) Approve the content of the Fund's major communications to unitholders and the investing public.
- (d) Approve and monitor the disclosure policies designed to assist the Fund in meeting its objective of providing timely, consistent and credible dissemination of information, consistent with disclosure requirements under applicable securities law.
- (e) Appoint the Lead Trustee or another independent, non-executive trustee, to be available to unitholders with concerns should communications with management fail to resolve the issue or such contact is inappropriate.

3.8 Distributions

- (a) Determine the amount and timing of distributions to unitholders of the Fund.

3.9 Monitoring Trustees' Effectiveness

- (a) Assess its own effectiveness in fulfilling the above and trustees' responsibilities, including monitoring the effectiveness of individual trustees.

3.10 Expectations and Responsibilities

- (a) Trustees are expected to attend all Board and committee meetings of which they are members. Trustees are expected to have reviewed meeting materials in advance of such Board or committee meetings, as applicable.

3.11 Other

- (a) Perform such other functions as prescribed by law or assigned to the trustees in the Declaration of Trust of the Fund, as it may be amended from time to time.

