

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus (the “**Prospectus**”) constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended and, subject to certain exemptions, may not be offered or sold in the U.S.

FINAL PROSPECTUS

Initial Public Offering

October 26, 2023

WEST SIDE SQUARE DEVELOPMENT FUND



WEST SIDE
SQUARE



ALTREE



Minimum: US\$25,000,000 of Class A Units, Class E Units, Class F Units and/or Class U Units

Maximum: US\$50,000,000 of Class A Units, Class E Units, Class F Units and/or Class U Units

This Prospectus qualifies the distribution (the “**Offering**”) of up to an aggregate of US\$50,000,000 of class A trust units (“**Class A Units**”), class E trust units (“**Class E Units**”), class F trust units (“**Class F Units**”) and/or class U trust units (“**Class U Units**”) and, collectively with the Class A Units, Class E Units and Class F Units, and if applicable, Class C Units (as defined herein), the “**Units**”) of West Side Square Development Fund (the “**Trust**”), a newly created, unincorporated investment trust established under the laws of the Province of Ontario. The Units will be offered at a price of C\$10.00 per Class A Unit and Class F Unit, and US\$10.00 per Class U Unit and Class E Unit (as applicable, the “**Offering Price**”). The Class A Units and Class U Units are designed for commission-based accounts while the Class E Units and Class F Units are designed for fee-based accounts. The Trust’s investment objectives are to provide Unitholders (as defined herein) with an opportunity to: (a) indirectly own an interest in the West Side Square development project located in the Journal Square neighbourhood of Jersey City, New Jersey, which consists of the development of land located along the New Jersey Port Authority Trans-Hudson (PATH) transit line at 66 Broadway in Jersey City, New Jersey (the “**Property**”) into a mixed-use purpose-built rental building containing 477 rental units and approximately 9,800 square feet of commercial space (the “**Project**”); and (b) commencing, if applicable, on the Initial Occupancy Date (as defined herein), and until a Liquidity Event (as defined herein) has been achieved, the Trust intends to declare and pay to Unitholders quarterly cash distributions out of the available operating cash flow of the Trust (to the extent available). See “Investment Strategy”.

Price: C\$10.00 per Class A Unit
US\$10.00 per Class E Unit
C\$10.00 per Class F Unit
US\$10.00 per Class U Unit

	Price to the Public ⁽¹⁾⁽²⁾	Agent’s Fee	Net Proceeds to the Trust ⁽³⁾
Per Class A/F Unit	C\$10.00	C\$0.60	C\$9.40
Per Class E/U Unit	US\$10.00	US\$0.60	US\$9.40
Minimum Offering ⁽⁴⁾	US\$25,000,000	US\$1,500,000	US\$23,500,000
Maximum Offering ⁽⁵⁾	US\$50,000,000	US\$3,000,000	US\$47,000,000

Notes:

- (1) The terms of the Offering, including the Offering Price, were determined by negotiation between the Agent (as defined herein) and the Manager (as defined herein), on behalf of the Trust.
- (2) The minimum subscription amount is (a) C\$10,000 in respect of the Class A Units and Class F Units, and (b) US\$10,000 in respect of the Class E Units and Class U Units.

- (3) Before deduction of the applicable expenses of the Offering (estimated at US\$1.025 million), which will be paid by Avenir LP (as defined herein) out of the Net Subscription Proceeds (as defined herein).
- (4) The Minimum Offering assumes that US\$25 million of Class A Units, Class E Units, Class F Units and Class U Units are issued and sold pursuant to this Prospectus, that US\$25 million of Class C Units are issued and sold to the Current Owners and that no trust units other than Class C Units are issued and sold pursuant to a concurrent private placement, but will be calculated based on the actual Canadian dollar to U.S. dollar exchange rate and subscription proceeds received from the issuance of Class A Units, Class C Units, Class E Units, Class F Units and Class U Units.
- (5) The Maximum Offering assumes US\$50 million of Class A Units, Class E Units, Class F Units and Class U Units are issued and sold pursuant to this Prospectus, that no Class C Units are issued and that no trust units are issued and sold pursuant to a concurrent private placement, but will be calculated based on the actual Canadian dollar to U.S. dollar exchange rate and subscription proceeds received from the issuance of Class A Units, Class E Units, Class F Units, Class U Units and, if applicable, Class C Units.

The Trust will be managed by Atree Management Inc. (the “**Manager**”), a subsidiary of Atree Developments Inc. (“**Atree**”). See “Corporate Structure – Intercorporate Relationships” and “Atree and the Management Agreement”. Atree, Avenir Jersey Developments Limited (“**AJDL**”), a company owned by associates of Lanterra Developments Inc. (“**Lanterra**”), Westdale Construction Co. Limited (“**Westdale**”, and collectively with Atree and AJDL, the “**Pre-Development Majority Owners**”) together with their minority co-investors (collectively, the “**Current Owners**”), are current indirect owners of the Project and have committed to provide additional equity to the Project, through investments in class C units (the “**Class C Units**”) concurrent with the closing of the Offering at a price of US\$10.00 per Class C Unit, in an aggregate amount equal to the difference between (a) the gross proceeds raised from the Offering and any concurrent private placements by the Trust, and (b) the Maximum Offering (the “**Equity Commitment**”), which would result in a maximum Equity Commitment of US\$25 million in the aggregate if only the Minimum Offering is achieved.

In connection with the Offering, none of the Current Owners are disposing of their interest in the Project and none of the Current Owners will receive any of the net proceeds of the Offering on closing of the Offering.

Following the completion of the Offering, the Trust will indirectly acquire an interest in the Project through the indirect acquisition of Class B limited partnership units of CZBK I LP (“**CZBK**”), which currently indirectly owns an interest in the Project through CZRBK and Avenir LP (each as defined herein). The Trust will own an indirect 83.09% limited partner interest in CZBK and an indirect 67.35% equity interest in the Project. See “Description of the Activities of the Trust – The Project” and “Use of Proceeds”. The net proceeds from the Offering (after deduction of the Agent’s Fee, and the expenses of the Offering which will be paid by Avenir LP) and any concurrent private placements by the Trust invested into CZBK will be used, together with any proceeds from the Equity Commitment (if applicable), the existing working capital of the Project and Construction Loans (as defined herein) to be obtained by the Project, to fund the development of the Project and the repayment of the existing Land Loan (as defined herein) for the Project. The Trust’s indirect interest in the Project will be determined based on the Gross Subscription Proceeds (inclusive of the Equity Commitment, if applicable), without deduction for the Agent’s Fee or any expenses of the Offering borne by Avenir LP. The Trust will not acquire any additional real property with the net proceeds of the Offering or from any other financing sources and, accordingly, this Offering is not a “blind pool” offering. Further, following completion of the Offering and any concurrent private placements by the Trust, the Trust will not seek to raise any further equity from the public and, accordingly, is a closed-ended vehicle, provided that any cost overruns will be funded by the Current Owners acquiring Cost Overrun Units pursuant to the Cost Overrun Funding and Guarantee Agreement (each as defined herein). See also “Investment Strategy – The Current Owners”.

In order to provide Unitholders with liquidity, the Manager intends to achieve a Liquidity Event within four years of the Closing Date (as defined herein), subject to two one-year extensions where the Manager determines in its discretion that the extensions are prudent given then prevailing market conditions and in the best interests of the Trust. The “**Liquidity Event**” may be, subject to Unitholder approval as the case may be, (i) the sale of all or substantially all of the assets of the Trust, (ii) the sale of all or substantially all of the Units of the Trust by Unitholders or all of the securities in Avenir LP through which the Trust indirectly owns its interest in the Project, for cash or Listed Securities (as defined herein) or a combination of cash and Listed Securities, (iii) a transaction which provides Unitholders with comparable liquidity that such Unitholders would have if the Units were Listed Securities, whether by means of a reverse take-over, merger, amalgamation, arrangement, take-over bid, insider bid, reorganization, joint venture or similar transaction or other combination with an issuer of Listed Securities, (iv) the exchange of Units for securities that are listed on a stock exchange or securities that are exchangeable or convertible into securities that are listed on a stock exchange (collectively, “**Listed Securities**”), or (v) an event similar to those described in items (i) to (iv) above and designated as a “Liquidity Event” by the independent Trustees. In the event a Liquidity Event is not achieved within four years of the Closing Date, subject to any applicable, permitted extensions, the Trust has certain liquidity rights opposite the Avenir Limited Partners (as defined herein) pursuant to the Liquidity Option or the Sale Process (each as defined herein). See “Description of Securities – The Trust – Termination of the Trust” and “Forward-Looking Statements”.

There will be no closing unless the Minimum Offering is achieved, being a minimum of US\$25,000,000 of Class A Units, Class E Units, Class F Units and/or Class U Units being sold pursuant to the Offering and any concurrent private placement. The distribution under this Offering will not continue for a period of more than 90 days after the date of the receipt obtained from the principal securities regulatory authority for this Prospectus. If one or more amendments to

this Prospectus are filed and the principal securities regulatory authority has issued a receipt for any such amendment, the distribution under this Offering will not continue for a period of more than 90 days after the latest date of a receipt for any such amendment. In any case, the total period of distribution under the Offering will not continue for a period of more than 180 days from the date of the receipt for this Prospectus. If the Minimum Offering is not achieved during the 90-day period, subscription funds received by the Agent (which will be held by the Agent in trust) will be returned to the applicable subscribers without any deductions, unless the applicable subscribers have otherwise instructed the Agent.

An investment in the securities offered by this Prospectus is subject to certain risk factors as set out under the heading “Risk Factors” or otherwise described in this Prospectus.

Commencing on the Initial Occupancy Date and until a Liquidity Event has been achieved, the Trust intends to declare and pay to Unitholders quarterly cash distributions out of the available operating cash flow of the Trust (to the extent available); however, such cash distributions may not occur or, if any such cash distributions do occur, may be reduced, including to zero, or suspended, as the ability of the Trust to make such cash distributions and the actual amount distributed will depend on the development and operation of the Project, the expenses and requirements of the Trust and its Subsidiaries (as defined herein), and the timing of a Liquidity Event, and will be subject to various other factors, including those referenced in the “Risk Factors” section of this Prospectus.

The aggregate Minimum Return (as defined herein), after payment of all expenses of the Project, the Trust and its Subsidiaries, (i) is based on an 8% per annum compounded return on the Gross Subscription Proceeds received by the Trust from the issuance of each Unit, (ii) is calculated in the currency of issuance of each such Unit, and (iii) is a preferred return, payable prior to payment of any amounts pursuant to the Carried Interest and Asset Management Fee (each as defined herein), but (iv) is not guaranteed, is not expected to be paid prior to the occurrence of a Liquidity Event, and may not be paid upon the occurrence of a Liquidity Event or at all. The aggregate Secondary Minimum Return (as defined herein), after payment of all expenses of the Project, the Trust and its Subsidiaries (including the Asset Management Fee and a portion of the Carried Interest), (i) is based on a 15% per annum compounded return on the Gross Subscription Proceeds received by the Trust from the issuance of each Unit, (ii) is calculated in the currency of issuance of each such Unit, and (iii) is a preferred return, payable prior to payment of the increased percentage of distributions payable pursuant to the Carried Interest, but (iv) is not guaranteed, is not expected to be paid prior to the occurrence of a Liquidity Event, and may not be paid upon the occurrence of a Liquidity Event or at all. See “Forward-Looking Statements” and “Risk Factors”.

The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including such amount of cash distributions sufficient to provide for the return of a Unitholder’s original investment, are not guaranteed and the anticipated return on investment is based upon many performance assumptions. It is important for purchasers of Units (“Purchasers”) to consider the particular risk factors that may affect the real estate investment markets generally and therefore the availability and stability of the distributions to Unitholders.

There is currently no market through which the Units may be sold, such a market may not develop, and Purchasers may not be able to resell Units purchased under this Prospectus. This may affect the pricing and liquidity of the securities in the secondary market, if one should develop, the transparency and availability of trading prices, and the extent of issuer regulation. See “Risk Factors”. As at the date of this Prospectus, the Trust does not have any of its securities listed or quoted, has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Cboe Canada, any other Canadian marketplace, a U.S. marketplace, or any marketplace outside Canada and the U.S. See “Plan of Distribution”.

The Trust will aim to realize a projected targeted pre-tax investor gross compounded annualized return of approximately 18%-20% equating to a total pre-tax investor gross return over four years from the Closing Date of approximately 100% before fees and satisfaction of the Carried Interest, on the Trust’s indirect investment in the Project upon the achievement of a Liquidity Event, although these figures will necessarily vary as between classes of Units based on the proportionate entitlements of each class of Units, and the Unitholder’s unhedged exposure to Canadian/U.S. dollar exchange rates. See “Risk Factors”, “Forward-Looking Statements” and “Description of Securities – The Trust – Distributions”. See “Use of Proceeds” and “Risk Factors” for a more complete discussion of the factors and assumptions underlying these statements and of risks and their potential consequences.

On the Closing Date, which is targeted for early November 2023, the Trust will convert the net subscription amounts from the Class A Units and Class F Units (the “**Canadian Dollar Units**”) received into U.S. dollars. The relative entitlement of a holder of a Canadian Dollar Unit to receive distributions from the Trust and to receive proceeds upon the termination of the Trust (as compared to the entitlement of a holder of a Class C Unit (if any), Class E Unit and/or Class U Unit) will depend, in part, on the Canadian/U.S. dollar exchange rate at which the Trust is able to convert such proceeds on the Closing Date. Furthermore,

(i) the amount of distributions on the Canadian Dollar Units (including any returns of capital to holders of Canadian Dollar Units), and (ii) the distribution of proceeds to holders of Canadian Dollar Units on the termination of the Trust, will be determined and declared in Canadian dollars at the time of such distributions and accordingly, will depend, in part, on the Canadian/U.S. dollar exchange rate at each such time. See “Description of Securities – The Trust – Distributions”, “Description of Securities – The Trust – Distribution on Termination of the Trust” and “Risk Factors – Risks Related to the Trust – Currency Exchange Rate”.

Unitholders will generally be required to include, in computing their income for each taxation year, the income of the Trust paid or made payable to them by the Trust for the taxation year of the Trust ending in or coincidentally with such taxation year. If the Trust is unable to pay sufficient cash distributions in a particular taxation year to fully distribute its income for that year, Unitholders may receive distributions in the form of additional Units. If a Unitholder receives distributions from the Trust in a year which exceed the amount of income (including capital gains, if any, paid or made payable) to such Unitholder by the Trust for the year, any such excess distributions will generally not be included in the Unitholder’s income for the year, but will result in a net reduction of the adjusted cost base of the Unitholder’s Units. In the event that cash distributions paid to a Unitholder for a taxation year of the Trust are less than the income of the Trust paid or made payable to such Unitholder for the year, the full amount of such income will nonetheless be required to be included in the Unitholder’s income for the year and any such shortfall (satisfied by a distribution of Units) will generally result in a net increase in the adjusted cost base of the Unitholder’s Units. See “Certain Canadian Federal Income Tax Considerations”.

The after-tax return from an investment in Units to a Unitholder subject to Canadian income tax will depend in part on the Unitholder’s ability to recognize for purposes of the Tax Act (as defined herein) U.S. or other foreign taxes considered to be paid by or on behalf of the Trust through the foreign tax credit or foreign tax deduction mechanisms in the Tax Act. See “Certain Canadian Federal Income Tax Considerations” and “Certain U.S. Federal Income Tax Considerations”.

While the Declaration of Trust (as defined herein) contains a redemption right, such redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment. The Units will be redeemable at the option of Unitholders, quarterly, by written notice to the Trust. The redemption price per Unit multiplied by the number of Units tendered by a Unitholder for redemption will be paid to such Unitholder by way of a cash payment no later than the last day of the calendar month following the calendar quarter in which such Units were tendered for redemption, provided that, unless the Trustees otherwise determine, the total amount payable by the Trust by cash payment in respect of the redemption of Units for the calendar quarter shall not exceed C\$50,000 in the aggregate and is also limited in any 12-month period to 1% of the aggregate Net Asset Value (as defined herein) at the start of such 12-month period. See “Risk Factors – Risks Related to the Offering – Limited Liquidity of Units”.

The payment in cash by the Trust of the redemption price per Unit will reduce the amount of cash available to the Trust for the payment of cash distributions to Unitholders (to the extent applicable), as the payment of the amount due in respect of redemptions will take priority over the payment of such cash distributions, and will reduce the Trust’s indirect interest in the Project. See “Risk Factors – Risks Related to Redemptions – Use of Available Cash”. If Units tendered for redemption are not redeemed for cash as a result of the foregoing limitations, the Trust shall satisfy the redemption of such Units tendered for redemption by way of an *in specie* distribution of property of the Trust (which may include Investment LP Units (as defined herein)) and/or the issuance of unsecured subordinated promissory notes of the Trust, at its option, as determined by the Board in its sole discretion. Property distributed by the Trust upon a redemption is not expected to be liquid and may not be a qualified investment for trusts governed by Plans (as defined herein). In those circumstances, adverse tax consequences generally may apply to a Unitholder, or a Plan and/or the annuitant, holder, subscriber or beneficiary thereunder or thereof, as a result of the redemption of Units held in a trust governed by a Plan. See “Description of Securities – The Trust – Redemption”, “Risk Factors – Risk Factors – Risks Related to the Offering – Limited Liquidity of Units” and “Risk Factors – Risks Related to Redemptions”.

CIBC World Markets Inc. (the “**Agent**”) conditionally offers the Units on a best efforts basis, subject to prior sale, if, as and when issued by the Trust and accepted by the Agent in accordance with the conditions contained in the Agency Agreement (as defined herein), subject to the approval of certain Canadian legal matters on behalf of the Trust by Blake, Cassels & Graydon LLP, in respect of certain Canadian legal matters on behalf of the Agent by Stikeman Elliott LLP and in respect of certain Canadian legal matters on behalf of the Pre-Development Majority Owners by Aird & Berlis LLP. See “Plan of Distribution”.

Registration and transfers of Units will be effected only through the book entry only system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). Each Purchaser will receive only a customer confirmation from the registered dealer which is a CDS participant and from or through which Units are purchased. Beneficial owners of Units will not have the right to receive physical certificates evidencing their ownership of such securities. See “Plan of Distribution”.

The following persons are incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or reside outside of Canada. The persons named below have appointed the following agents for service of process:

Name of Person or Company

Colliers International Valuation & Advisory Services

Name and Address of Agent for Service

Altree Management Inc.
2828 Bathurst Street, Suite 300, Toronto, Ontario, Canada,
M6B 3A7

Purchasers are advised that it may not be possible for investors to enforce judgements obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

The Manager is the asset manager of the Trust giving the Trust access to an experienced management team and broad network of relationships in the U.S. and Canadian real estate sectors. The Manager will not receive payment of the Asset Management Fee during the development phase of the Project but may be entitled to receive the Asset Management Fee from the Trust pursuant to the Management Agreement (as defined herein) upon Unitholders achieving the Minimum Return and the achievement of a Liquidity Event, subject to certain conditions as described therein. In addition, certain officers of the Trust will be affiliated with the Manager. The ability of the Manager to successfully implement the Trust's investment strategy will depend in large part on the continued employment of Zev Mandelbaum. If the Manager loses the services of any of Mr. Mandelbaum, the business, financial condition and results of operations of the Trust may be materially adversely affected. The Trust may also become involved in transactions that conflict with the interests of the foregoing. Except as otherwise provided in this Prospectus and other than pursuant to any duties he owes to the Trust, in his capacity as Chief Executive Officer of the Trust, Mr. Mandelbaum is not in any way limited by the Trust or affected in his ability to carry on other business ventures for his own account and for the account of others. Mr. Mandelbaum will not have any obligations to account to the Trust or the Unitholders for profits made in such other activities. See "Altree and the Management Agreement – The Management Agreement", "Altree and the Management Agreement – Potential Conflicts of Interest (Manager, Trustees and Officers)", "Risk Factors – Risks Related to the Trust – Potential Conflicts of Interest with Respect to the Manager and the Project General Partners", "Risk Factors – Risks Related to the Trust – Potential Conflicts of Interest with Respect to the Trustees and Executive Officers of the Trust", "Risk Factors – Risks Related to the Trust – Reliance on the Manager and Avenir LP", "Promoters" and "Interests of Management and Others in Material Transactions".

The Trust will adopt a written code of business conduct and ethics that applies to all trustees and officers of the Trust and the Manager and its employees. See "Audit Committee and Corporate Governance – Corporate Governance".

The registered and head office of the Trust is located at 2828 Bathurst Street, Suite 300, Toronto, Ontario, Canada, M6B 3A7.

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ABOUT THIS PROSPECTUS

A Purchaser should rely only on the information contained in this Prospectus and is not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. The Trust has not, and the Agent and Atree have not, authorized anyone to provide Purchasers with additional or different information. The Trust is not, and the Agent is not, offering to sell the Units in any jurisdictions where the offer or sale of such Units is not permitted. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or of any sale of the Units.

For Purchasers outside Canada, none of the Trust, the Manager or the Agent has done anything that would permit the Offering or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Purchasers are required to inform themselves about and to observe any restrictions relating to the Offering and the possession or distribution of this Prospectus.

In order to address certain securities regulatory or public interest policy objectives, the Trust will adopt a number of measures that will define its business and the scope of its operations. These measures include:

- (a) the requirement that any change to:
 - (i) the Asset Management Fee, the investment restrictions of the Trust and/or to the Trust's operating policy relating to the assumption of any indebtedness shall require the approval by Special Resolution of the Unitholders;
 - (ii) the remaining operating policies shall require the approval by an Ordinary Resolution of the Unitholders; and
 - (iii) the Declaration of Trust relating to the procedure to amend the Trust's investment restrictions and operating policies will require the approval by Special Resolution of the Unitholders,

(see "Investment Restrictions and Operating Policies – Amendments to Investment Restrictions and Operating Policies" and "Description of Securities – The Trust – Meetings of Unitholders and Resolutions");

- (b) the Trust will only use the Net Subscription Proceeds in accordance with its Investment Restrictions and its investment strategy, as set forth herein; and
- (c) the Board will, on filing of this Prospectus, consist of a majority of independent trustees in accordance with the recommendation of the Canadian securities regulatory authorities set forth in Section 3.1 of National Policy 58-201 – *Corporate Governance Guidelines* (see "Trustees and Executive Officers").

INTERPRETATION

In this Prospectus, all references to "C\$" are to Canadian dollars and all references to "\$" or "US\$" are to U.S. dollars, unless otherwise noted. See "Exchange Rate Information". Certain terms used in this Prospectus are defined under the heading "Glossary of Terms".

In this Prospectus, references to the Trust include its Subsidiaries where the context requires. In addition, any reference to the indirect acquisition of the Project by the Trust means the indirect acquisition of the Project by the Trust through its interest in CZBK, through CZBK's interest in CZRBK and through CZRBK's interest in Avenir LP.

Unless otherwise noted herein, the disclosure in this Prospectus assumes that there is not a concurrent private placement of trust units (other than, in the event that the Maximum Offering is not achieved, a concurrent private placement of Class C Units pursuant to the Equity Commitment), that there are no subscriptions for Cost Overrun Units and the only classes of Units issued by the Trust are the Class A Units, Class E Units, Class F Units and Class U Units (and Class C Units, in the event the Maximum Offering is not achieved).

FORWARD-LOOKING STATEMENTS

This Prospectus includes statements with respect to the Trust, including its business operations and strategy, and financial performance and condition, which may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, “**forward-looking information**”) within the meaning of Canadian securities laws. Forward-looking information may relate to the Trust’s future outlook and anticipated events, including future results, performance, achievements, prospects or opportunities for the Trust or the real estate industry and the Offering and may include statements regarding the financial position, budgets, litigation, projected costs, capital expenditures, financial results, taxes, plans and objectives of, or involving, the Trust. Such forward-looking information in some cases, can be identified by terminology such as “may”, “might”, “will”, “could”, “should”, “would”, “occur”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “seek”, “aim”, “estimate”, “target”, “project”, “predict”, “forecast”, “potential”, “continue”, “likely”, “schedule”, or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking information in this Prospectus includes, but is not limited in any manner to statements with respect to:

- (a) opportunities in the U.S. mixed-use real estate market, and specifically in the mixed-use real estate market in New Jersey and New York;
- (b) optimal market conditions in the U.S., and specifically in New Jersey and New York;
- (c) expectations regarding recent economic developments in the U.S., the future of U.S. real estate markets generally and the U.S. to Canadian dollar exchange rates;
- (d) the availability of financing for the Project;
- (e) the Equity Commitment;
- (f) subscriptions for Cost Overrun Units;
- (g) the Trust’s intention to make distributions as set out herein;
- (h) the Manager’s expectations regarding the expected timeline for the development plans in respect of the Project;
- (i) the Manager’s expectations regarding the operation and development of the Project, including, but not limited to, the planned development of open land space into mixed-use purpose-built rental building;
- (j) the Trust’s target compounded annualized return for the Term across all Unit classes;
- (k) the Manager’s intention to achieve a Liquidity Event within four years of the Closing Date, subject to two one-year extensions;
- (l) the possibility of completing any private placements concurrent with the closing of the Offering;
- (m) the expectation that the Trust will satisfy the requirements stipulated by the Tax Act to qualify as a “mutual fund trust”;
- (n) the Trust’s forecasted annual expenses for the first 12 month period following the Closing Date;
- (o) the anticipated Closing Date; and
- (p) the expected public filings of the Trust.

Material factors and assumptions used by management of the Trust to develop the forward-looking information include, but are not limited to, the Trust’s current expectations about: real property ownership and revenues; construction and development risk; obtaining necessary development permits for the Project; the realization of property value appreciation and

timing thereof; the inventory of mixed-use properties; competition from developers of mixed-use properties; the Jersey City, New Jersey real estate market; government legal and regulatory changes; property encumbrances relating to the Project; significant fixed expenditures and fees in connection with the maintenance, operation and administration of the Project; closing and other transaction costs in connection with the acquisition and disposition of the Project; the availability of mortgage financing and current interest rates; revenue shortfalls; assumptions about rental growth rates in the U.S. mixed-use real estate market, demographic trends and the markets in which the Trust intends to operate; fluctuations in interest rates; litigation risks; the relative illiquidity of real property investments; the U.S. economic environment; the geographic concentration of the Trust's business; demand levels for mixed-use properties in Jersey City and local economic conditions; negative geopolitical events; public health crises; the capital structure of the Trust; distributions; capital depletion; foreign currency exchange rates and assumptions related thereto; potential conflicts of interest; reliance on the good faith and ability of the Manager to manage and operate the Project; reliance on other third-party property management companies; the limited operating history of the Trust; the limited experience of management of the Trust with respect to managing a reporting issuer; the limited liquidity of the Units; and tax laws. With respect to factors and assumptions used to calculate a projected targeted pre-tax investor gross compounded annualized return of approximately 18%-20% equating to a total pre-tax investor gross return over four years from the Closing Date of approximately 100%, before fees and satisfaction of the Carried Interest, please see "Description of Securities – The Trust – Distributions". While management of the Trust considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

Although the Manager believes that the expectations reflected in such forward-looking statements are reasonable and represent the Trust's internal projections, expectations and beliefs at this time, such statements involve known and unknown risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the Trust's control, may affect the operations, performance and results of the Trust, and could cause actual results in future periods to differ materially from current expectations of estimated or anticipated events or results expressed or implied by such forward-looking statements. Such factors include, among other things, the availability of mortgage financing for the Project, and general economic and market factors, including interest rates, prospective purchasers of real estate, the attractiveness of the Project and the ability of the Trust to achieve a Liquidity Event, business competition, public health crises and disease outbreaks, and changes in government regulations or income tax laws. See "Risk Factors".

Purchasers are cautioned against placing undue reliance on forward-looking statements. Except as required by law, the Trust undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

This Prospectus may contain future-oriented financial information within the meaning of applicable securities laws ("FOFI") about the Trust's prospective results of operations and components thereof, including but not limited to forecasted annual cash flow and expenses from operating activities for the first 12 month period following the Closing Date. All FOFI contained in this Prospectus is subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this Prospectus was made as of the date hereof, based on information available to the Trust as of the date hereof, and was provided for the purpose of describing the anticipated effects of the Offering on the Trust's business operations. The actual results of operations of the Trust may vary from the amounts set forth herein and such variation may be material. The Trust disclaims any intention or obligation to update or revise any FOFI in this Prospectus, whether as a result of new information, future events or otherwise, unless required pursuant to applicable securities laws. See "Use of Proceeds" and "Risk Factors".

MARKET DATA

This Prospectus contains statistical data, market research and industry forecasts that were obtained from government and industry publications and reports or are based on estimates derived from such publications and reports and the Manager's knowledge of, and experience in, the markets in which the Trust operates. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Actual outcomes may vary materially from those forecast in such publications or reports, and the prospect for material variation can be expected to increase as the length of the forecast period increases. While the Manager believes this data to be reliable, market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs and other limitations and uncertainties inherent in any statistical survey.

Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. None of the Trust, the Manager or the Agent has independently verified any of the data from third-party sources referred to in this Prospectus or ascertained the underlying assumptions relied upon by such sources. Such third-party sources have made no representation with respect to this Prospectus. Purchasers under this Prospectus will not have a direct statutory right of action for misrepresentation against such third-party sources. For the avoidance of doubt, nothing in this paragraph operates to relieve the Trust or the Agent from liability for any misrepresentation contained in this Prospectus under applicable Canadian securities laws. For more information on rights of Purchasers pursuant to this Prospectus, see “Purchasers’ Statutory Rights and Other Contractual Rights”.

MARKETING MATERIALS

The following marketing materials (as such term is defined in NI 41-101 (as defined herein)) have been filed with the securities commission or similar authority in each of the provinces of Canada in connection with the Offering and are incorporated by reference into this Prospectus (the “**Marketing Materials**”):

- the template version of the roadshow presentation filed on September 13, 2023, as revised on October 26, 2023.

The revisions to the Marketing Materials were primarily to remove certain references to “walker’s paradise” and certain other non-material changes. Pursuant to subsection 13.7(7) of NI 41-101, the Trust has prepared a revised template version of the Marketing Materials, which has been blacklined to reflect the modified statements. The foregoing summary of modifications is not exhaustive and is qualified by the modifications contained in the revised template version of the Marketing Materials and the blacklined version of such document which has been filed with the securities commission or similar authority in each of the provinces of Canada, and can be viewed under the Trust’s profile on SEDAR+ at www.sedarplus.com.

The template version of the Marketing Materials is not part of this Prospectus to the extent that the contents of the template version of the Marketing Materials are modified or superseded by a statement contained in this Prospectus or in a revised template version of such Marketing Materials.

In addition, any template version of any other marketing materials filed with the securities commission or similar authority in each of the provinces of Canada in connection with this Offering after the date hereof but prior to the termination of the distribution of the Units under this Prospectus is deemed to be incorporated by reference into this Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Trust, and Stikeman Elliott LLP, counsel to the Agent, based on the current provisions of the Tax Act, provided that the Trust is a “mutual fund trust” within the meaning of the Tax Act on the Closing Date, the Units will be, on that date, “qualified investments” under the Tax Act for trusts governed by Plans.

Notwithstanding that Units may be qualified investments as discussed above, if Units are held in a trust governed by an RRSP, RRIF, TFSA, FHSA, RDSP or RESP for which Units are a “prohibited investment” (as defined in the Tax Act), the annuitant under the RRSP or RRIF, the holder of the TFSA, FHSA or RDSP, or the subscriber of the RESP, as the case may be, will be subject to a penalty tax as set out in the Tax Act. Units will not be a prohibited investment for a trust governed by an RRSP, RRIF, TFSA, FHSA, RDSP or RESP provided the annuitant, holder, or subscriber, as the case may be, deals at arm’s length with the Trust for purposes of the Tax Act and does not have a “significant interest” (as defined for purposes of prohibited investment rules in the Tax Act) in the Trust. In addition, a Unit will not be a “prohibited investment” if the Unit is “excluded property” (as defined for purposes of prohibited investment rules in the Tax Act). Annuitants, holders, and subscribers of such plans should consult their own tax advisors to ensure that Units would not be a prohibited investment in their particular circumstances.

Prospective purchasers who intend to hold Units in a trust governed by a Plan are advised to consult their personal tax advisors.

The promissory notes, Investment LP Units or other property which may be received in connection with an *in specie* redemption of Units as described under the heading “Description of Securities – The Trust – Redemption” generally will not be qualified investments for trusts governed by Plans, which may give rise to adverse tax consequences for a trust governed by a Plan that receives such promissory notes or other property, or to the annuitant, beneficiary, subscriber or holder of such Plan.

Accordingly, each annuitant, beneficiary, subscriber or holder of a Plan should consult with their own tax advisors before deciding to exercise redemption rights in connection with Units held in a trust governed by a Plan.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods indicated, the high, low, average and period-end daily average exchange rates of one Canadian dollar in exchange for U.S. dollars, as reported by the Bank of Canada.

	<u>6 Months Ended</u> <u>June 30, 2023</u>	<u>6 Months Ended</u> <u>June 30, 2022</u>	<u>Year Ended</u> <u>December 31, 2022</u>	<u>Year Ended</u> <u>December 31, 2021</u>
High	0.8308	0.8014	0.8014	0.8308
Low	0.7725	0.7664	0.7202	0.7725
Average	0.7978	0.7863	0.7687	0.7978
Period End	0.7913	0.7768	0.7378	0.7913

On October 25, 2023, the last business day prior to the date hereof, the daily average exchange rate as reported by the Bank of Canada for conversion of Canadian dollar into U.S. dollars was C\$1.00 = US\$0.7256.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Potential investors should read the entire Prospectus and not rely solely on the contents of this summary, which does not contain full, true and plain disclosure of all material facts relating to the Units.

Issuer: West Side Square Development Fund (the “**Trust**”) is a newly-created, unincorporated investment trust governed by the laws of the Province of Ontario. The Trust was formed pursuant to the initial declaration of trust dated as of September 6, 2023. The Trust will be managed by the Manager.

Offering: Class A Units, Class E Units, Class F Units and/or Class U Units up to a maximum of US\$50,000,000 of Units.

Issue Size: Minimum Offering: US\$25,000,000
Maximum Offering: US\$50,000,000

The size of the Offering will be calculated based on the U.S. dollar equivalent of the subscription proceeds received from the issuance of Class A Units and Class F Units and the subscription proceeds received from the issuance of Class U Units and Class E Units. See also “Equity Commitment” below.

Price: C\$10.00 per Class A Unit
US\$10.00 per Class E Unit
C\$10.00 per Class F Unit
US\$10.00 per Class U Unit

Minimum Purchase: Class A Units - C\$10,000 (1,000 Class A Units)
Class E Units - US\$10,000 (1,000 Class E Units)
Class F Units - C\$10,000 (1,000 Class F Units)
Class U Units - US\$10,000 (1,000 Class U Units)

The Promoters: Altree, AJDL (a company owned by associates of Lanterra) and Westdale are considered to be the promoters of the Trust by reason of their initiative in organizing the business of the Trust and taking the steps necessary for the public distribution of the Units, and as the Pre-Development Majority Owners.

The Manager: The Trust will be managed by Altree Management Inc. (the “**Manager**”), a subsidiary of Altree which will be engaged by the Trust in the development and construction of the Project. Altree was founded by Zev Mandelbaum, one of the co-founders of Marlin Spring Investments Limited and a third-generation real estate developer.

Mr. Mandelbaum, through his involvement with several real estate development firms such as H&R Developments, Lanterra, and Marlin Spring Investments Limited, has extensive and thorough experience in developing projects throughout Canada and the United States comprised of both residential condominium and rental projects.

As of June 30, 2023, Altree has over 17 residential projects under development in various stages, with an estimated completion value of the current projects at over C\$5 billion. These projects consist of more than 6,000 residential units and over 5 million square feet under development. Notable projects include Thirty Six Zorra, Forest Hill Private Residences, Highland Commons and Kingside Residences, among others.

In addition to developing residential condominium and apartment buildings, Atree invests in retail commercial space including three retail plazas.

Atree has a dedicated team of individuals focused on the acquisition, financing, municipal development planning, construction and project management, accounting, and marketing and sales functions for its projects under development.

See “Atree and the Management Agreement – Atree”.

Investment Strategy: The Manager established the Trust primarily for the purpose of indirectly owning an interest in the West Side Square development project located in the Journal Square neighbourhood of Jersey City, New Jersey. The Project consists of the development of open space land located along the New Jersey Port Authority Trans-Hudson (PATH) transit line at 66 Broadway in Jersey City, New Jersey, into a mixed-use purpose-built rental building containing 477 rental units and approximately 9,800 square feet of commercial space. The Manager believes that the development of a rental building in Jersey City presents a compelling investment opportunity and provides competitive returns compared to other real estate assets. The Manager believes that the Project features strong location and demographic fundamentals, as Jersey City is able to capitalize on its proximity to New York City with a lower overall cost of living and favourable transit accessibility. The Manager believes that the demographics and economic growth in Jersey City continue to drive rental demand in the city, and that the city is poised to sustain, or even see further growth, in, such demand for rental housing.

See “Investment Strategy – Investment Strategy”.

Investment Objectives: The Trust’s investment objectives are to provide Unitholders with an opportunity to:

- (a) indirectly own an interest in the West Side Square development project located in the Journal Square neighbourhood of Jersey City, New Jersey; and
- (b) commencing on the Initial Occupancy Date and until a Liquidity Event has been achieved, the Trust intends to declare and pay to Unitholders quarterly cash distributions out of the available operating cash flow of the Trust (to the extent available).

See “Investment Strategy – Investment Objectives” and “Forward-Looking Statements”.

Investment Highlights:

<i>Experienced and Aligned Management and Sponsorship Team with Strong Track Record</i>	The Trust will be managed by a group of experienced senior executives with an established track record of providing strong returns in the residential real estate sector. Further, the Pre-Development Majority Owners (the Project sponsors, being Atree, AJDL (a company owned by associates of Lanterra) and Westdale), collectively have a long history of acquiring, developing and operating real estate assets throughout Canada and the U.S.
<i>Strong Governance and Alignment of Interests with the Current Owners</i>	Purchasers are being given the opportunity to invest in the Project, through the Trust, at the acquisition cost for the Project, as the Current Owners will not be receiving any of the net proceeds of the Offering, nor will their interests in the Project be increased to account for the value created by work completed to date relating to zoning and planning. The current appraised value of the Project is US\$54,500,000 while the Trust’s interest in the Project will be based on its acquisition cost of approximately US\$50,238,000,

	<p>including land and costs incurred to date and thus, Purchasers are purchasing an interest in the Project at an implied discount of approximately 7.8% to the appraised value. The total equity in the Project, following closing of the Offering, will be US\$74.2 million.</p> <p>In addition, the structure of the Carried Interest, the conditions to and timing for the payment of the Asset Management Fee, absence of employee salaries charged to the Trust and the Minimum Return result in a significant alignment of interests among the Current Owners and the investors in the Trust, by connecting the financial success of the Current Owners with the Trust’s overall performance and the returns delivered to Unitholders. This is intended to encourage responsible decision-making, long-term focus, and prudent risk management to maximize returns.</p>
<p><i>Fully-Zoned Development Project with Optimal Building Design Allowing for Shorter Investment Time Horizon</i></p>	<p>The Project, which was acquired in 2019 and re-designed by the Current Owners following the acquisition, is fully approved by the Jersey City Zoning Board, significantly reducing the risk profile of the Project from a re-zoning perspective.</p> <p>With full zoning approval secured, construction on the Project is anticipated to commence in November 2023, allowing for a shorter overall anticipated investment time horizon than is typical of development projects of this magnitude. At the time of construction commencement, all permits required for construction are anticipated to have been obtained from the Jersey City Department of Buildings. See “Forward-Looking Statements”.</p>
<p><i>Potential Development Advantage Relative to Other Projects</i></p>	<p>The Manager believes that Jersey City is an attractive choice for residential development within the New York Metropolitan Area. While residential development related charges are increasingly common in other metropolitan jurisdictions within the U.S. and Canada, Jersey City does not impose any residential development related charges for residential developments built within 0.5 miles of a Port Authority Trans-Hudson Corporation rail station platform area. The expected absence of this additional financial burden will enable the Project, as a residential development that meets this criteria, to capitalize on more robust profit margins, making the Project more cost-effective.</p> <p>Moreover, New Jersey actively encourages multi-family developments through a New Jersey State bill passed in 1987, granting new multi-family properties an exemption from local rent control regulations for 30 years or the length of their financing. This supportive stance by the State further increases the appeal of Jersey City for multi-family developments, compared to neighbouring New York City which has strict rent stabilization laws. Certain requirements will need to be met for the Project to be exempted from rent control pursuant to current municipal laws of Jersey City. The Manager believes that the Project will be able to comply with such procedural requirements and qualify for an exemption as a newly constructed multi-family property within a specific redevelopment area.</p>

	<p>Jersey City has recently introduced Jersey City Ordinance 23-048, which requires residential developers to contribute to an affordable housing fund or otherwise fulfill this obligation by including affordable housing within their projects. Because the Project was approved prior to the implementation of this policy, the Manager believes the Project will not be subject to these affordable housing contributions, which is expected to favourably impact the profitability of the Project. See “Investment Strategy – Investment Highlights – Potential Development Advantage Relative to Other Projects” and “Risk Factors – Risks Related to Real Estate Industry, the Project and the Trust’s Business – Requirements under Municipal Affordable Housing and Rent Control Policies”.</p>
<p><i>Strong Location and Demographic Fundamentals with Opportunity for Growth</i></p>	<p><i>Jersey City Capitalizes on its Prime Location Adjacent to New York City</i></p> <p>Jersey City is part of the New York Metropolitan Area located immediately west of the Hudson River, providing residents with the opportunity to capitalize on the close proximity to New York City to access its cultural offerings and labour market, while offering an overall lower cost of living compared to New York City. With fairly convenient access to Journal Square, the Mana Contemporary cultural center, Lincoln Park, and the Hackensack River, residents of the Journal Square neighborhood, where the Project is located, can also access the New Jersey PATH transit system from the Journal Square Transportation Centre located in Journal Square.</p> <p>The disparity in living costs between Jersey City and New York City combined with the increasing availability of transit options has significantly influenced rent prices, with Jersey City emerging as an attractive alternative for those seeking more affordable housing options than are available in New York City while remaining connected to the city by public transit and other transit options. Notably, growth in rent rates for multi-family apartments in the Journal Square neighbourhood outpaced Manhattan in 2021 and 2022. The area’s density is projected to continue increasing based on planned developments in the Journal Square neighbourhood as of March 2022.</p> <p><i>Young, Diverse, and Highly Educated Population Indicates Strong Demand for Rentals in Jersey City</i></p> <p>As of 2020, more than 47% of Jersey City’s workforce is employed in technology, science, education, and professional services, contributing to the city’s economic growth and innovation. The Manager believes that this higher relative income means that residents are better positioned to afford rent and effectively sustain the relatively rapid growth in rent rates in Jersey City in the last two years.</p> <p>With a year-over-year decrease in the unemployment rate and the growth of non-farm jobs, New Jersey continues to experience favorable economic and labour conditions. The Manager believes</p>

	<p>that these positive economic indicators will translate into increased demand for rental properties as more young professionals and individuals seek housing options in areas like Jersey City, and specifically the Journal Square neighbourhood, to capitalize on the growing job market and opportunities in the region.</p> <p>The Manager believes that the prevalence of millennial residents in Jersey City makes Jersey City an attractive area for young professionals who, in the aggregate, have the means to support the city’s rental market and contribute to its growing economic landscape. A majority of renters in Jersey City are millennials (aged between 25 and 44 years old). The Manager believes that this demographic is relevant as millennial households in the U.S. have a median income that surpasses the U.S. median income.</p> <p><i>Jersey City has Experienced Significant Industry Growth and is Positioning itself as a Technology Hub</i></p> <p>Jersey City is experiencing an increase in the population of young and highly educated professionals, largely fueled by the city’s industry growth and robust labour market. Recent data obtained from the U.S. Census Bureau highlights substantial growth in several key sectors within Jersey City, including scientific and technical services, educational services, financial services and insurance.</p> <p>The increasing prominence of these industries highlights Jersey City’s evolution into a diverse business hub, which is expected to continue to attract a talented workforce of young professionals. The Manager believes that the city’s robust job market, combined with its proximity to New York City, positions Jersey City as an attractive destination for individuals looking to capitalize on employment opportunities in expanding industries.</p> <p><i>Jersey City Benefits from Transit Accessibility</i></p> <p>The accessibility of both the Jersey City PATH transit system and ferry services offers residents efficient and convenient options for commuting to and from Manhattan and within New Jersey and New York. Jersey City has earned a higher than average transit score of 9.3/10 according to AllTransit, reflecting the city’s developed transportation infrastructure.</p> <p>Furthermore, the site of the Project is located less than one mile from major highway access via car, providing residents with the convenience of driving to downtown Manhattan and to surrounding New Jersey cities via Interstate Highways.</p>
<p><i>Rental Market in Jersey City, and Particularly the Journal Square Neighbourhood, Poised for Growth</i></p>	<p><i>Jersey City and Journal Square Rental Markets</i></p> <p>The Journal Square neighbourhood, in which the Project is located, has experienced significant growth in rent rates, consistent with the growth in demand for Jersey City’s rental</p>

	<p>market due to its close proximity to Manhattan, employment opportunities, and cultural environment.</p> <p>The demand for rental units in Jersey City is amplified by the limited rental supply. The Manager believes the declining number of multi-family building permits being approved is a critical contributing factor. From 2018 to 2020, the New York Metropolitan Area experienced a discrepancy between forecasted and actual multi-family unit building permits issued, with fewer permits being issued than forecast.</p> <p>The combination of sustained demand and limited supply has resulted in Jersey City becoming a highly competitive rental market within the New York Metropolitan Area.</p> <p>Jersey City faces ongoing challenges in terms of housing affordability (ownership) with a Housing Affordability Index (HAI) of 59. The Manager believes that the lack of housing affordability will help drive demand for rental housing as the widening gap between home prices and wages has increased the number of individuals and families turning to rental options as a more affordable housing solution.</p> <p><i>Strong Development Activity in the Journal Square Neighbourhood</i></p> <p>West Side Square is located within the Journal Square neighbourhood, which is a prominent transportation center for Jersey City and the wider region. This accessibility, coupled with its strategic location, has contributed to the area’s attractiveness for both residential and commercial development.</p> <p>In recent years, Journal Square has witnessed an increase in new residential developments. About 700 units have been delivered in the past 12 months and 5,100 units are currently under construction. These projects are catering to the increasing demand for housing, driven by the area’s rising popularity and affordability in comparison to Manhattan, and the overall growth of Jersey City. With an influx of new residents, the neighbourhood is experiencing a change, with trendy amenities, cultural attractions, and a vibrant social scene emerging to cater to the growing population.</p> <p>Beyond residential projects, the development plans for Journal Square include the construction of modern office spaces and retail centers. The Manager believes that the diversification of the area’s real estate landscape will attract businesses and investors, bolstering the local economy, and creating job opportunities for the growing population.</p>
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See “Investment Strategy – Investment Highlights” and “Forward-Looking Statements”.

The Project:

Following closing of the Offering, the Trust will acquire an indirect interest in the Project through the Acquisition. The Project is located in Jersey City, New Jersey, a prime location adjacent to New York City. The Project is currently approved for construction and has a site area totaling approximately 104,000 square feet. The Project will consist of a mixed-use building varying from 5 to 12 stories and will develop an approximately 415,000 square foot gross area with approximately 305,000 net rentable square feet with 477 suites, 298 parking stalls, 150 storage lockers, 269 bike storage spaces and approximately 9,800 square feet of retail floor area. The development is expected to be completed in approximately 33 months with a lease up period of approximately 15 months commencing three months prior to development completion, at an estimated aggregate cost of approximately US\$230,000,000.

See “Description of the Activities of the Trust – The Project”.

Independent Appraisal

The Manager retained the Appraiser to provide an independent appraisal of the fair market value of the Property. Based on the Independent Appraisal, the estimated market value of the Property is US\$54,500,000. See “Description of the Activities of the Trust – The Project – Independent Appraisal”.

Selected Financial Information:

The following selected financial information of the Property has been derived from, and should be read in conjunction with, the Property’s interim carve-out financial statements for the three months and six months ended June 30, 2023 and June 30, 2022 (unaudited) and the audited carve-out financial statements for the financial years ended December 31, 2022 and December 31, 2021, and accompanying notes, prepared in accordance with IFRS and contained elsewhere in this Prospectus. Amounts are presented in thousands of U.S. dollars.

The selected financial information should also be read in conjunction with “Management’s Discussion and Analysis”, as well as the information under the headings “Prospectus Summary” and “Use of Proceeds”. The selected financial information set out below may not be indicative of the Trust’s future performance.

Six months ended June 30, 2023	The Property
Balance Sheet Data	
Assets:	
Non-current assets	
Property under development	\$54,500,000
Current assets	
Financing deposits.....	107,542
Retainers	50,240
Prepaid expenses	327
	<u>158,109</u>
Total assets	<u>\$54,658,109</u>
Liabilities and Divisional Surplus:	
Current liabilities	
Bank loan	26,000,000
Accounts payable and accrued liabilities	168,559
Due to related parties	–
	<u>26,168,559</u>
Divisional surplus	<u>28,489,550</u>
Total liabilities and divisional surplus	<u>\$54,658,109</u>

Trustees and Officers:

The Trust has a Board consisting of five Trustees, being Anthony Melman, Mandy Abramsohn, John Brown, Mark Mandelbaum and Mitchell Cohen. A majority of the Board is independent (60%) and 20% of the Trustees are women. The officers of the Trust are Zev Mandelbaum (Chief Executive Officer), Natalie Leibowitz (Chief Financial Officer), Raphael Mandelbaum (Chief

Operating Officer) and Jordan DeBrincat (Chief Development Officer). 50% of the officers of the Trust are women.

The Trustees and executive officers of the Trust have, collectively, prior experience in both the U.S. and Canadian real estate sectors.

Assuming the Maximum Offering is achieved, following completion of the Offering, the Trustees and executive officers of the Trust, as a group, are not expected to beneficially own, control or direct, directly or indirectly, any of the Trust's issued and outstanding Units, but will, collectively, have a 14.69% indirect equity interest in the Project.

If only the Minimum Offering is achieved, following the completion of the Offering (after giving effect to the subscription for Class C Units pursuant to the Equity Commitment), the Trustees and executive officers of the Trust, as a group, are expected to beneficially own, control or direct, directly or indirectly, US\$11,250,000 of the Trust's issued and outstanding Units, and will, collectively, have a 29.85% indirect equity interest in the Project.

See "Trustees and Executive Officers" and "Atree and the Management Agreement."

Unit Attributes:

The beneficial interests in the Trust are divided into five classes of Units: Class A Units, Class C Units, Class E Units, Class F Units, and Class U Units. The Trust is authorized to issue an unlimited number of Units of each class although, following completion of the Offering and any concurrent private placements by the Trust, the Trust will not seek to raise any further equity from the public and, accordingly, the Trust is a closed-ended vehicle. Each Unit is transferable and entitles the holder thereof to: (i) the proportionate entitlement to distributions of the Trust equal to all other distributions on the Units of the same class; (ii) rights of redemption; and (iii) one vote at all meetings of Unitholders, with all classes of Units voting together as a single class, unless 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. See "Description of Securities – The Trust – Meetings of Unitholders and Resolutions".

The Trust is prohibited from offering Units to the public following the closing of the Offering, provided, for clarity that the Trust may issue the Class C Units pursuant to the exercise of the Equity Commitment in connection with the closing of the Offering.

Leverage:

The Project will target a maximum overall loan-to-cost ratio of approximately 68% of the cost to develop the Project, which is expected to be comprised of Construction Loans. However, the maximum loan-to-cost ratio for the Project will be limited to 75% of the cost to develop the Project in accordance with the Declaration of Trust. The Construction Loans will be secured by mortgages registered on the Project. Upon the Initial Occupancy Date, the Project is intended to be refinanced based on a debt-service-coverage-ratio (DSCR) of 1.25x applied to stabilized net operating income.

Equity Commitment:

The Current Owners have committed to provide additional equity to the Project, through investments in Class C Units concurrent with the closing of the Offering at a price of US\$10.00 per Class C Unit, in an aggregate amount equal to the difference between (a) the gross proceeds raised from the Offering and any concurrent private placements by the Trust, and (b) the Maximum Offering (the "**Equity Commitment**"), which would result in a maximum Equity Commitment of US\$25 million in the aggregate if only the Minimum Offering is achieved, in order to provide the necessary equity to complete development of the Project.

See "Investment Strategy – The Current Owners."

Cost Overrun Units:

Avenir LP does not expect to have cost overruns in respect of the Project and the Manager has budgeted significant contingencies for the Project. However, in the event of a future incremental equity requirement or cost overrun requiring additional equity in the Project, the Current Owners

have committed to provide the equity for such cost overruns by acquiring specified limited partnership units of Avenir LP (the “**Cost Overrun Units**”). The return on the Cost Overrun Units has an equal pre-tax investor gross compounded annualized return to the Class C Units (whether issued or deemed to be issued). For greater certainty, the Cost Overrun Units will otherwise achieve the same annualized internal rate of return as the Class C Units, but not the same total return, as the Cost Overrun Units will be outstanding for a shorter time period and thus be entitled to a lesser total return.

Distributions:

Commencing on the Initial Occupancy Date and until a Liquidity Event has been achieved, the Trust intends to declare and pay to Unitholders quarterly cash distributions out of the available operating cash flow of the Trust (to the extent available). However, such cash distributions may not occur or, if any such cash distributions do occur, may be reduced, including to zero, or suspended, as the ability of the Trust to make cash distributions and the actual amount distributed will depend on the development and operation of the Project, the expenses and requirements of the Trust, the timing of a Liquidity Event, and will be subject to various factors, including those referenced in the “Risk Factors” section of this Prospectus.

The aggregate Minimum Return, after payment of all expenses of the Project, the Trust and its Subsidiaries, (i) is based on an 8% per annum compounded return on the Gross Subscription Proceeds received by the Trust from the issuance of each Unit, (ii) is calculated in the currency of issuance of each such Unit, and (iii) is a preferred return, payable prior to payment of any amounts pursuant to the Carried Interest and Asset Management Fee, but (iv) is not guaranteed, is not expected to be paid prior to the occurrence of a Liquidity Event, and may not be paid upon the occurrence of a Liquidity Event or at all. The aggregate Secondary Minimum Return, after payment of all expenses of the Project, the Trust and its Subsidiaries (including the Asset Management Fee and a portion of the Carried Interest), (i) is based on a 15% per annum compounded return on the Gross Subscription Proceeds received by the Trust from the issuance of each Unit, (ii) is calculated in the currency of issuance of each such Unit, and (iii) is a preferred return, payable prior to payment of the increased percentage of distributions payable pursuant to the Carried Interest, but (iv) is not guaranteed, is not expected to be paid prior to the occurrence of a Liquidity Event, and may not be paid upon the occurrence of a Liquidity Event or at all.

The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including such amount of cash distributions sufficient to provide for the return of a Unitholder’s original investment, are not guaranteed and the anticipated return on investment is based upon many performance assumptions. See “Risk Factors” and “Forward-Looking Statements”.

See “Description of Securities – The Trust – Distributions”, “Description of Securities – The Trust – Distribution on Termination of the Trust” and “Risk Factors”.

Term:

In order to provide Unitholders with liquidity, the Manager intends to achieve a Liquidity Event within four years of the Closing Date, subject to two one-year extensions where the Manager determines in its discretion that the extensions are prudent given then prevailing market conditions and in the best interests of the Trust. The Liquidity Event may be, subject to Unitholder approval as the case may be, (i) the sale of all or substantially all of the assets of the Trust, (ii) the sale of all or substantially all of the Units of the Trust by Unitholders or all of the securities in Avenir LP through which the Trust indirectly owns its interest in the Project, for cash or Listed Securities or a combination of cash and Listed Securities, (iii) a transaction which provides Unitholders with comparable liquidity that such Unitholders would have if the Units were Listed Securities, whether by means of a reverse take-over, merger, amalgamation, arrangement, take-over bid, insider bid, reorganization, joint venture or similar transaction or other combination with an issuer of Listed Securities, (iv) the exchange of Units for Listed Securities, or (v) an event similar to those described in items (i) to (iv) above and designated as a “Liquidity Event” by the independent Trustees.

The Term is targeted to be a period of four years starting on the Closing Date, subject to earlier termination as described below. The Term may also be extended (including following the exercise of either or both of the one-year extensions exercisable at the discretion of the Manager) by Special Resolution of the Unitholders, subject to approval by the Board.

Notwithstanding the Term outlined above, the Trust may be wound up and dissolved as soon as practicable following the direct or indirect disposition of all of the assets of the Trust.

See “Description of Securities – The Trust – Termination of the Trust”.

Liquidity Option

The limited partners in Avenir LP (the “**Avenir Limited Partners**”) have agreed to certain liquidity rights in favour of the Trust (as the ultimate indirect holder of the Avenir Class B Units) in the event a Liquidity Event is not completed within four years of the Closing Date, subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders). In such circumstances, the Trust (acting through CZRBK) will be permitted to initiate a process whereupon the Trust and the Avenir Limited Partners (together as a group) shall each appoint an independent, third party appraiser to obtain an appraisal of the Project. Following receipt of the appraisals, the Avenir Limited Partners will have 30 days to agree to acquire the Avenir Class B Units (the “**Liquidity Option**”) at a purchase price for the Units (the “**Liquidity Option Price**”) equal to the pre-tax amount that would be distributed (or be available for distribution) in respect of the Avenir Class B Units if the Project was sold for the higher of: (A) the value of the Liquidity Event modelled in the pro forma of the Project (being approximately US\$307.6 million); and (B) either (i) the mid-point of the two appraisals, or (ii) if the higher appraisal is more than 110% of the lower appraisal, a third appraisal shall be obtained and the price shall be the mid-point of the two closest appraisals.

If the Avenir Limited Partners do not exercise the Liquidity Option within such 30-day period, the Trust will have the right for a 60-day period following the expiry of the 30 day exercise period for the Liquidity Option (the “**Shop Period**”) to cause CZRBK initiate a sale of the Avenir Class B Units (or, where the Trust intends to exercise its drag along rights, either the sale of all but not less than all of the limited partner interests in Avenir LP or a direct sale of the whole of the Project by Avenir LP) to one or more third parties at not less than the Liquidity Option Price. If the Trust is able to identify such an acquiror, the Trust shall have the right to require that the Avenir Limited Partners sell their respective limited partner interests in Avenir LP, at the applicable proportion that such interests represent of the Liquidity Option Price.

In the event the Trust is unable to identify such an acquiror during the Shop Period, the Trust will restart the Liquidity Option at a new price for the Avenir Class B Units selected by the Trust among the following three (3) formula (the “**Revised Liquidity Option Price**”): (i) a purchase price for the Avenir Class B Units, as applicable, equal to the pre-tax amount that would be distributed (or be available for distribution) in respect of the Avenir Class B Units if the Project or the Avenir Class B Units were sold for the highest offer price received by the Trust during the Shop Period pursuant to a binding and unconditional offer by an arms length third party, (ii) a purchase price for the Avenir Class B Units, as applicable, equal to the pre-tax amount that would be distributed (or be available for distribution) in respect of the Avenir Class B Units if the Project was sold for 95% of the mid-point of the original two appraisals or if the higher appraisal is more than 110% of the lower appraisal and a third appraisal was obtained, then 95% of the mid-point of the two closest original appraisals, or (iii) a purchase price for the Avenir Class B Units, as applicable, equal to the pre-tax amount that would be distributed (or be available for distribution) in respect of the Avenir Class B Units if the Project was sold for (A) the mid-point of two new appraisals or (B) if the higher appraisal is more than 110% of the lower appraisal, then the mid-point of the two closest new appraisals out of the three new appraisals.

In the event that the Avenir Limited Partners do not exercise the Liquidity Option at the Revised Liquidity Option Price within 30 days from the date the Revised Liquidity Option Price is determined, the Trust will have the right to during the next 30-day period to direct Avenir LP to initiate a sales process for the entirety of the Project (the “**Sale Process**”). Any transaction to be

completed pursuant to the Liquidity Option, the Shop Period or the Sale Process will be subject to approval by the Unitholders by Special Resolutions.

Following completion of the Liquidity Option, the Shop Period or the Sale Process, as applicable, the Trust will distribute, or will direct Avenir LP to distribute, the available net proceeds to the Unitholders.

Notwithstanding anything to the contrary in the foregoing, the Trust and the Avenir Limited Partners shall work together to structure the occurrence of the Liquidity Event in a manner that is mutually tax efficient for the parties, including that if the expected U.S. federal income tax required to be withheld on such disposition is higher than the expected U.S. federal income tax liability of the Investment LP on the gain realized from such disposition, then the Trust (on behalf of the Investment LP) and the Avenir Limited Partners intend to take steps, if available, in order to mitigate the amount of U.S. federal income tax required to be withheld.

See “Description of Securities – The Trust – Termination of the Trust” and “Description of Securities – Avenir LP – Liquidity Provisions”.

Redemption:

The Units will be redeemable at the option of Unitholders, quarterly, by written notice to the Trust. The Units will be redeemable at a value of 95% of the Net Asset Value less the Redemption Cost.

The entitlement of Unitholders to receive cash upon redemption is subject to the following limitations: (i) unless the Trustees otherwise determine, the total amount payable by the Trust by cash payment in respect of the redemption of Units for any calendar quarter shall not exceed C\$50,000 in the aggregate; and (ii) unless the Trustees otherwise determine, the total amount payable by the Trust by cash payment in respect of the redemption of Units in any 12-month period ending at the end of each calendar quarter shall not exceed 1% of the aggregate Net Asset Value at the start of such 12-month period.

If redemptions in excess of this cash limit occur, the Trust may satisfy the redemption of Units in excess of this limit, by way of an *in specie* distribution of property of the Trust (which may include Investment LP Units) and/or the issuance of unsecured subordinated promissory notes of the Trust, at its option, as determined by the Board in its sole discretion, which property may be illiquid and generally will not be a qualified investment for trusts governed by Plans. The redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment.

See “Description of Securities – The Trust – Redemption”.

Use of Proceeds:

Assuming that the Minimum Offering is sold, the gross proceeds to the Trust from the Offering will be US\$25,000,000.

Assuming that the Maximum Offering is sold, the gross proceeds to the Trust from the Offering will be US\$50,000,000.

The net proceeds from the Offering (after deduction of the Agent’s Fee, and the expenses of the Offering which will be paid by Avenir LP) and any concurrent private placements by the Trust invested into CZBK will be used, together with any proceeds from the Equity Commitment (if applicable), the existing working capital of the Project and Construction Loans to be obtained by the Project, to fund the development of the Project and the repayment of the existing Land Loan for the Project. The Trust’s indirect interest in the Project will be determined based on the Gross Subscription Proceeds (inclusive of the Equity Commitment, if applicable), without deduction for the Agent’s Fee or any expenses of the Offering borne by Avenir LP. The Trust will not acquire any additional real property with the net proceeds of the Offering or from any other financing sources and, accordingly, this Offering is not a “blind pool” offering.

In connection with the Offering, none of the Current Owners are disposing of their interest in the Project and none of the Current Owners will receive any of the net proceeds of the Offering on closing of the Offering.

See “Description of the Activities of the Trust” and “Use of Proceeds”.

Agent:

CIBC World Markets Inc., as Agent.

See “Plan of Distribution”.

Eligibility for Investment:

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Trust, and Stikeman Elliott LLP, counsel to the Agent, based on the current provisions of the Tax Act, provided that the Trust is a “mutual fund trust” within the meaning of the Tax Act on the Closing Date, the Units will be, on that date, “qualified investments” under the Tax Act for trusts governed by Plans. Prospective Purchasers who intend to hold Units in a trust governed by such a Plan are advised to consult their personal tax advisors.

See “Eligibility for Investment”.

Liquidity:

There is currently no market through which the Units may be sold, such a market may not develop and Purchasers may not be able to resell Units purchased under this Prospectus. This may affect the pricing and liquidity of the securities in the secondary market, if one should develop, the transparency and availability of trading prices, and the extent of issuer regulation. See “Risk Factors”. As at the date of this Prospectus, the Trust does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Cboe Exchange, any other Canadian marketplace, a U.S. marketplace, or any marketplace outside Canada and the U.S. See “Plan of Distribution”.

Lock-Up Arrangements

For a period beginning on the Closing Date and ending on the earlier of (i) the completion of a Liquidity Event, or (ii) the completion of the Liquidity Option or Sale Process, as applicable, the Locked-Up Parties have agreed, except with the prior written consent of the Agent and the Trust, to not, directly or indirectly, (i) offer, sell, contract to sell, secure, pledge, grant or sell any option, right or warrant to purchase, or otherwise lend, transfer, assign or dispose of any of their Units or securities convertible into or exercisable or exchangeable for Units (except for transfers to affiliates, provided they remain affiliates); (ii) make any short sale, engage in any hedging transaction, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Units, whether any such transaction is to be settled by delivery of Units, other securities, cash or otherwise; or (iii) agree or publicly announce any intention to do any of the foregoing. See “Investment Strategy – Investment Highlights – Strong Governance and Alignment of Interests with the Current Owners”.

Risk Factors:

Purchasers should consider the following risk factors before purchasing Units:

Risks Related to Real Estate Industry, the Project and the Trust’s Business

Real Property Ownership and Revenue Risks – All real property investments are subject to a degree of risk and uncertainty. There can be no assurance that the Project will be operated successfully, that the operations of the Trust will be profitable or that cash from refinancing of the Project or from operations will be available to make distributions to Unitholders. Because real estate, like many other types of long-term investments, experiences significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of the Project. The likelihood of success of the Trust must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any real estate investment.

Construction and Development Risk – The Project will be subject to a number of risks inherent in the development, sale and construction of a mid-rise residential development project in Jersey City which could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent the initiation of development activities or the completion of development activities

once undertaken. In addition, development projects entail risks that investments may not perform in accordance with expectations and can carry an increased risk of litigation (and its attendant risks) with contractors, subcontractors, suppliers, partners and others. Any of these risks could have an adverse effect on the Trust's cash flows, financial condition or results of operations and its ability to make distributions to Unitholders in the future.

Development Permit Risks – While full zoning approval has been obtained, in order to commence construction on the Project, the Trust must obtain certain additional permits required for construction from the Jersey City Department of Buildings. Viability and/or profitability of the Project may be materially adversely affected if the Project cannot proceed as currently proposed. Until the necessary permits as may be required for the Project are secured, Project design and return on the Project may be subject to change. If there should be a significant delay in the provision of servicing, construction, or in obtaining any of the required construction permits, the Project's viability and/or profitability may be materially adversely affected. While the Manager anticipates that the aforementioned permits will be obtained from the Jersey City Department of Buildings to allow for construction to commence by November 2023, there can be no guarantee that any or all of the required permits will be obtained on a timely basis or at all.

Financing Risks – There is no assurance that Avenir LP will be able to obtain sufficient Construction Loans to finance the acquisition of interests in the Project, or, if available, that Avenir LP will be able to obtain Construction Loans on commercially acceptable terms.

Rental Income Risks – The Project is expected to generate income primarily through rent payments made by the tenants thereof pursuant to standard form leases which are in place for each rental unit. Upon expiry of any lease, there can be no assurance that it will be renewed or the tenant replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than the existing lease.

Project – Following closing of the Offering, the Trust will indirectly acquire an interest in the Project. The Manager has estimated that the total cost necessary to carry out the proposed development of the Project will be US\$230,000,000. If the Project is unable to be developed, there could be a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to Unitholder in the future. The Trust does not expect to have cost overruns and the Manager has budgeted significant contingencies for the Project. However, in the event of a future incremental equity requirement or cost overrun requiring additional equity in the Project, pursuant to the Cost Overrun Funding and Guarantee Agreement, the Current Owners have agreed, among other things, to subscribe for Cost Overrun Units. However, there can be no guarantee that the Current Owners will comply with this obligation or that such funds will be available, or that if available, that the cost overrun will be satisfied in full. There is no assurance that the Project will be operated successfully. The potential return to investors depends on the revenues generated by the Project, expenses incurred, costs and time to construct the Project, as well as the price achieved through a Liquidity Event and/or the ability of the Trust to consummate a Liquidity Event. However, there can be no assurance that such business activities will generate revenues sufficient to meet the return objectives of the Trust. The Project will be subject to the risks inherent in the marketing, leasing and construction of residential units in Jersey City, New Jersey, including, but not limited to, the inability to obtain construction or mortgage financing on reasonable terms or at all, the inability, failure or unwillingness, when and if required, to provide or procure guarantees, security and other credit support to secure Project financing, fluctuations in interest rates, fluctuations in or volatility of real estate markets (particularly the residential property market in New Jersey) and general economic conditions, failure to repay or refinance mortgages resulting in foreclosure or power of sale, construction delays due to force majeure, strikes, shortages of materials or labour, competition from other properties, limits on insurance coverage, and increases in construction costs caused by general economic conditions.

Requirements Under Municipal Affordable Housing and Rent Control Policies – While the Manager believes the Project will not be subject to certain affordable housing contributions required under Jersey City Ordinance 23-048 because the Project was approved prior to the implementation of this policy, certain rules and regulations relating to Jersey City Ordinance 23-048 are still being

determined and there is accordingly, a lack of clarity regarding which specific stage of approval by Jersey City would qualify the Project as approved prior to the implementation of this policy (and, accordingly, not subject to the requirements of the policy). In addition, while the Manager believes the Project will qualify for an exemption from any local rent control regulations, there are certain procedural requirements that must be followed pursuant to New Jersey law, which, if not met, will subject the Project to local rent control regulations. Accordingly, the profitability of the Project may be negatively impacted if the Project is determined to ultimately be subject to affordable housing contributions and/or local rent control regulations.

General Competition from Other Real Property Operators – The market for residential rental units in Jersey City is competitive, and the Project faces competition in Jersey City, and in the broader New York Metropolitan Area, with numerous developers continuously undertaking and marketing projects. In the future, this level of competition may increase if and as existing operators become more successful and new operators enter the market.

Environmental Matters – Under various environmental laws, Avenir LP could become liable for the costs of abatement, removal or remediation of certain hazardous substances that may have been or may in the future be located on, in, under or released from the Project, or may have liability for offsite migration of such substances. The failure to deal effectively with such substances may adversely affect the Manager's ability to sell the Project or to borrow using the Project as collateral, and could potentially also result in claims against Avenir LP by third parties. In addition, if hazardous substances are located on, in, under or released from, the Project, Avenir LP could incur substantial liabilities through a private party personal injury claim, a claim by an adjacent property owner for property damage or a claim by a governmental entity, including fines and penalties. The costs of defending these claims, conducting environmental remediation, complying with orders by governmental authorities for Avenir LP to study, contain, stop and/or remedy any contamination, resolving liabilities caused by tenants or to third parties or responding to changed conditions, could have a material adverse effect on the Trust's business, financial condition and results of operations which may impact the Trust's ability to meet its investment objectives.

The Jersey City Real Estate Market – The Project is subject to the risks associated with fluctuations in or the volatility of the Jersey City real estate market and, to a lesser extent, the real estate market of the New York Metropolitan Area, specifically, the market for mixed-use real estate properties and residential rental properties in such areas. The demand for newly constructed residential rental units in Jersey City is affected by numerous factors, including, but not limited to, interest rates, mortgage rules, the supply of residential units, and general economic conditions. The Jersey City real estate market is subject to change, and there can be no assurance that demand for newly constructed residential rental properties in Jersey City will not decline. A decrease in demand for, or increase in the supply of, residential units in Jersey City could materially adversely affect the Project's viability, and, as a result, the Project could be temporarily delayed or cancelled altogether.

Regulation and Changes in Applicable Laws – The Project is subject to laws and regulations governing the ownership and leasing of real property, zoning, building standards, landlord tenant relationships, employment standards, environmental matters, taxes and other matters. It is possible that future changes in Applicable Laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the Project (including with retroactive effect) or significantly impact and reduce the value or potential value of the Project.

Property Encumbrances – The Project may be or may become subject to, as applicable, various easements and charges including, without limitation, gas, water, electricity and other utility easements and rights of access and conduits to and across the Project. Where such encumbrances exist, the Trust may be required to grant or obtain additional easement area and could be responsible for the cost of moving infrastructure.

Capital Expenditures and Fixed Costs – Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a property is producing

any income to pay such expenses. Once developed, in order to retain desirable rentable space and to generate adequate revenue over the long-term, the Project must maintain or, in some cases, improve its condition to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs, which the Project may not be able to pass on to its tenants.

Access to Capital – The real estate industry is highly capital intensive. Although the Project expects to have access to debt financing, there can be no assurances that the Project will otherwise have access to sufficient capital or access to capital on terms favourable to the Project to complete its development.

Revenue Shortfalls – Revenues from the Project, once developed, may not increase sufficiently to meet increases in Operating Expenses or debt service payments under the Construction Loans or to fund changes in the variable rates of interest charged in respect of such loans.

Fluctuations in Interest Rates and Capitalization Rates – The Construction Loans may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in the Project's cost of borrowing.

Litigation at the Project Level – The acquisition, ownership and disposition of real property carries certain specific litigation risks. Litigation may be commenced with respect to Project in relation to activities that took place prior to the Trust's acquisition of an interest in the Project.

Liquidity – Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments.

Economic Environment – The Trust is subject to risks involving the economy in general, including inflation, deflation or stagflation, unemployment, supply chain pressures and negative geopolitical issues. Poor economic conditions could adversely affect the development of the Project or the Project's ability to generate revenues, thereby reducing its operating income and earnings.

Geographic Concentration and Local Economic Conditions – The Project is located in Jersey City, New Jersey. As such, the Trust is susceptible to local economic conditions which impact the supply of and demand for residential rental properties in this area.

Negative Geopolitical Events May Cause Increased Economic Volatility – Events such as war and occupation, terrorism and related geopolitical risks may lead to increased economic volatility and may have adverse short-term and long-term effects on world economies and securities markets generally, including Canadian, U.S., European and other economies and securities markets. For example, in response to the current conflict between Russia and Ukraine, certain countries have implemented economic sanctions against Russia and/or certain Russian individuals or organizations, and may impose further sanctions or other restrictive actions against governmental or other individuals or organizations in Russia or elsewhere. The effects of disruptive geopolitical events could affect the economies and securities markets of countries in which Atree and/or its affiliates operate in ways that cannot necessarily be foreseen at the present time. These events could also exacerbate other pre-existing political, social and economic risks.

Public Health Crises – Public health crises relating to any virus, flu or any other similar disease or illness, including COVID-19 (each a “**Health Crisis**”) could adversely impact the Trust. Contagion in the market in which the Project is located could negatively impact its occupancy, reputation or attractiveness of that market. Furthermore, increased government regulation relating to a Health Crisis could result in legislation or regulations that may restrict the ability of landlords to enforce material provisions under leases among other potential adverse impacts. All of these occurrences may have a material adverse effect on the business, cash flows, financial condition and results of operations of the Project, including the valuation of the Project in connection with a Liquidity Event.

Risks Related to the Trust

Holding Entity Structure – As a holding entity, the Trust's ability to meet its obligations, including payment of Operating Expenses and distributions, depends on the receipt by the Trust of distributions from its Subsidiaries as the principal source of Cash Flow. As a result, the Cash Flow

and ability to pay distributions on the Units are dependent upon the earnings of the Trust's Subsidiaries and the distribution of those earnings and other funds to the Trust. Substantially all of the Trust's business will be conducted through its Subsidiaries.

Distributions may be Reduced or Suspended – Although the Trust intends to distribute its available cash to Unitholders following the Initial Occupancy Date, such cash distributions may be reduced or suspended.

Capital Depletion Risk – The Trust expects that distributions to Unitholders (to the extent available) will commence on the Initial Occupancy Date. While the Trust expects that its cash flows will stabilize in the fourth year following the closing of the Offering, distributions to Unitholders may, in whole or in part, be comprised of returns of capital. A return of capital means all, or a portion of, the distributions provided to Unitholders is derived from funds that were invested in the Trust originally, as opposed to the returns or income generated by the investment in the Trust. Returns of capital will reduce the Net Asset Value of the particular class of Units, as applicable, and may reduce the total assets of the Trust.

Reliance on Assumptions – The Trust's investment objectives and the Manager's strategy have been formulated based on the Manager's analysis and expectations regarding recent economic developments in the U.S., the future of U.S. real estate markets generally, and the Canadian dollar to U.S. dollar exchange rate. Such analysis may be incorrect and such expectations may not be realized.

Currency Exchange Rate – Although investors in the Class A Units and Class F Units will be investing in Canadian dollars and will receive distributions, if any, in Canadian dollars, the distributions will be calculated based on the Canadian dollar equivalent of a given distribution in U.S. dollar (which calculation shall use the U.S. dollar spot exchange rate available to the Trust in respect of such distribution). The Canadian dollar is not maintained at a fixed exchange rate compared to the U.S. dollar but rather the value of the Canadian dollar has a floating exchange rate in relation to the U.S. dollar. Additionally, the business of the Trust's Subsidiaries and its affiliates will be conducted in the U.S. Consequently, any income and gains will be earned and any expenses and losses will be incurred in U.S. dollars and, as a result of fluctuations in the Canadian dollar/U.S. dollar exchange rate, investors who purchase Units are subject to currency exchange rate risk.

Payment of Minimum Return and Carried Interest – The amounts calculated as being distributable to Unitholders for purposes of determining the Carried Interest are not the same as the amounts that will be distributed to Unitholders pursuant to the Declaration of Trust. It is possible that the persons entitled to the Carried Interest will receive amounts even if one or more classes of Units have not received the Minimum Return, primarily as a result of fluctuations in currency exchange rates.

General Litigation – In the normal course of the Trust's operations, whether directly or indirectly, it may become involved in, named as a party to, or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions in relation to, among other things, personal injuries, property damage, property taxes, land rights, the environment and contract disputes.

Potential Conflicts of Interest with Respect to the Trustees and Executive Officers of the Trust – The Trustees will, from time to time, in their individual capacities, deal with parties with whom the Trust may be dealing, or may be seeking investments similar to those desired by the Trust. The interests of these persons could conflict with those of the Trust. Pursuant to the Declaration of Trust, all decisions to be made by the Board which involve the Trust are required to be made in accordance with the Trustee's duties and obligations to act honestly and in good faith with a view to the best interests of the Trust and its Unitholders. In addition, the Declaration of Trust contains provisions requiring the Trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. Conflicts may also exist as certain Trustees and executive officers will be affiliated with Current Owners. While the executive officers of the Trust also owe fiduciary and legal duties to the Trust and its Unitholders, there can be no assurance that the provisions of the Declaration of Trust, the provisions of the Management Agreement or any internal corporate policies of the Trust, as applicable, will adequately address actual or potential conflicts of interest

with respect to the Trustees and the executive officers of the Trust or that such actual or potential conflicts of interest will be resolved in favour of the Trust.

Potential Conflicts of Interest with Respect to the Manager and the Project General Partners – The services of the Manager as manager of the Trust are not exclusive to the Trust. The Manager or any of its affiliates and associates may, at any time, engage in the development of, investment in and management of other real estate properties. The Manager will not have any obligation to account to the Trust or the Unitholders for profits made in such other activities. The Trust may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the Trust than if it were dealing with a party that was not a significant holder of an interest in the Trust and was not a provider of asset management services to issuers other than the Trust. In addition, CZBK GP, CZRBK GP and Avenir GP are each general partners of CZBK, CZRBK and Avenir LP, limited partnerships which the Trust has an indirect interest in and through which the Trust has an indirect interest in the Project. These Project General Partners are controlled by one or more of the Pre-Development Majority Owners or shareholders, directors, officers, employees or affiliates of the Current Owners, each of whom are and/or may in the future be actively engaged in a wide range of real estate development, investment and management activities, some of which are or will be similar to and in competition with the business of the Trust. Accordingly, conflicts of interest may arise between the Trust, with direct or indirect interests in each of CZBK, CZRBK and Avenir LP, and the Project General Partners. There are no assurances that conflicts of interest will not arise which cannot be resolved in a manner most favourable to the Trust as a party with indirect interests in CZBK, CZRBK and Avenir LP.

Negative Cash Flow from Operating Activities – During the fiscal year ended December 31, 2022, the Project had negative cash flow from operating activities. To the extent the Project has negative cash flow from operating activities in future periods, the Project may be required to seek alternative forms of debt or equity financing, including the Current Owners acquiring Cost Overrun Units pursuant to the Cost Overrun Funding and Guarantee Agreement. There can be no assurance that debt or equity financing will be available to the Project or, if available, will be on terms acceptable to the Project. In addition, to the extent that the Project has negative cash flow from operating activities in future periods, it may be required to deploy a portion of its existing working capital to fund such negative cash flow from operating activities. The Trust does not anticipate that the Project will generate positive cash flows from operations until its completion.

Insurance Coverage May be Inadequate – The Trust will attempt to obtain adequate insurance of the type and coverage customarily obtained for properties similar to that of the Project to cover significant areas of risk to it as an entity and to the Project. However, there are types of losses at the property level, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, floods, tornadoes, hurricanes, pollution or environmental matters, which are uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments.

Reliance on the Manager and Avenir LP – Prospective Purchasers assessing the risks and rewards of this investment will, in large part, be relying on the good faith and expertise of the Manager and its senior executives, as well as that of Avenir LP and its general partner. Moreover, the historical performance of other projects managed by the Manager and Avenir LP is not intended to be, nor should be construed as, an indication as to future value, success or returns in respect of the Units, the Trust or the Project.

Reliance on Third-Party Property Management – The Manager may later on rely upon independent management companies to perform property management functions in respect of the Project. To the extent the Manager relies upon such management companies, the employees of such management companies will devote as much of their time to the management of the Project as in their judgement is reasonably required and may have conflicts of interest in allocating management time, services and functions among the Project and their other development, investment and/or management activities.

Limited Operating History – The Trust is a newly organized entity with no operating history. There is no assurance that the Trust will be able to successfully implement its business plans or operate profitably over the short term or an extended period.

Risks Related to the Offering

Limited Liquidity of Units – There is currently no market through which the Units may be sold, such a market may not develop, and Purchasers may not be able to resell securities purchased under this Prospectus. Although the Trust intends to complete a Liquidity Event within four years of the Closing Date (subject to any applicable, permitted extensions), there can be no assurance that the Trust will be wound up or that Unitholders will receive a return of their Gross Subscription Proceeds by that time.

Less than Full Offering – There can be no assurance that more than the Minimum Offering will be sold. If less than all of the US\$50,000,000 of Class A Units, Class E Units, Class F Units and/or Class U Units are sold pursuant to this Offering and any concurrent private placements by the Trust, the Current Owners will fund the rest of the required equity for development of the Project through the Equity Commitment by subscribing for Class C Units of the Trust. In such circumstances, an investor's proportionate interest in the Trust will be reduced accordingly.

Management has Limited Experience Managing a Reporting Issuer – The individuals who constitute the executive officers of the Trust have relatively limited experience managing a reporting issuer and limited experience complying with the increasingly complex laws pertaining to reporting issuers compared to senior management of other reporting issuers.

Unitholder Liability – The Declaration of Trust provides that no Unitholder will be subject to any liability whatsoever to any person in connection with the holding of a Unit. However, there remains a risk, which is considered by the Trust to be remote in the circumstances, that a Unitholder could be held personally liable for the obligations of the Trust to the extent that claims are not satisfied out of the assets of the Trust.

Nature of Investment – The Units represent a fractional interest in the Trust and do not represent a direct investment in the Trust's assets and should not be viewed by investors as direct securities of the Trust's assets. The rights of Unitholders are based primarily on the Declaration of Trust.

Enforceability of Judgments Against Foreign Subsidiaries – All of the assets of CZBK, CZRBK and Avenir LP, including the Project, are located outside of Canada. As a result, it may be difficult or impossible for investors to effect service within Canada upon such persons or entities, or to realize against them in Canada upon judgments of courts of Canada predicated upon the civil liability provisions of applicable Canadian provincial securities laws.

Risks Related to Redemptions

Use of Available Cash – The payment in cash by the Trust of the redemption price of Units will reduce the amount of cash available to the Trust for the payment of distributions to Unitholders, as the payment of the amount due in respect of redemptions will take priority over the payment of such cash distributions.

Limitation on Payment of Redemption Price in Cash – Unless the Trustees otherwise determine, the total cash amount payable on the redemption of Units by the Trust is limited to C\$50,000 in the aggregate in each calendar quarter and is also limited in any 12-month period to 1% of the aggregate Net Asset Value at the start of such 12-month period.

Payment of Redemption Price in Kind – The redemption price of Units in excess of the cash limit described above may be paid and satisfied by way of an *in specie* distribution of property of the Trust (which may include Investment LP Units), and/or the issuance of unsecured subordinated promissory notes of the Trust, at its option, as determined by the Board in its sole discretion, to the redeeming Unitholder. Such property may be illiquid and generally will not be a qualified investment for trusts governed by Plans. Adverse tax consequences generally may apply to a trust governed by a Plan and/or the annuitant, holder, subscriber or beneficiary thereunder or thereof, as a result of the redemption of Units held in a trust governed by a Plan. Accordingly, investors that

propose to invest in Units through Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Units.

Tax Matters

The Trust, Investment LP, Investment GP, CZBK, CZRBK and Avenir LP will be subject to the tax laws of Canada and the U.S., as applicable. The tax treatment of such entities may have a material adverse effect on the Trust's financial position and may adversely impact the Distributable Cash Flow available for distribution to Unitholders. In addition, future legislative, judicial or administrative changes to Canadian or U.S. tax laws, as applicable, could have adverse consequences to the Trust, Investment LP, Investment GP, CZBK, CZRBK, Avenir LP and Unitholders. There are numerous Canadian and U.S. tax risks associated with an investment in the Units. Purchasers are advised to refer to "Certain Canadian Federal Income Tax Considerations", "Certain U.S. Federal Income Tax Considerations", "Risk Factors – Risks Related to Canadian Tax" and "Risk Factors – Risks Related to U.S. Tax".

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For a more complete discussion of the risks associated with an investment in the Units, see "Risk Factors" and "Atree and the Management Agreement – Potential Conflicts of Interest (Manager, Trustees and Officers)".

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable by the Trust.

<u>Type of fee</u>	<u>Amount and Description</u>
Agent's Fees:	C\$0.60 per Class A Unit and Class F Unit (6%), US\$0.60 per Class U Unit and Class E Unit (6%). The Agent's Fee for the Class A Units and Class U Units includes a selling concession of 3%. There is no selling concession in respect of the Class E Units and Class F Units. The Agent's Fee will be paid out of the proceeds of the Offering.
Expenses of the Offering:	The applicable expenses of the Offering, are estimated to be \$1.025 million, which will be paid by Avenir LP from the Net Subscription Proceeds.
Operating Expenses of the Trust:	<p>Avenir LP, CZRBK, CZBK, the Investment LP and the Trust will enter into a funding arrangement, pursuant to which Avenir LP (through CZRBK, CZBK and the Investment LP) will provide the Trust with the funds necessary for the Trust to pay for all ordinary expenses incurred in connection with the operation and administration of the Trust, which costs will ultimately be charged to the Project. It is expected that these expenses will include, without limitation: mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications; any reasonable out-of-pocket expenses incurred by the Manager or its agents and paid to third parties in connection with their on-going obligations to the Trust; fees payable to the auditors and legal advisors of the Trust; marketing, leasing and investor relations expenses; regulatory filing fees, administrative expenses and costs incurred in connection with the public filing requirements of the Trust; investor relations; costs and expenses arising as a result of complying with all Applicable Laws, regulations and policies; amounts to fund Units redeemed for cash; extraordinary expenses the Trust may incur; and any expenditures incurred upon the termination of the Trust.</p> <p>In addition, because the Trust will indirectly own a portion of the Project, the Project will incur certain expenses relating to its development, including a development management fee and the costs of construction, which will be indirectly and proportionately borne by the Trust and the Current Owners in accordance with each of their respective interests in the Project. The development fee is equal to 4% of the total hard and soft costs of the Project, excluding land, financing, marketing and leasing, legal and administration and equity raising costs, and is paid to Altree Management Inc., an entity affiliated with Altree, and LanTree Property Management LLC, by Avenir LP, as direct owner of the Project. The development fee is a customary fee charged on market terms that is considered a project cost, and factors into the loan-to-cost ratio for Construction Loans.</p> <p>For greater certainty, there will be no employee salaries charged to the Trust. Zev Mandelbaum will not be paid a salary as Chief Executive Officer, Natalie Leibowitz will not be paid a salary as Chief Financial Officer, Raphael Mandelbaum will not be paid a salary as Chief Operating Officer and Jordan DeBrincat will not be paid a salary as Chief Development Officer.</p> <p>See "Description of the Activities of the Trust – Operating Expenses of the Trust".</p>
Project Returns/Cash Flows:	<p>The cash flows from the Project (after payment of all expenses) will be paid out as follows and in the following sequence:</p> <ol style="list-style-type: none">(i) First: payment until the Minimum Return of 8% compounded per annum based on the Gross Subscription Proceeds by the Trust to Unitholders (the calculation of which, for greater clarity, includes the repayment of Gross Subscription Proceeds) has been achieved and the payment of an equivalent

return to the Current Owners as direct or indirect equity investors in the Project;

- (ii) Second: In consideration for the Manager's services, Avenir LP will pay the Manager an asset management fee (the "**Asset Management Fee**") equal to 1% per annum of the Gross Subscription Proceeds. The Asset Management Fee will accrue on a monthly basis until the earlier of a Liquidity Event and the fourth anniversary of the Closing Date but will only be payable following a Liquidity Event and provided that the Minimum Return is achieved. The Manager will not receive payment of the Asset Management Fee during the development phase of the Project. See "Atree and the Management Agreement – The Management Agreement";
- (iii) Third: for any cash flows in excess of those specified under (i), the Current Owners and Unitholders, as indirect equity investors in the Project, will be entitled to receive their pro rata portions of 80% of all further distributions made by the Project, with the Current Owners (through their direct or indirect holdings of Avenir Special LP Units) being entitled to distributions based on 20% (representing the Carried Interest) until the Secondary Minimum Return of 15% compounded per annum based on the Gross Subscription Proceeds by the Trust to Unitholders (the calculation of which, for greater clarity, includes the repayment of the Gross Subscription Proceeds) has been achieved and the payment of an equivalent return to the Current Owners as direct or indirect equity investors in the Project; and
- (iv) Fourth: once the Secondary Minimum Return of 15% compounded per annum has been achieved, the Current Owners and Unitholders, as indirect equity investors in the Project, will be entitled to receive their pro rata portions of 70% of all further distributions made by the Trust with the Current Owners (through their direct or indirect holdings of Avenir Special LP Units) being entitled to 30% (representing the Carried Interest).

The Carried Interest is an aggregate calculation, calculated at a Unit class level after having allocated the appropriate amounts to be received by the Unit class based on the proportionate class interest, with individual Unitholder entitlements being calculated based on their proportionate interests under the Declaration of Trust. It is calculated in the same currency as the specific Unit class. It will be calculated based on the Gross Subscription Proceeds. In connection with the completion of a Liquidity Event, holders of the Carried Interest may, directly or indirectly, receive cash and/or securities in satisfaction of their interest.

GLOSSARY OF TERMS

Certain terms and abbreviations used in this Prospectus are defined below:

“**Acquisition**” means the series of transactions immediately following the closing of the Offering whereby (i) the Trust will invest in Investment LP Units to acquire an interest in the Investment LP, (ii) the Investment LP will invest the proceeds from the issuance of Investment LP Units to the Trust to acquire an interest in CZBK, (iii) CZBK will subsequently use the proceeds from the issuance of such interest to acquire a greater interest in CZRBK, and (iv) CZRBK will subsequently use the proceeds from the issuance of such interest to acquire a greater interest in Avenir LP, which, upon the completion of each of the foregoing steps, will result in the Trust acquiring an indirect interest in the Project, all of which will occur on the Closing Date;

“**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 each instrument being ascribed the same meaning as “Person” herein;

“**Agency Agreement**” means an agreement dated as of October 26, 2023 among the Trust, the Manager, the Pre-Development Majority Owners and the Agent, as described under the heading “Plan of Distribution – Agency Agreement”;

“**Agent**” means CIBC World Markets Inc.;

“**Agent’s Fee**” means a fee, equal to 6% of the aggregate purchase price of Class A Units, Class F Units, Class U Units and Class E Units sold under the Offering. The Agent’s Fee for the Class A Units and Class U Units includes a selling concession of 3%;

“**AJDL**” means Avenir Jersey Developments Limited, a corporation incorporated under the laws of the Province of Ontario;

“**Allocation to Redeemers Rule**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust”;

“**Altree**” means Altree Developments Inc., a corporation incorporated under the laws of the Province of Ontario;

“**Applicable Laws**” means, in respect of any Person, all laws, statutes, regulations, statutory rules, principles of common law or equity, orders and terms and conditions of any grant of approval, permission, authority or license of any governmental authority applicable to such Person or its business, undertaking and property having jurisdiction over the Person or its business, undertaking or property, in each case as amended from time to time;

“**Appraiser**” has the meaning given to it under the heading “Description of the Activities of the Trust – The Project – Independent Appraisal”;

“**Asset Management Fee**” means an annual fee payable to the Manager in accordance with the terms of the Management Agreement, in consideration of the Manager providing asset management services to the Trust, as described under the heading “Altree and the Management Agreement – The Management Agreement”;

“**Avenir Class A Units**” means the limited partnership units of Avenir LP designated as “Class A LP Units”, which will be owned by the Current Owners that are limited partners of Avenir LP and CZRBK;

“**Avenir Class B Units**” means the limited partnership units of Avenir LP designated as “Class B LP Units”, which will be owned by CZRBK, indirectly representing the Trust’s interest in the Project;

“**Avenir GP**” means The Avenir GP LLC, a New Jersey limited liability company, and the general partner of Avenir LP;

“**Avenir Limited Partners**” means the limited partners of Avenir LP;

“**Avenir LP**” means The Avenir LP, a New Jersey limited partnership and the beneficial owner of the Project;

“**Avenir LP Agreement**” means the agreement governing Avenir LP, as it may be amended or amended and restated from time to time, including in the manner described herein, between, among others, CZRBK and Avenir GP, and all persons who become holders of limited partnership units of Avenir LP as provided therein;

“**Avenir LP Units**” means, collectively, the Avenir Class A Units, the Avenir Class B Units, the Cost Overrun Units and the Avenir Special LP Units;

“**Avenir Special LP Units**” means the limited partnership units of Avenir LP designated as “Special LP Units”, which will be owned by the Current Owners that are limited partners of Avenir LP and CZRBK;

“**Board**” means the board of Trustees of the Trust;

“**Canadian Dollar Units**” means the Class A Units and Class F Units, and any other class of units of beneficial interest in the Trust denominated in Canadian dollars;

“**capital gains refund**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust”;

“**Carried Interest**” means after payment of the Minimum Return of 8% per annum on the Gross Subscription Proceeds by the Trust to Unitholders (the calculation of which, for greater clarity, includes the repayment of Gross Subscription Proceeds) and the payment of an equivalent return to the Current Owners (through their direct or indirect holdings of Avenir Special LP Units), a distribution of 20% of all further distributions made by the Project made to the Current Owners (through their direct or indirect holdings of Avenir Special LP Units) (in addition to their pro rata share of distributions from the Project) until the Secondary Minimum Return of 15% compounded per annum by the Trust to Unitholders has been received and thereafter, means a distribution of 30% of all further distributions made by the Project made to the Current Owners (through their direct or indirect holdings of Avenir Special LP Units) (in addition to their pro rata share of distributions from the Project). The Carried Interest calculation is calculated at a Unit class level after having allocated the appropriate exit proceeds to the Unit class based on the proportionate class interest. It is calculated in the same currency as the specific Unit class. It will be calculated based on the Gross Subscription Proceeds. In connection with the completion of a Liquidity Event, holders of the Carried Interest may, directly or indirectly, receive cash and/or securities in satisfaction of their interest;

“**Cash Flow**” means, for any Distribution Period:

- (a) the sum of all cash amounts received by Avenir LP for or in respect of such Distribution Period (other than proceeds received from issuances of equity of Avenir LP which Avenir GP then intends, in good faith and acting reasonably, to deploy in the furtherance of the Project) including the net proceeds received by Avenir LP on the re-financing of the then current debt facility of Avenir LP, net of the out-of-pocket third party fees and expense incurred by Avenir LP in connection with such transaction, as well as all such amounts received by Avenir LP in any prior Distribution Period to the extent not previously distributed; less
- (b) all costs and expenses of Avenir LP, that, in the opinion of Avenir GP, 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 and owing in such prior period, including, but not limited to, banking fees and audit fees, and, in the Distribution Period during which such fee becomes payable, the Asset Management Fee or other fees then due and payable; less
- (c) without duplication, any interest expense incurred by Avenir LP between distributions, provided that any funds borrowed by Avenir LP will not be included in the calculations of Cash Flow in respect of any Distribution Period; less
- (d) any capital returned to a holder of Avenir LP Class B Units other than pursuant to a distribution in accordance with the distribution waterfall set forth “Description of Securities – Avenir LP – Cash Flow Distributions”;

“**CBCA**” means the *Canada Business Corporations Act*, as amended from time to time;

“**CDS**” means the CDS Clearing and Depository Services Inc. and its successors;

“**Class A Units**” means the units of beneficial interest in the Trust, designated as “Class A Units”;

“**Class C Units**” means the units of beneficial interest in the Trust, designated as “Class C Units”;

“**Class E Units**” means the units of beneficial interest in the Trust, designated as “Class E Units”;

“**Class F Units**” means the units of beneficial interest in the Trust, designated as “Class F Units”;

“**Class U Units**” means the units of beneficial interest in the Trust, designated as “Class U Units”;

“**Closing Date**” means the closing date of the Offering, which is expected to be on or about November 9, 2023, but in any event not later than December 31, 2023;

“**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time;

“**Code of Conduct**” has the meaning given to it under the heading “Audit Committee and Corporate Governance – Corporate Governance”;

“**Construction Contract**” means the construction contract to be entered into between Avenir LP and Sordoni Construction;

“**Construction Loans**” means one or more mortgages, charges, pledges, hypothecs, liens, mezzanine debt, security interests or other encumbrances of any kind or nature whatsoever of the Project, to be granted by Avenir LP (or, if the Project is held by a subsidiary or nominee entity on behalf of Avenir LP, by such entity) to one or more Lenders, the proceeds of which will be used to finance the ownership, development and construction of the Project;

“**Cost Overrun Funding and Guarantee Agreement**” means the Cost Overrun Funding and Guarantee Agreement to be entered into among Avenir LP and the Current Owners providing for the funding of cost overruns at the Project through the acquisition of Cost Overrun Units;

“**Cost Overrun Units**” means the limited partnership units of Avenir LP designated as “Cost Overrun LP Units”, which will be owned by the Current Owners that are limited partners of Avenir LP;

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

“**Current Owners**” means, collectively, the Pre-Development Majority Owners and their minority co-investors in the Project;

“**CZBK**” means CZBK I LP, a limited partnership formed under the laws of Ontario;

“**CZBK Class A Units**” means the limited partnership units of CZBK designated as “Class A LP Units”, which will be owned by the Current Owners that are limited partners of CZBK;

“**CZBK Class B Units**” means the limited partnership units of CZBK designated as “Class B LP Units”, which will be owned by the Investment LP and representing the Trust’s interest in the Project;

“**CZBK GP**” means CZBK I GP Inc., a Delaware limited liability company, and the general partner of CZBK;

“**CZBK Interest Purchase Agreement**” means the limited partnership unit subscription agreement to be entered into on or before the Closing Date pursuant to which the Trust, through Investment LP, will subscribe for CZBK Class B Units, and pursuant to which CZBK will provide, among other things, certain representations, warranties and indemnities in respect of the Property and the Project;

“CZBK LP Agreement” means the agreement establishing CZBK, among CZBK GP and all persons who are or become holders of CZBK LP Units as provided therein, as it will be amended and restated on or before the Closing Date in accordance with the description thereof in the Prospectus;

“CZBK LP Units” means, collectively, the CZBK Class A Units, the CZBK Class B Units and the CZBK Special LP Units;

“CZBK Special LP Units” means the limited partnership units of CZBK designated as “Special LP Units”, which will be owned by the Current Owners that are limited partners of CZBK;

“CZRBK” means CZRBK I LP, a limited partnership formed under the laws of Delaware;

“CZRBK Class A Units” means the limited partnership units of CZRBK designated as “Class A LP Units”, which will be owned by the Current Owners that are limited partners of CZRBK and CZBK;

“CZRBK Class B Units” means the limited partnership units of CZRBK designated as “Class B LP Units”, which will be owned by CZBK, indirectly representing the Trust’s interest in the Project;

“CZRBK GP” means CZRBK GP I LLC, limited liability company incorporated under the laws of the State of Delaware, and the general partner of CZRBK;

“CZRBK LP Agreement” means the agreement establishing CZRBK, among CZRBK GP and all persons who are or become holders of CZRBK LP Units as provided therein, as it will be amended and restated on or before the Closing Date in accordance with the description thereof in the Prospectus;

“CZRBK LP Units” means, collectively, the CZRBK Class A Units, the CZRBK Class B Units and the CZRBK Special LP Units;

“CZRBK Special LP Units” means the limited partnership units of CZRBK designated as “Special LP Units”, which will be owned by the Current Owners that are limited partners of CZRBK and CZBK;

“Declaration of Trust” means the amended and restated declaration of trust governing the Trust dated as of October 26, 2023, as it may be amended or amended and restated from time to time;

“DFA Rules” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust”;

“Distributable Cash” means Cash Flow available for distribution to the holders of units of the applicable Entity;

“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 the Investment LP, the Investment GP or the Trust, that have been or are reasonably expected to be incurred in the activities and operations of the Investment LP, the Investment 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;

“Distribution Payment Date” means a date selected by the Board for payment of a distribution;

“Distribution Period” means each quarter of each calendar year following the Initial Occupancy Date, or such other periods as are determined by the Board;

“DPSPs” means deferred profit sharing plans as defined in the Tax Act;

“EIFEL Proposals” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust”;

“**Entity**” means any one of the Trust, the Investment LP, CZBK, CZRBK or Avenir LP and “**Entities**” means two or more of them;

“**Environmental Assessments**” has the meaning given to it under the heading “The Project – Environmental Site Assessments”;

“**Equity Commitment**” has the meaning given to it under the heading “Investment Strategy – The Current Owners”;

“**Excluded Person**” means (i) a Non-Resident or a “financial institution” within the meaning of the Tax Act; (ii) a Person, an interest in which is a “tax shelter investment” for the purposes of the Tax Act; (iii) a Person which would acquire an interest in the Investment LP as a “tax shelter investment” for the purposes of the Tax Act; (iv) a Person other than a Person described in subparagraphs (b)(i) through (b)(iv) or (b)(vi) of the definition of “excluded subsidiary entity” in subsection 122.1(1) of the Tax Act; or (v) a Person who acts as a nominee on behalf of or for the benefit of a Person described in subsections (i) to (iv) of this definition;

“**FHSAs**” means first home savings accounts as defined in the Tax Act;

“**FIRPTA**” means the U.S. *Foreign Investment in Real Property Tax Act*;

“**FOFI**” has the meaning given to it under the heading “Forward-Looking Statements”;

“**foreign tax credit**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust”;

“**foreign tax deduction**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of Holders”;

“**Geotechnical Study**” has the meaning given to it under the heading “The Project – Geotechnical Study”;

“**GMP**” means a guaranteed maximum price;

“**Gross Subscription Proceeds**” means, collectively, the gross proceeds (in U.S. dollars) received by the Trust from (i) the issuance of the Canadian Dollar Units pursuant to the Offering and any concurrent private placements (calculated in U.S. dollars based on the Canadian dollar/U.S. dollar spot exchange rate available to the Trust on the Closing Date), and (ii) the issuance of the U.S. Dollar Units pursuant to the Offering and any concurrent private placements (including the issuance of Class C Units pursuant to the Equity Commitment, if applicable). For greater certainty this is the equivalent of C\$10.00 per Canadian Dollar Unit and US\$10.00 per U.S. Dollar Unit;

“**Health Crisis**” has the meaning given to it under the heading “Risk Factors – Risks Related to Real Estate Industry, the Project and the Trust’s Business”;

“**Holder**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations”;

“**IFRS**” means the International Financial Reporting Standards developed and maintained by the International Accounting Standards Board;

“**Independent Appraisal**” has the meaning given to it under the heading “Description of the Activities of the Trust – The Project – Independent Appraisal”;

“**Initial Occupancy Date**” means the date upon which the Project receives its certificate of occupancy;

“**Insider Trading Policy**” has the meaning given to it under the heading “Audit Committee and Corporate Governance – Corporate Governance”;

“**Investment GP**” means WSS Development Investment GP Inc., a corporation incorporated under the laws of the Province of Ontario, and the general partner of the Investment LP;

“**Investment LP**” means WSS Development Investment LP, a limited partnership established by the Trust and Investment GP pursuant to the laws of the Province of Ontario and the Investment LP Agreement;

“**Investment LP Agreement**” means the agreement establishing the Investment LP, as it may be amended and restated from time to time, to be entered into between the Trust and the Investment GP and all persons who become holders of Investment LP Units as provided therein;

“**Investment LP Units**” means the class A limited partnership units of the Investment LP;

“**Investment Restrictions**” means the investment restrictions of the Trust, as more particularly described under “Investment Restrictions and Operating Policies – Investment Restrictions”;

“**IRS**” means the U.S. Internal Revenue Service;

“**Land Loan**” means the interest-only, third-party debt facility with Goldman Sachs Bank USA totaling US\$26 million, currently bearing interest at the SOFR Rate plus a 2.35% margin, maturing in December 2023 and secured by a charge over the Property;

“**Lanterra**” means Lanterra Developments Inc.;

“**Lender**” means one or more lender(s) and mortgagee of any of the Construction Loans;

“**Liquidity Event**” has the meaning given to it under the heading “Description of Securities – The Trust – Termination of the Trust”;

“**Liquidity Option**” has the meaning given to it under the heading “Description of Securities – The Trust – Termination of the Trust”;

“**Liquidity Option Price**” has the meaning given to it under the heading “Description of Securities – The Trust – Termination of the Trust”;

“**Listed Securities**” has the meaning given to it under the heading “Description of Securities – The Trust – Termination of the Trust”;

“**Lock-Up Agreements**” means, collectively, the agreements to be entered into on or before the Closing Date between the Agent and each of the Locked-Up Parties pursuant to which each of the Locked-Up Parties will agree that their Units will be subject to a contractual lock-up period beginning on the Closing Date and ending on the earlier of (i) the completion of a Liquidity Event, or (ii) the completion of the Liquidity Option or the Sale Process, as applicable;

“**Locked-Up Parties**” means the (i) non-independent trustees and executive officers of the Trust, and (ii) the Pre-Development Majority Owners;

“**Management Agreement**” means an agreement to be entered into between the Trust, Avenir LP and the Manager pursuant to which the Manager will provide certain services to the Trust and Avenir LP;

“**Manager**” means Altree Management Inc., the manager of the Trust pursuant to the Management Agreement;

“**Maximum Offering**” means the offering of a maximum of US\$50,000,000 of Class A Units, Class E Units, Class F Units and/or Class U Units;

“**MD&A**” means management’s discussion and analysis of financial condition and results of operations of the Trust;

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* as replaced or amended from time to time;

“**Minimum Offering**” means the offering of at least US\$25,000,000 of Class A Units, Class E Units, Class F Units and/or Class U Units;

“**Minimum Return**” means the distribution by Avenir LP on those units through which the Trust holds, among others, indirectly, its interest in Avenir LP, of that sum as will allow the Trust to make distributions (i) in respect of a Unit of a class of the Canadian Dollar Units, an amount equal to the sum of (A) the Trust Capital Return Base for a Unit of the subject class of Canadian Dollar Units (in Canadian dollars) and (B) a compounded return of 8% per annum (in Canadian dollars) on the Trust Capital Return Base for a Unit of the subject class of Canadian Dollar Units (in Canadian dollars) calculated on a compounded cumulative basis to the date of calculation of the Minimum Return and (ii) in respect of a Unit of a class of the U.S. Dollar Units, an amount equal to the sum of (A) the Trust Capital Return Base for a Unit of the subject class of U.S. Dollar Units (in U.S. dollars) and (B) a compounded return of 8% per annum (in U.S. dollars) on the Trust Capital Return Base for a Unit of the subject class of U.S. Dollar Units (in U.S. dollars) calculated on a compounded cumulative basis to the date of calculation of the Minimum Return, determined in each case without reference to any U.S. federal, state and/or local income and/or withholding tax borne by the Trust or any Subsidiary of the Trust that is a partnership, whether or not attributable directly or indirectly to any particular Unitholder;

“**NCI**” means the non-certificated inventory system of CDS;

“**New Jersey PATH**” means the New Jersey Port Authority Trans-Hudson (PATH);

“**Net Asset Value**” means the net asset value of the Trust, as determined by the audit committee of the Board;

“**Net Subscription Proceeds**” means the net proceeds (in U.S. dollars) received by the Trust from (a) the issuance of the Canadian Dollar Units pursuant to the Offering and any concurrent private placements (calculated in U.S. dollars based on the U.S. dollar/Canadian dollar spot exchange rate available to the Trust on the Closing Date) and (b) the issuance of the U.S. Dollar Units pursuant to the Offering and any concurrent private placements (including the issuance of Class C Units pursuant to the Equity Commitment, if applicable), minus (c) the Total Agent’s Fee;

“**New York Metropolitan Area**” means the New York-Newark-Jersey City metropolitan area;

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*, as replaced or amended from time to time;

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*, as replaced or amended from time to time;

“**NI 52-109**” means National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*, as replaced or amended from time to time;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*, as replaced or amended from time to time;

“**Non-Resident**” means either a “non-resident” of Canada within the meaning of the Tax Act or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act;

“**OBCA**” means the *Business Corporations Act* (Ontario), as amended from time to time;

“**Offering**” means the offering of up to an aggregate of US\$50,000,000 of Class A Units, Class E Units, Class F Units and/or Class U Units;

“**Offering Price**” means C\$10.00 per Class A Unit and Class F Unit, and US\$10.00 per Class E Unit and Class U Unit;

“**Operating Expenses**” means all amounts paid or payable on account of expenses in the operation of the Trust;

“**Operating Policies**” means the operating policies of the Trust, as more particularly described under “Investment Restrictions and Operating Policies – Operating Policies”;

“Ordinary Resolution” means a resolution of the unitholders, limited partners or shareholders of an Entity, as the case may be, approved by not less than 50% of the votes cast by those persons who vote in person or by proxy at a duly convened meeting of the respective Entity, or a written resolution signed by the unitholders, limited partners or shareholders of an Entity, entitled, in the aggregate, to not less than 50% of the aggregate number of votes of those persons;

“Partnership Agreements” means, collectively, the Investment LP Agreement, the CZBK LP Agreement, the CZRBK LP Agreement and the Avenir LP Agreement;

“Partnerships” means, collectively, the Investment LP, CZBK, CZRBK and Avenir LP;

“Person” 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;

“Plans” means RRSPs, RDSPs, RESPs, TFSAs, FHSAs, RRIFs and DPSPs, and **“Plan”** means any of them;

“Pre-Development Majority Owners” means, collectively, Atree, AJDL (a company owned by associates of Lanterra) and Westdale;

“Project” has the meaning given to it under the heading “Description of the Activities of the Trust – The Project”;

“Project General Partners” means Avenir GP, CZBK GP and CZRBK GP;

“Property” has the meaning given to it under the heading “Description of the Activities of the Trust – The Project”;

“Proportionate Class A Interest” is equal to: (i)(A) the aggregate of the U.S. dollar equivalent (calculated based on the applicable exchange rate available to the Trust on the Closing Date) of the gross proceeds received by the Trust for the issuance of each Class A Unit less the Agent’s Fee payable in respect of such Class A Unit, less (B) the portion of the amount described in (A) attributable to Class A Units that have been redeemed, divided by (ii) the Net Subscription Proceeds, less the portion thereof attributable to Units that have been redeemed;

“Proportionate Class C Interest” is equal to: (i)(A) the aggregate of the gross proceeds received by the Trust for the issuance of each Class C Unit, less (B) the portion of the amount described in (A) attributable to Class C Units that have been redeemed, divided by (ii) the Net Subscription Proceeds, less the portion thereof attributable to Units that have been redeemed;

“Proportionate Class E Interest” is equal to: (i)(A) the aggregate of the gross proceeds received by the Trust for the issuance of each Class E Unit less the Agent’s Fee payable in respect of such Class E Unit, less (B) the portion of the amount described in (A) attributable to Class E Units that have been redeemed, divided by (ii) the Net Subscription Proceeds, less the portion thereof attributable to Units that have been redeemed;

“Proportionate Class F Interest” is equal to: (i)(A) the aggregate of the U.S. dollar equivalent (calculated based on the applicable exchange rate available to the Trust on the Closing Date) of the gross proceeds received by the Trust for the issuance of each Class F Unit less the Agent’s Fee payable in respect of such Class F Unit, less (B) the portion of the amount described in (A) attributable to Class F Units that have been redeemed, divided by (ii) the Net Subscription Proceeds, less the portion thereof attributable to Units that have been redeemed;

“Proportionate Class U Interest” is equal to: (i)(A) the aggregate of the gross proceeds received by the Trust for the issuance of each Class U Unit less the Agent’s Fee payable in respect of such Class U Unit, less (B) the portion of the amount described in (A) attributable to Class U Units that have been redeemed, divided by (ii) the Net Subscription Proceeds, less the portion thereof attributable to Units that have been redeemed;

“Prospectus” means this prospectus and any amendments hereto and documents incorporated by reference herein;

“Purchaser” means a purchaser of Units;

“**RDSPs**” means registered disability savings plans as defined in the Tax Act;

“**Redemption Cost**” means the lesser of (i) 2% of the Net Asset Value of the Units being redeemed, and (ii) C\$500;

“**Redemption Date**” means the date on which a Redemption Notice is given;

“**Redemption Notice**” has the meaning given to it under the heading “Description of Securities – The Trust – Redemption”;

“**Redemption Value**” means an amount equal to 95% of the aggregate Net Asset Value of all issued and outstanding Units;

“**RESPs**” means registered education savings plans as defined in the Tax Act;

“**Revised Liquidity Option Price**” has the meaning given to it under the heading “Description of Securities – The Trust – Termination of the Trust”;

“**RRIFs**” means registered retirement income funds as defined in the Tax Act;

“**RRSPs**” means registered retirement savings plans as defined in the Tax Act;

“**Sale Process**” has the meaning given to it under the heading “Description of Securities – The Trust – Termination of the Trust”;

“**Secondary Minimum Return**” means the distribution by Avenir LP on those units through which the Trust holds, indirectly, its interest in Avenir LP, of that sum as will allow the Trust to make distributions (i) in respect of a Unit of a class of the Canadian Dollar Units, an amount equal to the sum of (A) the Trust Capital Return Base for a Unit of the subject class of Canadian Dollar Units (in Canadian dollars) and (B) a compounded return of 15% per annum (in Canadian dollars) on the Trust Capital Return Base for a Unit of the subject class of Canadian Dollar Units (in Canadian dollars) calculated on a compounded cumulative basis to the date of calculation of the Minimum Return and (ii) in respect of a Unit of a class of the U.S. Dollar Units, an amount equal to the sum of (A) the Trust Capital Return Base for a Unit of the subject class of U.S. Dollar Units (in U.S. dollars) and (B) a compounded return of 15% per annum (in U.S. dollars) on the Trust Capital Return Base for a Unit of the subject class of U.S. Dollar Units (in U.S. dollars) calculated on a compounded cumulative basis to the date of calculation of the Minimum Return, determined in each case without reference to any U.S. federal, state and/or local income and/or withholding tax borne by the Trust or any Subsidiary of the Trust that is a partnership, whether or not attributable directly or indirectly to any particular Unitholder;

“**Shop Period**” has the meaning given to it under the heading “Description of Securities – The Trust – Termination of the Trust”;

“**SIFT Rules**” means the provisions of the Tax Act applicable to SIFT trusts, SIFT partnerships, each as defined therein, and their securityholders, as applicable;

“**SOFR Rate**” means the Secured Overnight Financing Rate;

“**Sordoni Construction**” means Sordoni Construction Services, Inc.;

“**Special Resolution**” means a resolution of the unitholders, limited partners or shareholders of an Entity, as the case may be, approved by not less than 66²/₃% of the votes cast by those Persons who vote in person or by proxy at a duly convened meeting of the respective Entity, or a written resolution signed by the unitholders, limited partners or shareholders of an Entity, entitled, in the aggregate, to not less than 66²/₃% of the aggregate number of votes of those Persons;

“**Stabilization**” has the meaning given to it under the heading “Description of Securities – The Trust – Distributions”;

“**Subsidiary**” includes, with respect to any Person, an entity controlled, directly or indirectly, by such Person and, in respect of the Trust, shall include the Partnerships and any special purpose vehicle wholly-owned by Avenir LP and “**Subsidiaries**” means any two or more of them;

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

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

“**Term**” means the term of the Trust, which is targeted to be four years, subject to two, one-year extensions at the discretion of the Manager or if extended further by Special Resolution of the Unitholders;

“**TFSAs**” means tax-free savings accounts as defined in the Tax Act;

“**Total Agent’s Fee**” means the aggregate agency fee in respect of an issuance of Units, which in respect of the Offering is the aggregate Agent’s Fee payable in respect of the Class E Units and Class U Units plus the U.S. dollar equivalent of the Agent’s Fee payable in respect of the Class A Units and the Class F Units (calculated based on the applicable exchange rate available to the Trust on the Closing Date);

“**Treaty**” means the *Canada-United States Convention with Respect to Taxes on Income and on Capital*;

“**Trust**” means West Side Square Development Fund, a newly-created, unincorporated investment trust established pursuant to the laws of the Province of Ontario, and, where the context requires, includes its Subsidiaries;

“**Trust Capital Return Base**” means (i) in respect of a Unit of a class of Canadian Dollar Units, (A) the sum of the aggregate gross amount of all cash subscription proceeds received by the Trust for the issuance of the subject class of Canadian Dollar Units pursuant to the Offering and any concurrent private placements (in Canadian dollars) less the portion thereof attributable to the subject class of Canadian Dollar Units that have been redeemed (in Canadian dollars), divided by (B) the number of subject class of Canadian Dollar Units issued pursuant to the Offering and any concurrent private placements less the aggregate number of the subject class of Canadian Dollar Units redeemed, and (ii) in respect of a Unit of a class of U.S. Dollar Units, (A) the sum of the aggregate gross amount of all cash subscription proceeds received by the Trust for the issuance of the subject class of U.S. Dollar Units pursuant to the Offering and any concurrent private placements (in U.S. dollars) less the portion thereof attributable to the subject class of U.S. Dollar Units that have been redeemed (in U.S. dollars), divided by (B) the number of subject class of U.S. Dollar Units issued pursuant to the Offering and any concurrent private placements less the aggregate number of the subject class of U.S. Dollar Units redeemed;

“**Trust Property**” means all of the property and assets of the Trust held pursuant to the Declaration of Trust;

“**Trustee**”, at any time, means an individual who is, in accordance with the provisions hereof, a trustee of the Trust at that time and “**Trustees**” means, at any time, all of the individuals each of whom is at that time a Trustee;

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

“**Unit Redemption Date**” has the meaning given to it under the heading “Description of Securities – The Trust – Redemption”;

“**Unit Redemption Notice**” has the meaning given to it under the heading “Description of Securities – The Trust – Redemption”;

“**Units**” means, collectively, the Class A Units, Class C Units (if applicable), Class E Units, Class F Units and Class U Units;

“**U.S.**” or “**United States**” means the United States of America;

“**U.S. Dollar Units**” means the Class C Units (if any), Class E Units, Class U Units, and any other class of units of beneficial interest in the Trust denominated in U.S. dollars;

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as it may be amended from time to time; and

“**Westdale**” means Westdale Construction Co. Limited, a corporation incorporated under the laws of the Province of Ontario.

1. CORPORATE STRUCTURE

1.1 Name and Incorporation

The Trust

The Trust is a newly-created unincorporated investment trust governed by the laws of the Province of Ontario. The Trust was formed pursuant to the initial declaration of trust dated as of September 6, 2023. The Trust will be managed by the Manager. The Board currently comprises, and upon closing of the Offering, will continue to be comprised of, Anthony Melman, Mandy Abramsohn, John Brown, Mark Mandelbaum and Mitchell Cohen.

The registered and head office of the Trust is located at 2828 Bathurst Street, Suite 300, Toronto, Ontario, Canada, M6B 3A7.

The Investment LP

The Investment LP is a limited partnership that was formed on September 6, 2023 pursuant to and governed by the laws of the Province of Ontario. The Investment LP will make an election pursuant to the Code to be classified as a corporation for U.S. federal income tax purposes effective on the date of its formation. The general partner of the Investment LP is Investment GP, a corporation incorporated pursuant to the laws of the Province of Ontario. Investment GP was formed on September 6, 2023. All of the issued and outstanding shares of the Investment GP are owned by the Trust.

CZBK

CZBK is a limited partnership that was formed on January 4, 2019 pursuant to and governed by the laws of the Province of Ontario. The general partner of CZBK is CZBK GP, a corporation formed pursuant to and governed by the laws of Ontario. CZBK was formed for the purposes of allowing certain of the Current Owners to acquire an interest in the Project. All of the shares of CZBK GP are owned and controlled by one or more of the Current Owners or the shareholders, directors, officers, employees or affiliates of the Current Owners.

CZRBK

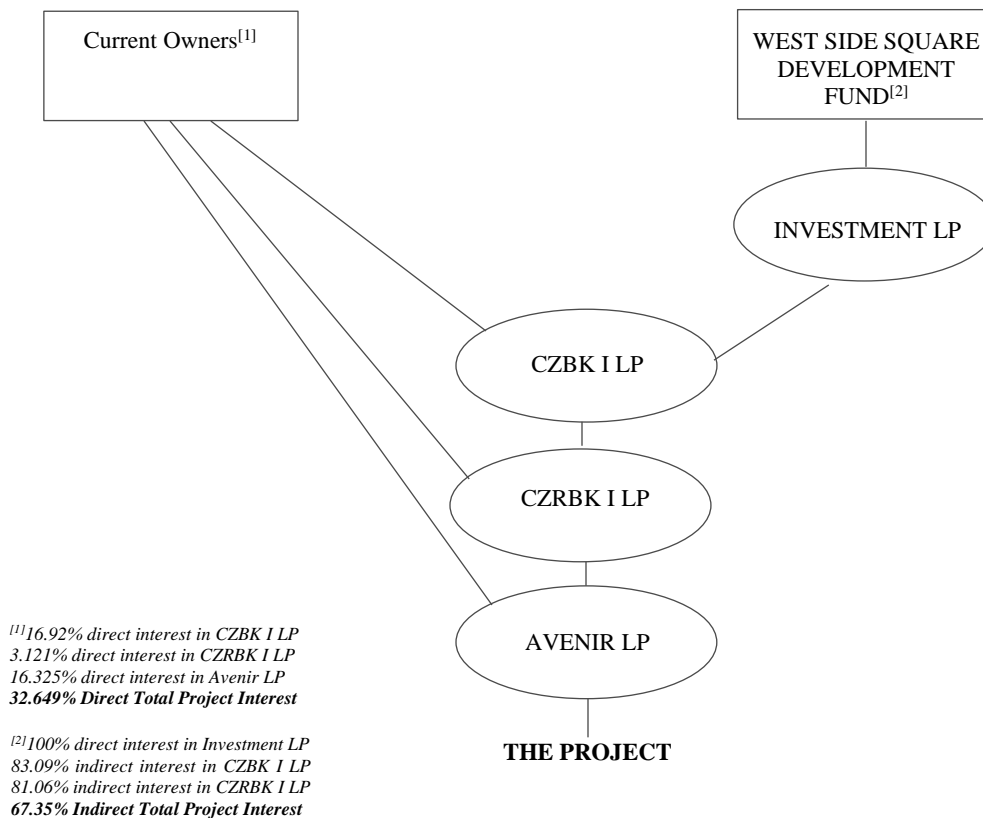
CZRBK is a limited partnership that was formed on November 30, 2018 pursuant to and governed by the laws of Delaware. The general partner of CZRBK is CZRBK GP, a limited liability company formed pursuant to and governed by the laws of Delaware. CZRBK was formed for the purposes of allowing certain of the Current Owners to acquire an interest in the Project. All of the shares of CZRBK GP are owned and controlled by one or more of the Current Owners or the shareholders, directors, officers, employees or affiliates of the Current Owners.

Avenir LP

Avenir LP is a limited partnership that was formed on September 4, 2018 pursuant to and governed by the laws of New Jersey. The general partner of Avenir LP is Avenir GP, a limited liability company formed pursuant to and governed by the laws of New Jersey. Avenir LP was formed for the purposes of acquiring the Project and allowing certain of the Current Owners to acquire an interest in the Project. All of the shares of Avenir GP are owned and controlled by one or more of the Current Owners or the shareholders, directors, officers, employees or affiliates of the Current Owners.

1.2 Intercorporate Relationships

The following chart sets forth the relationships among the Trust, the Investment LP, CZBK, CZRBK, Avenir LP and the Manager, following closing of the Offering and assuming the acquisition by the Trust of its indirect interest in the Project pursuant to the completion of a Maximum Offering. The general partners of CZBK, CZRBK and Avenir LP, being CZBK GP, CZRBK GP and Avenir GP, respectively, are owned and controlled by one or more of the Pre-Development Majority Owners or the shareholders, directors, officers, employees or affiliates of the Current Owners.



2. INVESTMENT STRATEGY

The Manager established the Trust primarily for the purpose of indirectly owning an interest in the West Side Square development project located in the Journal Square neighbourhood of Jersey City, New Jersey. The Project consists of the development of open space land located along the New Jersey PATH transit line at 66 Broadway in Jersey City, New Jersey, into a mixed-use purpose-built rental building containing 477 rental units and approximately 9,800 square feet of commercial space. The Manager believes that the development of a rental building in Jersey City presents a compelling investment opportunity and provides competitive returns compared to other real estate assets. The Manager believes that the Project features strong location and demographic fundamentals, as Jersey City is able to capitalize on its proximity to New York City with a lower overall cost of living and favourable transit accessibility. The Manager believes that the demographics and economic growth in Jersey City continue to drive rental demand in the city, and that the city is poised to sustain, or even see further growth, in, such demand for rental housing.

2.1 Investment Objectives

The Trust's investment objectives are to provide Unitholders with an opportunity to:

- (a) indirectly own an interest in the West Side Square development project located in the Journal Square neighbourhood of Jersey City, New Jersey; and

- (b) commencing on the Initial Occupancy Date and until a Liquidity Event has been achieved, the Trust intends to declare and pay to Unitholders quarterly cash distributions out of the available operating cash flow of the Trust (to the extent available).

2.2 Investment Strategy

The Manager will seek to (i) construct the intended mixed-use rental building containing 477 rental units and approximately 9,800 square feet of commercial space on the Project lands, (ii) occupy, lease-up and stabilize the intended mixed-use rental building, (iii) refinance the intended mixed-use rental building upon the Initial Occupancy Date, (iv) operate and actively manage the intended mixed-use rental building following occupancy with the intention of maximizing net operating income of the building, and (v) complete a Liquidity Event. The Manager will be utilizing its past experiences constructing, occupying, leasing, stabilizing, refinancing and ultimately monetizing assets of similar quality and size.

2.3 Investment Highlights

Experienced and Aligned Management and Sponsorship Team with Strong Track Record

The Trust will be managed by a group of experienced senior executives with an established track record of providing strong returns in the residential real estate sector. Further, the Pre-Development Majority Owners (the Project sponsors, being Altree, AJDL (a company owned by associates of Lanterra) and Westdale), collectively have a long history of acquiring, developing and operating real estate assets throughout Canada and the U.S.

Lanterra was founded by Mark Mandelbaum and Barry Fenton, two real estate investors who started Lanterra with a dream to develop innovative downtown multi-family and condominium projects. For over 20 years, Lanterra has developed significant multi-family and condominium projects in the City of Toronto, with notable projects including Maple Leaf Square, ICE, 1 Bedford, The Britt, 11 Wellesley and Waterpark City. Their guiding philosophy is focused on urban revitalization, master planned mixed-use communities and substantial green living, incorporating cutting-edge environmental technologies. Lanterra Developments is a significant force in the real estate industry in the Greater Toronto Area with a comprehensive scale of operations that includes land acquisition, development, design, construction, marketing, rental management and support services. Mark Mandelbaum, Chairman of Lanterra, attended undergraduate studies at the University of Toronto and went on to attend University of Toronto Law School where he graduated in 1981. After being called to the Ontario Bar in 1983, Mark practiced corporate law for several years in a Toronto downtown law firm. Subsequently, Mark joined his family's real estate business, H&R Developments, as Vice-President Land Development and Corporate Counsel. During a span of over 25 years, Mark managed the acquisition, development, servicing, marketing, and sale of thousands of acres of residential, commercial, and industrial land throughout the Greater Toronto Area. Mr. Mandelbaum is a non-independent Trustee and AJDL (a company owned by associates of Lanterra) is a promoter of the Trust. See "Trustees and Executive Officers" and "Promoters".

Westdale, controlled by Warren Kimel and Ronald Kimel, has, through various affiliates, owned, managed, and developed real estate across Canada and the United States for over 65 years. A family-owned company with extensive expertise and understanding of multi-residential real estate and mixed-use development, Westdale is committed to creating a positive experience for the tens of thousands of individuals who call their buildings home, work and shop at their properties or spend quality time at their affiliated restaurants or hotels. With a core business consisting of over 50,000 residential units in 4 Canadian provinces and 11 U.S. states, Westdale continues to expand its portfolio to include over 4.0 million square feet of retail, office, industrial and heritage properties in North America. Westdale is also actively involved in over 20 residential urban developments across the continent in cities such as Toronto, Ottawa, Halifax, Calgary, Dallas, and Atlanta. Notable residential projects in Toronto include Theory, NOBU Condominiums, Line 5, Untitled and One Bloor East. The Westdale conglomerate with a team of almost 1,500 employees across Canada and the U.S. shares a dedication to their partners, tenants, and clients. Westdale partners with leading technology providers to ensure its developments are backed by efficient, effective, and sophisticated property and asset management systems. Real-time accounting, reporting and communication are standard from property to property and region to region. Mitchell Cohen, an executive with Westdale, is a non-independent Trustee and Westdale is a promoter of the Trust. See "Trustees and Executive Officers" and "Promoters".

Altree stems from a long lineage of multi-generational family experience in the development field. Having been established in 2018, Altree and its affiliated family of companies have extensive expertise in high-rise and mid-rise residential and rental development throughout Canada and the United States. As a full-service development company, Altree provides

insight, expertise, and service throughout the full spectrum of development, from strategic acquisition to planning, construction, sales and marketing, finance structuring, tax, and legal processes. Altree is committed to creating high-end residential, commercial, and retail projects with a compelling offering that creates significant value for customers, investors, and community stakeholders. As of June 30, 2023, Altree has over 17 projects under development in various stages, with an estimated completion value of the current projects at over C\$5 billion. These projects consist of more than 6,000 residential units and over 5 million square feet under development. Notable projects include Thirty Six Zorra, Forest Hill Private Residences, Highland Commons and Kingside Residences, among others. Altree Developments has a dedicated team of individuals focused on the acquisition, financing, municipal development planning, construction and project management, accounting, and marketing and sales for its projects under development. Zev Mandelbaum, the founder of Altree Developments, holds an international degree in finance and has extensive experience working throughout the development industry since he began his career in 2012. Prior to co-founding Marlin Spring Investments Limited and founding Altree Developments, Mr. Mandelbaum headed Lanterra's Commercial division, with a strong focus on street retail. Zev helped to establish and manage premier retail in the heart of Downtown Toronto. Mr. Mandelbaum has expansive knowledge in rezoning and development, with years of experience taking significant residential condominium projects from acquisition through finance, zoning, marketing, sales, and permitting. Mr. Mandelbaum is Chief Executive Officer of the Trust and Altree is a promoter of the Trust. See "Trustees and Executive Officers" and "Promoters".

Strong Governance and Alignment of Interests with the Current Owners

Purchasers are being given the opportunity to invest in the Project, through the Trust, at the acquisition cost for the Project, as the Current Owners will not be receiving any of the net proceeds of the Offering, nor will their interests in the Project be increased to account for the value created by work completed to date relating to zoning and planning. The current appraised value of the Project is US\$54,500,000 while the Trust's interest in the Project will be based on its acquisition cost of approximately US\$50,238,000, including land and costs incurred to date and thus Purchasers are purchasing an interest in the Project at an implied discount of approximately 7.8% to the appraised value. The total equity in the Project, following closing of the Offering, will be US\$74.2 million.

Investors and the Current Owners are also aligned with respect to economic returns from the Project, as the Carried Interest only becomes payable upon achievement of the Minimum Return, and does not include a catch-up component. Furthermore, the Asset Management Fee will not be payable until the Minimum Return is achieved.

In addition, the structure of the Carried Interest, timing for payment of the Asset Management Fee, absence of employee salaries charged to the Trust and the Minimum Return result in alignment between the Current Owners and investors in the Trust, by connecting the financial success of the Current Owners with the Trust's overall performance and the returns delivered to Unitholders. This encourages responsible decision-making, long-term focus, and prudent risk management to maximize returns.

In a carried interest structure, sponsors receive a share of the profits generated from successful investments. With respect to the Trust, the structure of the Carried Interest means that the Current Owners only benefit when the Trust's investment is profitable over the Minimum Return of 8.0%. This is intended to encourage the Current Owners to make informed, strategic decisions with a view to long-term, positive returns. In addition, Unitholders receive their initial investments plus a preferred return of 8.0% (being the Minimum Return) prior to payment of any Carried Interest, which incentivizes the Current Owners to focus on generating higher returns to Unitholders in order to receive their share of the Carried Interest. Lastly, the Carried Interest is only payable after Unitholders have received the Minimum Return (inclusive, for greater certainty, of the Trust Capital Return Base), while the Minimum Return continues to compound until paid. As a result, the Current Owners are incentivized to maximize annualized returns and achieve a Liquidity Event within budgeted timelines.

In addition, the Asset Management Fee will accrue on a monthly basis until the earlier of a Liquidity Event and the fourth anniversary of the Closing Date but will only be payable following a Liquidity Event and provided that the Minimum Return is achieved. The Manager will not receive payment of the Asset Management Fee during the development phase of the Project.

As noted above, the Current Owners have invested their own equity into the Project (and, in the event of an Offering of less than the Maximum Offering, will continue to do so through the Equity Commitment). Furthermore, the Current Owners will be responsible for any cost overruns. Accordingly, they have a direct, equity stake in the Project and an interest in the Trust's performance, as well as a share in any potential losses in addition to the potential gains. This shared risk further enhances the alignment of interests between the Current Owners, including the Pre-Development Majority Owners, as sponsors of the Project, and the Unitholders.

Pursuant to the Agency Agreement and the Lock-Up Agreements, the Locked-Up Parties have agreed that, for a period beginning on the Closing Date and ending on the earlier of (i) the completion of a Liquidity Event, or (ii) the completion of the Liquidity Option or Sale Process, as applicable, the Locked-Up Parties will not, directly or indirectly, except with the prior written consent of the Agent and the Trust, (i) offer, sell, contract to sell, secure, pledge, grant or sell any option, right or warrant to purchase, or otherwise lend, transfer, assign or dispose of any of their Units or securities convertible into or exercisable or exchangeable for Units (except for transfers to affiliates, provided they remain affiliates); (ii) make any short sale, engage in any hedging transaction, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Units, whether any such transaction is to be settled by delivery of Units, other securities, cash or otherwise; or (iii) agree or publicly announce any intention to do any of the foregoing.

Fully-Zoned Development Project with Optimal Building Design Allowing for a Shorter Investment Time Horizon

The Project, which was acquired in 2019 and re-designed by the Current Owners following the acquisition, is fully approved by the Jersey City Zoning Board, significantly reducing the risk profile of the Project from a re-zoning perspective. The original approval for development of the Project, obtained in 2016 by the original ownership group prior to its acquisition by the Current Owners, contemplated an 8-storey building containing excess density in comparison to the number of approved units, and accordingly was not planned to be an institutional-quality investment or suitable for development. The Current Owners, together with input from Jersey City officials, and their consultant and legal team, shrunk the footprint of the building to accommodate a 30-foot setback to allow for a future New Jersey PATH rail station that was not part of the original site approval, and as a result, achieved a more efficient design and unit layout that would still meet tenant demands. To offset the loss of footprint, the Current Owners obtained approval to increase the height on the back anterior end of the building to increase the development's density. A two-tower concept up to 12-storeys in height was adopted to ensure all units benefit from maximum light and views, and the addition of a commercial pedestrian realm within the site plan offers an enhanced resident experience. In March 2019, the Current Owners submitted a full package to the Jersey City Zoning Board seeking zoning approval for the site and, in June 2019, the Jersey City Zoning Board approved the application related to the redesign of the Project, with a resolution of approval being memorialized in August 2019.

With full zoning approval secured, construction on the Project is anticipated to commence in November 2023, allowing for a shorter overall anticipated investment time horizon than is typical of development projects of this magnitude. At the time of construction commencement, all permits required for construction are anticipated to have been obtained from the Jersey City Department of Buildings. This allows for a shorter investment time horizon than is typical of development projects, of this nature, as the Manager believes that a Liquidity Event will be achieved within four years of the Closing Date. See "Forward-Looking Statements".

Potential Development Advantage Relative to Other Projects

The Manager believes that Jersey City is an attractive choice for residential development within the New York Metropolitan Area. While residential development related charges are increasingly common in other metropolitan jurisdictions within the U.S. and Canada, Jersey City does not impose any residential development related charges for residential developments built within 0.5 miles of a Port Authority Trans-Hudson Corporation rail station platform area. The expected absence of this additional financial burden will enable the Project, as a residential development that meets this criteria, to capitalize on more robust profit margins, making the Project more cost-effective.

Moreover, New Jersey actively encourages multi-family developments through a New Jersey State bill passed in 1987, granting new multi-family properties an exemption from local rent control regulations for 30 years or the length of their financing. This supportive stance by the State further increases the appeal of Jersey City for multi-family developments, compared to neighbouring New York City which has strict rent stabilization laws. Certain requirements will need to be met for the Project to be exempted from rent control pursuant to current municipal laws of Jersey City. The Manager believes that the Project will be able to comply with such procedural requirements and qualify for an exemption as a newly constructed multi-family property within a specific redevelopment area.

Jersey City has recently introduced Jersey City Ordinance 23-048, which requires residential developers to contribute to an affordable housing fund or otherwise fulfill this obligation by including affordable housing within their projects. Because the Project was approved prior to the implementation of this policy, the Manager believes the Project will not be subject to these affordable housing contributions, which is expected to favourably impact the profitability of the Project. See "Risk Factors

– Risks Related to Real Estate Industry, the Project and the Trust’s Business – Requirements under Municipal Affordable Housing and Rent Control Policies”.

Strong Location and Demographic Fundamentals with Opportunity for Growth

Jersey City Capitalizes on its Prime Location Adjacent to New York City

Jersey City is part of the New York Metropolitan Area, bound by the Hudson River and Upper New York Bay to its east and the Hackensack River and Newark Bay to its west. Located immediately west of the Hudson River, which separates New York State from New Jersey, Jersey City provides residents with the opportunity to capitalize on the close proximity to New York City, to access its cultural offerings and labour markets, while offering an overall lower cost of living compared to New York City.

New York City has the highest cost of living in the United States according to a survey completed by Mercer, a U.S.-based consulting firm, in 2023,¹ in large part due to (i) its high cost of housing and real estate, (ii) its relatively high tax burden and (iii) the economy’s ability to offer relatively high wages as a global financial and cultural center. New York City’s unique economic environment, high population density and inadequate growth in the supply of affordable housing sustains high prices in both the rental and sale real estate markets.² Furthermore, the tax burden in New York City is among the highest in the United States. While residents of New York City are subject to (i) local, federal and state income tax, (ii) property tax, and (iii) sales tax, among other taxes, residents of New Jersey are only subject to (i) federal and state income tax, (ii) property tax, and (iii) sales tax on select goods and services.

Income and Sales Tax Comparison

Income Tax - 2022	New York City	Jersey City	Sales Tax - 2022	New York City	Jersey City
Federal	12.36%	12.36%	State	4.00%	6.63%*
FICA	7.65%	7.65%	County	0.00%	-
State	5.02%	3.46%	City	4.50%	-
Local	3.30%	0.00%	Special	0.38%	-
Total Taxes	28.33%	23.47%	Total Taxes	8.88%	6.63%

**Certain items are exempt from sales tax in the state of New Jersey, such as food, clothing, drugs, and manufacturing/processing machinery and equipment.³*

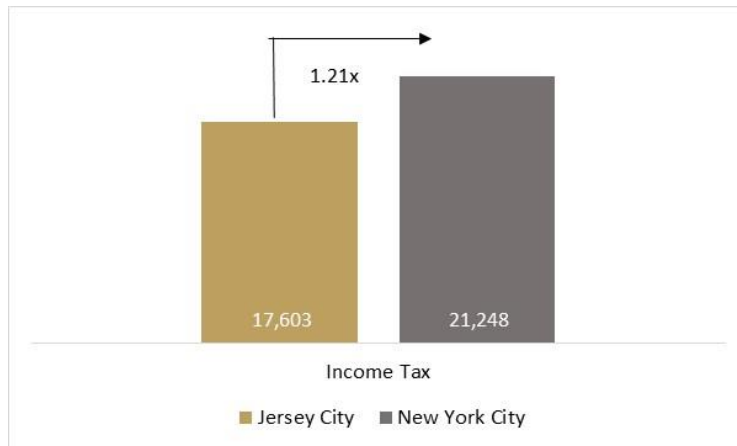
Source: New York City website, Jersey City website, based on income of US\$75,000

¹ <https://mobilityexchange.mercer.com/Insights/quality-of-living-rankings>

² <https://www.nyc.gov/office-of-the-mayor/news/565-23/mayor-adams-record-breaking-year-creating-connecting-new-yorkers-affordable#/0>

³ <https://www.state.nj.us/treasury/taxation/pdf/pubs/sales/su4.pdf>

2022 Income Tax Payable Comparison (in US\$)*



*Based on an annual income of US\$75,000

Source: New York City website, Jersey City website

2022 Sales Tax Payable Comparison (in US\$)*



*Based on a sales purchase of US\$500

Source: New York City website, Jersey City website

New York City's unique economic environment also offers relatively higher wages compared to many other U.S. cities. However, these higher wages also contribute to the increased cost of living, as prices for goods and services tend to align with the city's higher income levels.

As such, Jersey City offers a desirable option for residents seeking access to New York City's cultural offerings and labour market as well as a more affordable cost of living relative to New York City. Within a one-mile walk of the Project, residents of the Journal Square neighborhood, where the Project is located, have access to Journal Square, the Mana Contemporary cultural center, Lincoln Park, the Hackensack River, and the New Jersey PATH transit system from the Journal Square Transportation Centre located in Journal Square.⁴ The New Jersey PATH transit system is a rail system connecting New Jersey to the financial

4
<https://www.google.com/maps/dir/1075+West+Side+Ave,+Jersey+City,+NJ+07306,+USA/Journal+Square+Transportation+Center,+Jersey+City,+NJ,+USA/@40.7334194,-74.0681602,17z/data=!3m1!4b1!4m14!4m13!1m5!1m1!1s0x89c2572f34a0a2d7:0x93c2bba3122fa8fa!2m2!1d->

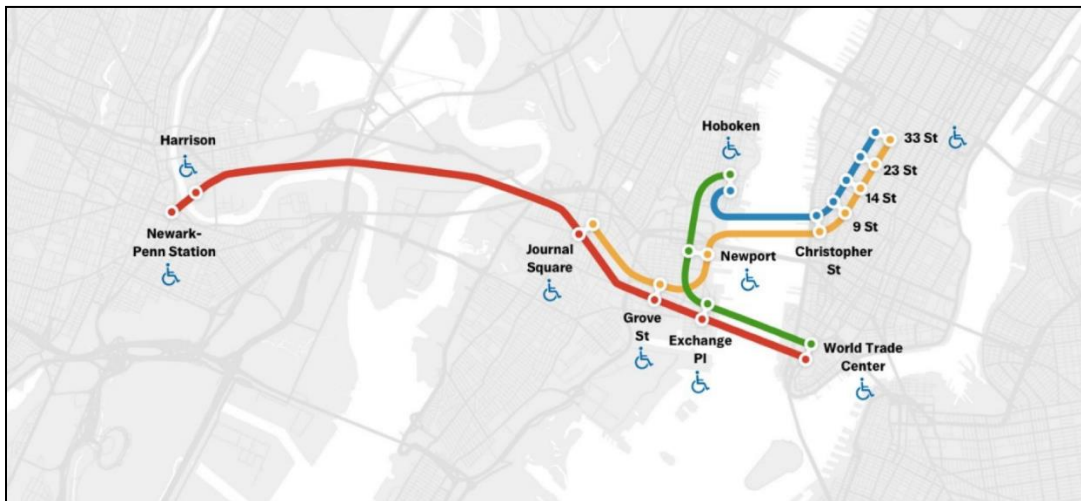
district of Manhattan as well as mid-town Manhattan. In 2019, more than 400,000 commuters a day crossed the Hudson River during the average work week, and that number is projected to increase by 10% by 2030, and by 15% to 32% by 2050.⁵ The approximate transit time from the Journal Square Transportation Center to the financial district of Manhattan is thirteen minutes.⁶

In addition, the planned phased expansion and renovation of the Northeast Corridor (NEC) rail line between Newark Penn Station and New York Penn Station is anticipated to significantly increase the number of commuters crossing the Hudson River from New Jersey to New York City for employment opportunities. These plans, known as the Gateway Program, contemplate building new rail bridges in the New Jersey Meadowlands and new tunnels under Bergen Hill (Hudson Palisades) and the Hudson River, rehabilitating the existing North River Tunnels, and constructing a new terminal annex to be known as Penn Station South.⁷ New Jersey Transit, the State of New Jersey, the State of New York, and the U.S. Department of Transportation are involved in the planning of the Gateway Program, which is expected to commence construction in 2024. The program is intended to expand commuter services, create jobs and boost economic growth.

Further, remote work patterns have offered greater flexibility to certain types of workers with respect to the proximity of their residences to their places of work, resulting in an increase (since 2019) in U.S. urban residents seeking to buy or rent larger homes in suburbs or choosing to relocate from major coastal metropolitan areas to smaller metropolitan statistical areas.⁸ These migration patterns have reshaped U.S. housing markets, and, at least temporarily, increased suburban rents and house prices relative to urban locations.⁹

The persistently high living costs in New York City, coupled with the increasing accessibility and efficiency of public transit options, including in connection with the New Jersey PATH transit system and the anticipated expansions contemplated by the Gateway Program relative to previous years, indicates that the number of commuters is likely to continue increasing in the short- to medium-term.

New Jersey PATH System Transit Map



Source: <https://www.panynj.gov/path/en/schedules-maps.html>

[74.071062!2d40.736371!1m5!1m1!1s0x89c25731792595ef:0x96b76470b4acb5fe!2m2!1d-74.062292!2d40.732113e2?entry=ttu](https://www.panynj.gov/path/en/schedules-maps.html)

⁵ These estimates were published in a study prepared by the Regional Plan Association: <https://www.nbcnewyork.com/news/local/nj-to-nyc-commuter-surge-is-coming-and-current-infrastructure-wont-be-enough-study/3736497/>

⁶ <https://www.panynj.gov/path/en/trip-planner.html>

⁷ <https://www.gatewayprogram.org/>

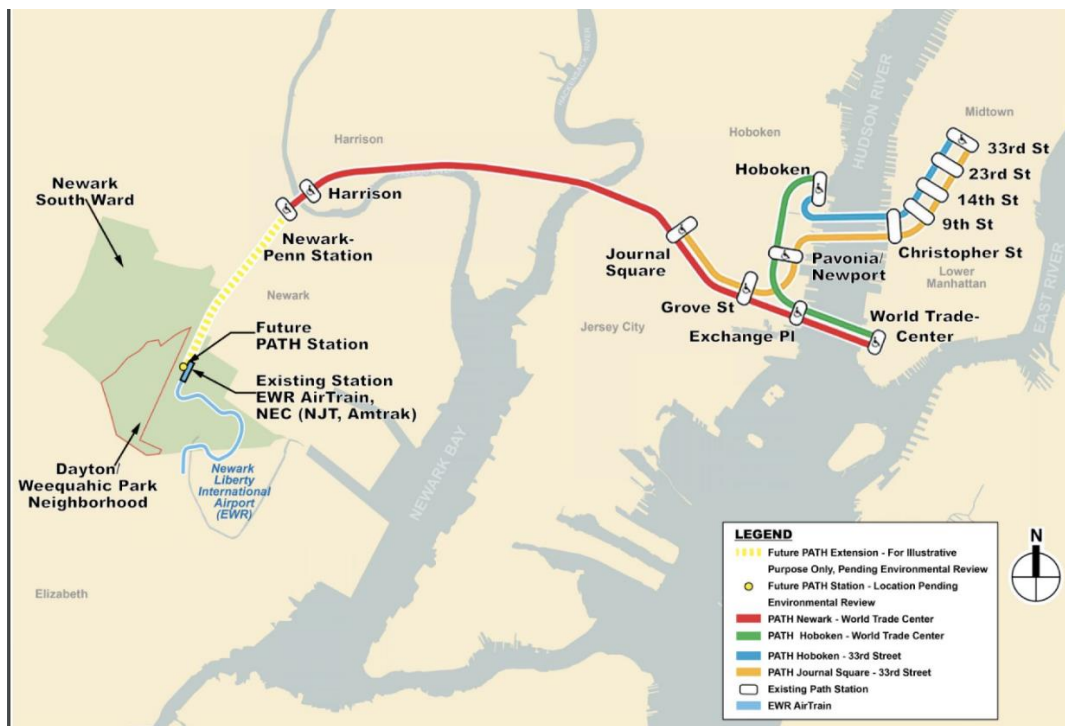
⁸ https://www.nber.org/system/files/working_papers/w30662/w30662.pdf

⁹ https://www.nber.org/system/files/working_papers/w30662/w30662.pdf

In addition, the New Jersey PATH transit system is expanding its capacity. A significant milestone in this effort was achieved earlier this year when the New Jersey PATH introduced 9-car trains on the NWK-WTC (red) line, replacing 7-car trains.¹⁰ The scheduled addition of 72 new rail cars later this year marks another step in expanding the New Jersey PATH transit system's current operating fleet of 350 cars. These new cars are scheduled to be gradually integrated into service over the course of 2023 and 2024, forming an essential component of the New Jersey PATH's plan to bolster capacity on the NWK-WTC line by 40%.¹¹

The New Jersey government is also continuing to explore the extension of the New Jersey PATH transit system from its current terminus at Newark Penn Station to the Newark Liberty Rail Link Station (Airport Station) at Newark Liberty International Airport (EWR). This strategic expansion aims to improve transit access for both airport customers and commuters hailing from the communities currently served by the New Jersey PATH transit system. West Side Square residents are positioned for convenient access to public transit, being only a one mile walk from the Journal Square Transportation Center.¹²

Proposed New Jersey PATH Expansion



Source: <https://www.panynj.gov/path/en/modernizing-path/extension-project.html>

The disparity in living costs between Jersey City and New York City combined with the increasing availability of transit options has significantly influenced rent prices,¹³ with Jersey City emerging as an attractive alternative to those seeking more affordable housing options than are available in New York City while remaining connected to the city by public transit

¹⁰ <https://www.nj.gov/governor/news/news/562023/20230322a.shtml>

¹¹ <https://www.nj.gov/governor/news/news/562023/20230322a.shtml>

¹²

<https://www.google.com/maps/dir/1075+West+Side+Ave,+Jersey+City,+NJ+07306,+USA/Journal+Square+Transportation+Center,+Jersey+City,+NJ,+USA/@40.7334194,-74.0681602,17z/data=!3m1!4b1!4m14!4m13!1m5!1m1!1s0x89c2572f34a0a2d7:0x93c2bba3122fa8fa!2m2!1d-74.071062!2d40.736371!1m5!1m1!1s0x89c25731792595ef:0x96b76470b4acb5fe!2m2!1d-74.062292!2d40.732113e2?entry=tu>

¹³ <https://thedigestonline.com/news/jersey-city-most-expensive-rent-in-us/>

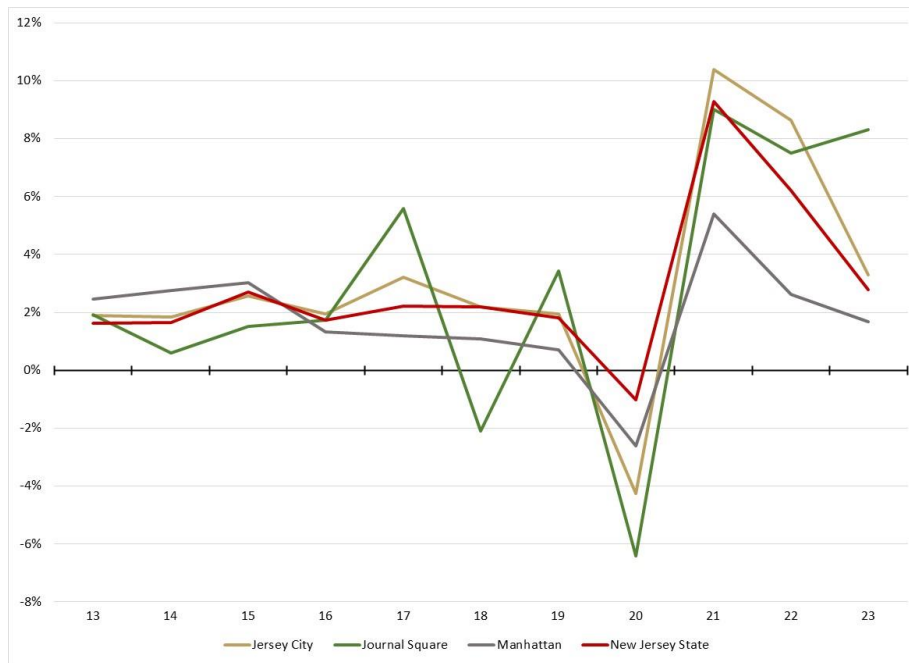
and other transit options to New York City. Notably, growth in rent rates for multi-family apartments in the Journal Square neighbourhood outpaced equivalent rent rates in Manhattan in 2021 and 2022. The area’s density is projected to continue increasing based on planned developments in the Journal Square Neighbourhood as of March 2022.¹⁴

2022 Monthly Median Rent for a Multi-Family Apartment (in US\$)



Source: CoStar Market Data Report 2023

Market Rent Growth for Multi-Family Apartments (year-over-year)



Source: CoStar Market Data Report 2023

¹⁴ <https://data.jerseycitynj.gov/explore/dataset/development-maps-2022/information/>

The Journal Square neighbourhood also benefits from a variety of surrounding amenities within walking distance including dining, cafes, retail, and fitness centres, lodging and various attractions. The Project’s location boasts a favourable walk score of 94 and a transit score of 74.¹⁵

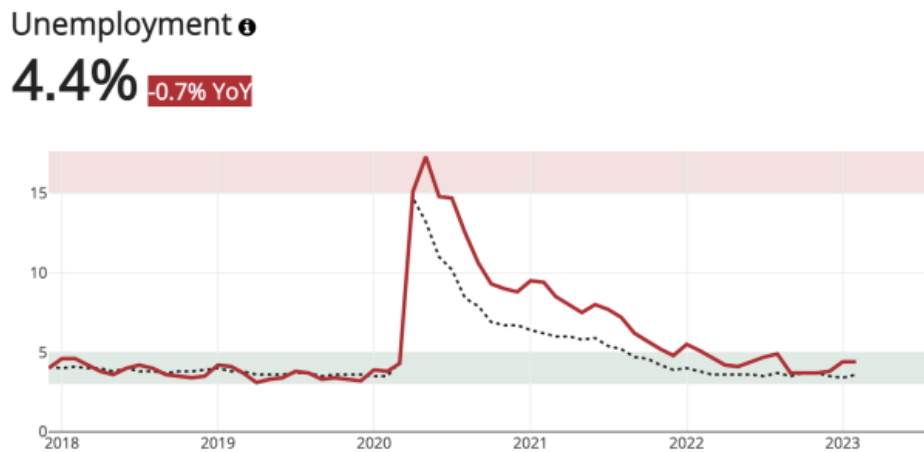
Young, diverse, and highly educated population indicates strong demand for rentals in Jersey City

As of 2020, more than 47% of Jersey City’s workforce is employed in technology, science, education, and professional services,¹⁶ contributing to the city’s economic growth and innovation. As a result, Jersey City had a median income of US\$81,390 in 2021, compared to US\$41,335 for Newark and US\$70,663 for New York City for the same year.¹⁷ The Manager believes that this higher relative income means that residents are better positioned to afford rent and effectively sustain the relatively rapid growth in rent rates in Jersey City in the last two years.¹⁸

The 2022 median household income for the New York Metropolitan Area was \$92,784, which was 30.0% higher than the United States median household income of \$71,362. The median household income for the New York Metropolitan Area is projected to grow by 4.6% annually, increasing the median household income to \$116,333 by 2027.¹⁹

With an unemployment rate of 4.4% in February 2023, a year-over-year decrease of 0.7% from 2022,²⁰ and growth of 424,000 non-farm jobs in March 2023,²¹ New Jersey continues to experience favorable economic and labour conditions. The Manager believes that these positive economic indicators will translate into increased demand for rental properties as more young professionals and individuals seek housing options in areas like Jersey City, and specifically the Journal Square neighbourhood, to capitalize on the growing job market and opportunities in the region.²²

Historical Unemployment Trend in New Jersey



Source: *Realestate.usnews.com*

¹⁵ <https://www.walkscore.com/score/66-broadway-jersey-city>

¹⁶ <https://datausa.io/profile/geo/jersey-city-nj>

¹⁷ U.S. Census Bureau.

¹⁸ <https://thedigestonline.com/news/jersey-city-most-expensive-rent-in-us/>

¹⁹ Colliers Letter of Transmittal dated August 25, 2023, Colliers International Valuation & Advisory Services, page 16.

²⁰ <https://realestate.usnews.com/real-estate/housing-market-index/articles/new-jersey-housing-market-forecast>

²¹ <https://realestate.usnews.com/real-estate/housing-market-index/articles/new-jersey-housing-market-forecast>

²² <https://realestate.usnews.com/real-estate/housing-market-index/articles/new-jersey-housing-market-forecast>

2020 Work Distribution by Industry



Source: <https://datausa.io/>

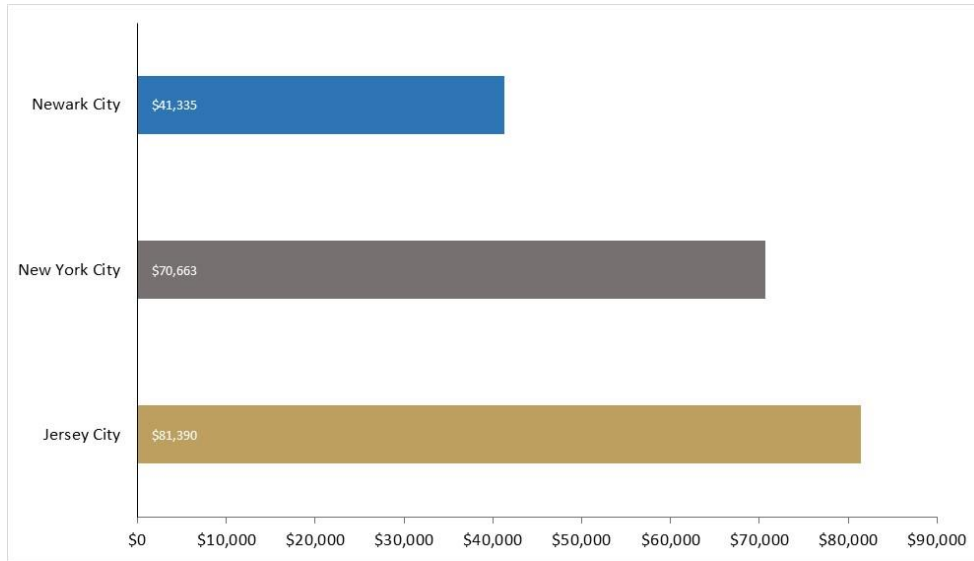
Top Employers in New Jersey

TOP EMPLOYERS		
EMPLOYER NAME	EMPLOYEES	INDUSTRY
Amazon.Com, Inc.	58,000	Industrial
Wakefern Food Corporation	40,000	Retail
RWJBarnabas Health	37,000	Healthcare
Hackensack Meridian Health	36,000	Healthcare
Walmart Inc.	23,799	Industrial
United Parcel Service, Inc.	19,200	Industrial
The Home Depot, Inc.	14,690	Retail
Bank Of America Corporation	14,505	Finance
Johnson & Johnson	14,000	Manufacturing
Public Service Enterprise Group Incorporated	12,600	Utilities

Source: IBISWorld

The State of New Jersey also has a diverse employer base. The local economy has a range of employment opportunities in industries including finance, education, entertainment, biotechnology and manufacturing.

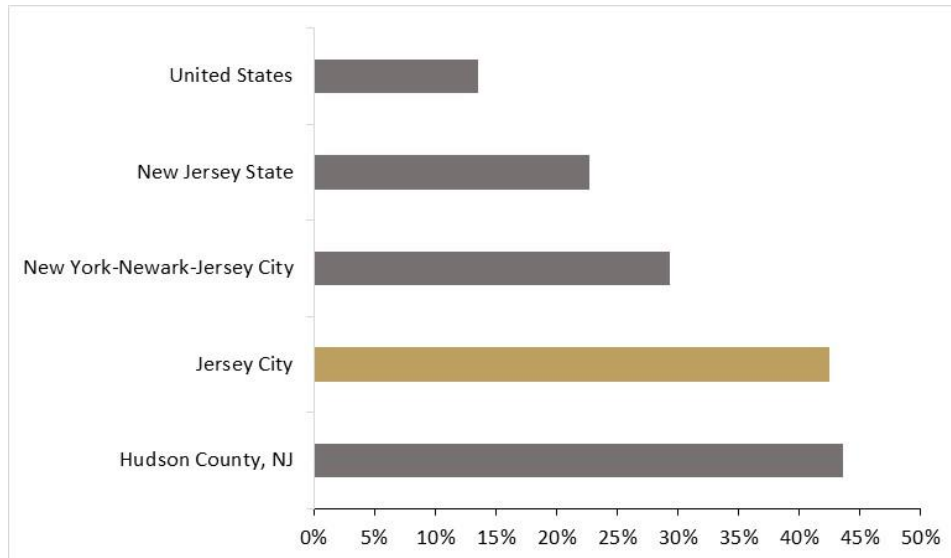
2021 Median Income



Source: U.S. Census Bureau

Another notable aspect of Jersey City’s demographic makeup is its high immigrant population. In 2020, approximately 42.5% of the population in Jersey City was born outside of the United States. In comparison, New York City had a slightly lower percentage of 36.4% internationally born residents for the same year. This diverse population brings a wealth of cultural perspectives and experiences to the city, fostering a vibrant and inclusive community. As a result, the Manager believes that this diverse environment positions Jersey City to remain an appealing destination for immigration, further driving the demand for housing, both in terms of rentals and home ownership.

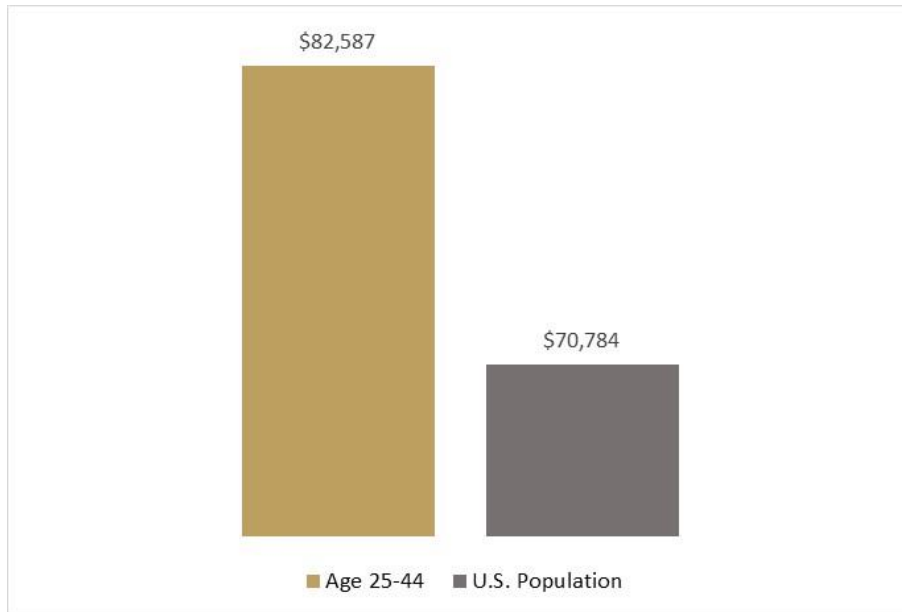
2020 Foreign-born Population as a Percentage of Total Residents



Source: <https://datausa.io/>

The Manager believes that the prevalence of millennial residents in Jersey City makes Jersey City an attractive area for young professionals²³ who, in the aggregate, have the means to support the city’s rental market and contribute to its growing economic landscape. 56% of renters in Jersey City are millennials (aged between 25 and 44 years old).²⁴ The Manager believes that this demographic is particularly relevant, as surveys indicate that a greater proportion of millennials consider renting long-term as compared to older age groups,²⁵ while millennial households in the U.S. maintained a median income of US\$82,587 in 2021, surpassing the U.S. median income of US\$70,784 for the same year.²⁶

2021 Annual Median Income in U.S. (in US\$)



Source: U.S. Census Bureau

The Manager believes that Jersey City is a thriving hub for a diverse and vibrant community of young professionals who possess the financial means to support the area’s rental market. Over the past decade, the city has experienced further growth in employment opportunities as prominent organizations, including Forbes Media LLC, Omnicom Group Inc., and Ernst & Young LLP, have established offices in the area.²⁷ As a result, the Manager believes that professionals will continue to choose to make Jersey City their home, attracted to its employment opportunities, relatively affordable housing, and proximity to New York City.

Jersey City has experienced significant industry growth and is positioning itself as a technology hub

Jersey City is experiencing an increase in the population of young and highly educated professionals, largely fueled by the city’s industry growth and robust labour market.²⁸ Recent data obtained from the U.S. Census Bureau highlights substantial growth in several key sectors within Jersey City. Notably, industries such as scientific and technical services, educational services, financial services and insurance have experienced significant percentage growth over the last 5 years.

The increasing prominence of these industries highlights Jersey City’s evolution into a diverse business hub, which is expected to continue to attract a talented workforce of young professionals. The Manager believes that the city’s robust job

²³ <https://worldpopulationreview.com/us-cities/jersey-city-nj-population>

²⁴ [https://www.point2homes.com/US/Average-Rent/NJ/Jersey-City.html#:~:text=Most%20condos%20for%20rent%20in,years%20age%20group%20\(23%25\).](https://www.point2homes.com/US/Average-Rent/NJ/Jersey-City.html#:~:text=Most%20condos%20for%20rent%20in,years%20age%20group%20(23%25).)

²⁵ <https://www.apartmentlist.com/research/millennial-homeownership-2023>

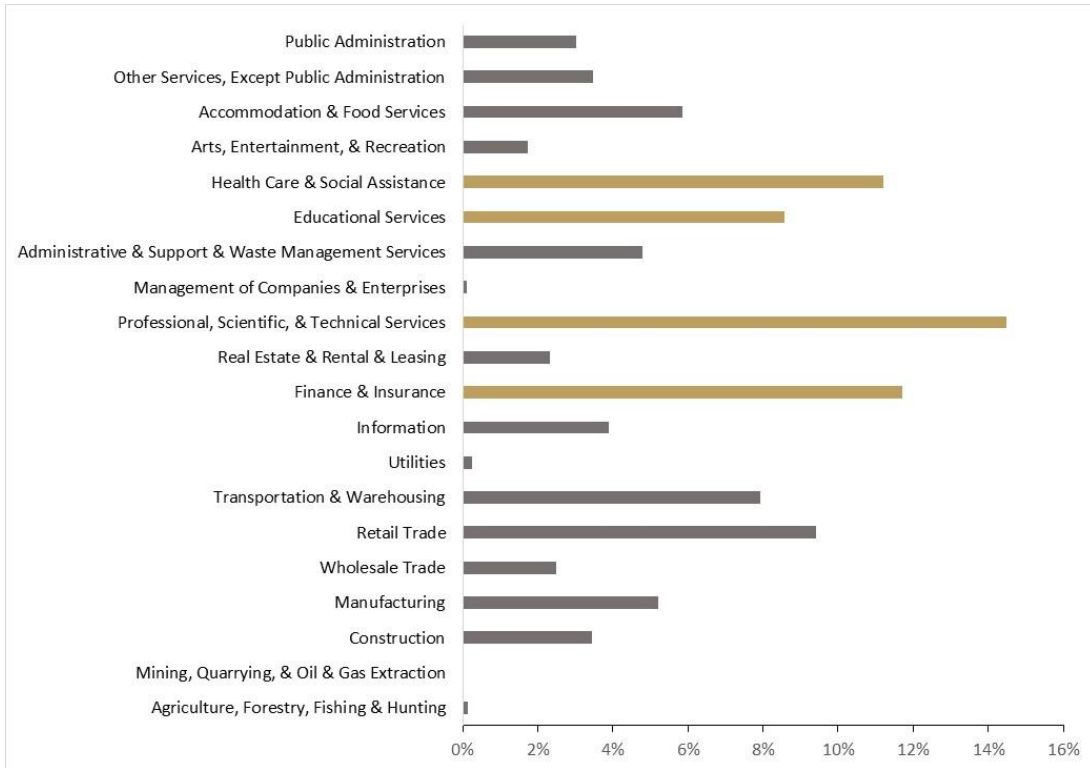
²⁶ <https://www.census.gov/library/publications/2022/demo/p60-276.html>

²⁷ <https://medium.com/@NYUUrbanlab/jersey-city-rising-a-tech-hub-in-the-making-663c73c88a0f>

²⁸ <https://robbreport.com/lifestyle/news/high-earning-young-americans-moving-1234889653/>

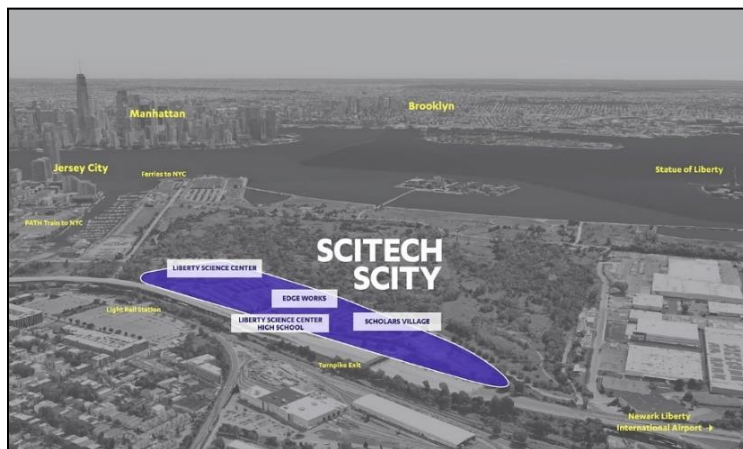
market, combined with its proximity to New York City, positions Jersey City as an attractive destination for individuals looking to capitalize on employment opportunities in expanding industries.

Jersey City Industry Growth (year-over-year from January 2018 to February 2023)



Source: <https://datausa.io/profile/geo/jersey-city-nj?growthOccupations=growth&yearlyChangeTreemapIndustries=growth>

Recognizing the growth potential of its technology industry, Jersey City has actively pursued the development of a major science and tech hub in collaboration with the renowned Liberty Science Center. The first phase of the project is the establishment of the Liberty Science School, an educational institution that will accommodate 400 students from grades nine to twelve. This specialized school will provide a comprehensive and immersive learning experience focused on science, technology, engineering, and mathematics (STEM) disciplines. The second phase of SciTech Scity, known as Scholars Village, will offer residential housing tailored for innovators, scientists, entrepreneurs, STEM graduate students, and other professionals associated with the project.



Source: <https://www.scitechscity.com/about-scitech-scity>



Source: <https://lsc.org/support-us/scitech-scity>

The New York Metropolitan Area comprises four distinct metropolitan divisions, each serving as independent employment centers within the larger metropolitan region. From 2021 to 2022, these divisions experienced a notable increase in employment, with three out of the four divisions exhibiting significant economic growth. Particularly noteworthy is the New York-Jersey City-White Plains division, which is responsible for 72% of the area’s total non-farm employment, gaining 392,600 jobs from 2021 to 2022. This division was among the top 12 largest U.S. metropolitan statistical areas as of July 2022 with the highest job increases among these divisions, and year-over-year growth of 497,500 jobs as of July 2022.²⁹ The Manager believes that these statistics underscore the robustness and resilience of the New York Metropolitan Area’s economy and its prospects for ongoing job creation and economic growth.

Jersey City Benefits from Transit Accessibility

The accessibility of both the New Jersey PATH transit system and ferry services offers residents efficient and convenient options for commuting to and from Manhattan and within New Jersey and New York. Jersey City has earned a higher than average transit score of 9.3/10 according to AllTransit, reflecting the city’s developed transportation infrastructure. Furthermore, the site of the Project is located less than a one-mile drive away from major highway access via car,³⁰ providing residents with the convenience of driving to downtown Manhattan and to surrounding New Jersey cities via Interstate Highways.

AllTransit Score

Rank	Name	Score	TCT ⁺	Jobs ⁺	Trips/Week ⁺	Routes	% Transit	Population
1	New York, NY	9.6	34.3	1,359,180	13,771	20	59.00%	8,560,072
2	San Francisco, CA	9.6	31.7	653,730	11,896	26	36.50%	864,263
3	Washington, DC	9.3	23.3	658,064	8,095	25	37.60%	672,391
4	Boston, MA	9.3	25.6	645,907	8,241	16	34.80%	669,091
5	Jersey City, NJ	9.3	21.5	869,259	4,741	11	50.10%	265,932
6	Chicago, IL	9.1	19.1	547,628	6,190	11	29.50%	2,723,672
7	Philadelphia, PA	9	20.2	378,628	5,879	12	26.20%	1,569,657
8	Portland, OR	8.9	13.5	254,218	8,189	10	13.40%	627,964
9	Cleveland, OH	8.8	8.9	182,050	8,013	6	10.40%	388,631
10	Newark, NJ	8.7	14.9	314,006	5,135	14	26.70%	282,803

Source: <https://alltransit.cnt.org/rankings/>

²⁹ https://www.bls.gov/regions/new-york-new-jersey/news-release/areaemployment_newyork.htm

³⁰ <https://www.google.com/maps/dir/1075+West+Side+Ave,+Jersey+City,+NJ+07306,+USA/40.7373975,-74.0744202/@40.7370669,-74.0754038,16.58z/data=!4m9!4m8!1m5!1m1!1s0x89c2572f34a0a2d7:0x93c2bba3122fa8fa!2m2!1d-74.071062!2d40.736371!1m0!3e0?entry=ttu>

The transit score considers various factors, including the availability of transit routes, the frequency of trips, and the accessibility of jobs within a 30-minute transit journey. In this regard, Jersey City is ranked second only to New York City in the U.S. in terms of the number of jobs easily accessible within a 30-minute trip by public transit. The Manager believes the city’s transportation infrastructure and its proximity to major job centers accordingly makes it an attractive choice for residents looking to balance employment opportunities, a relatively more affordable lifestyle compared to New York City and proximity to New York City’s amenities.

Major Roadways and Thoroughfares

MAJOR ROADWAYS & THOROUGHFARES			
HIGHWAY	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
New Jersey Turnpike Extension (Interstate 78)	east-west	Interstate Highway	This is within 2 miles of the subject property.
Pulaski Skyway (U.S. Route 1/9)	northeast-southwest	Local Highway	This is within a mile of the subject property.
Route 440	east-west	Local Highway	This is within 2 miles of the subject property.

Source: Colliers Letter of Transmittal, page 16

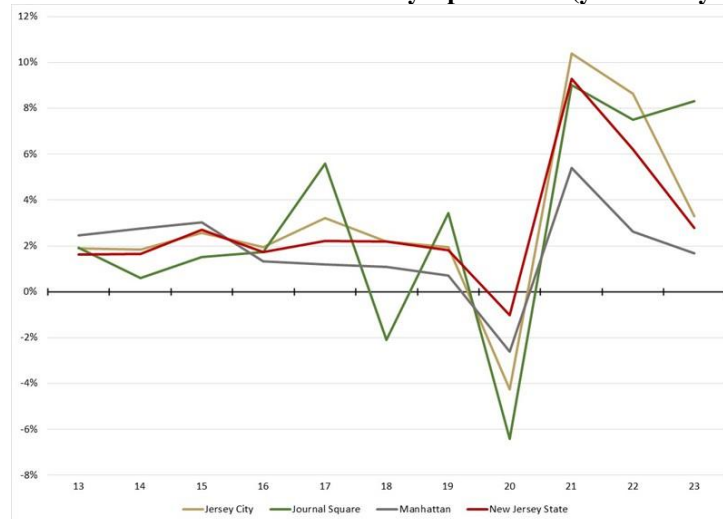
The Journal Square Transportation Center, Exchange Place and Hoboken Terminal are major origination/destination points for buses. Transportation services are available to numerous points in Jersey City, Hudson County, Newark and other suburban areas on various transportation lines.³¹

Rental Market in Jersey City, and Particularly the Journal Square Neighbourhood, Poised for Growth

Jersey City and Journal Square Rental Markets

In recent years Jersey City’s rental market has experienced robust demand, thanks to its close proximity to Manhattan, employment opportunities, and cultural environment. The city’s robust transportation infrastructure, including the New Jersey PATH train system, provides viable transit options to commuters. The Journal Square neighbourhood has experienced significant growth in rent rates, with the median rent for a multi-family apartment rising to US\$2,520 in 2022. In 2022, Jersey City experienced a strong rent growth rate of 8.6% for multi-family apartments. Journal Square’s equivalent growth rate was 7.5% but has since surpassed the overall Jersey City growth rate year-over-year as of July 2023.³² This rent growth in Journal Square has outpaced that of the rent growth rates for multi-family apartments in New Jersey more broadly, which stood at 6.2% in 2022, as well as in Manhattan, which saw a growth rate of only 2.6% in 2022.

Rental Growth Rate for Multi-Family Apartments (year-over-year)



Source: CoStar Market Data Report 2023

³¹ Colliers Letter of Transmittal dated August 25, 2023, Colliers International Valuation & Advisory Services, page 21.

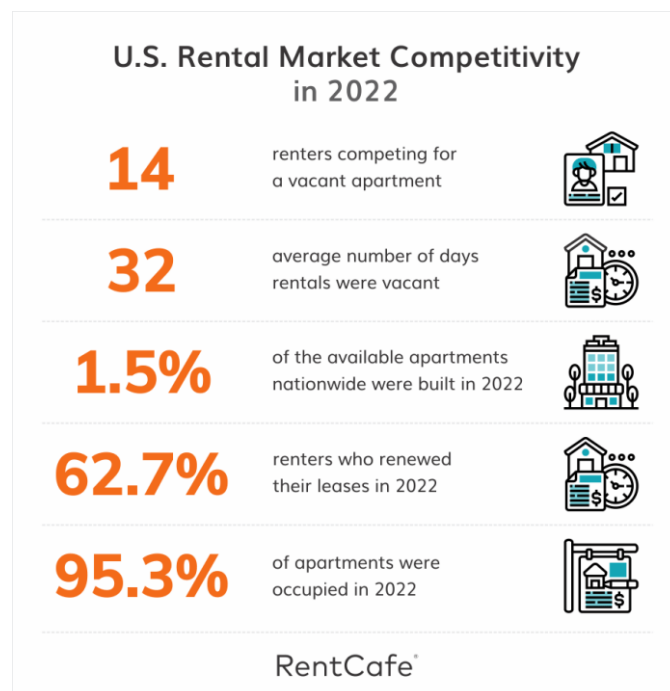
³² CoStar Market Data Report 2023.

The competitive nature of Jersey City’s rental market is reflected in various key metrics. A study conducted by RentCafe considered average vacant days, occupied apartments, prospective renters, lease renewal rates, and the share of new apartments to determine an overall competitive score. Jersey City’s consistently high competitive score is indicative of the city’s increasing demand for rental units. In North Jersey, which encompasses Jersey City, an average of 21 renters compete for each available rental unit, surpassing the U.S. average of 14.³³ The demand-supply disparity is further highlighted by North Jersey’s occupancy rate of 97% and a lease renewal rate of 74%, exceeding the national averages of 95% and 62%, respectively.³⁴

The demand for rental units in Jersey City is amplified by the limited rental supply. The Manager believes the declining number of multi-family building permits being approved is a critical contributing factor. From 2018 to 2020, the New York Metropolitan Area experienced a discrepancy between forecasted and actual building permits for multi-family unit buildings issued with fewer permits being issued than forecast.³⁵

The combination of sustained demand and limited supply has resulted in Jersey City becoming a highly competitive rental market within the New York Metropolitan Area.

U.S. Rental Market 2022



Source: RentCafe

³³ <https://www.rentcafe.com/blog/rental-market/market-snapshots/most-competitive-rental-markets-this-year/>

³⁴ <https://www.rentcafe.com/blog/rental-market/market-snapshots/most-competitive-rental-markets-this-year/>

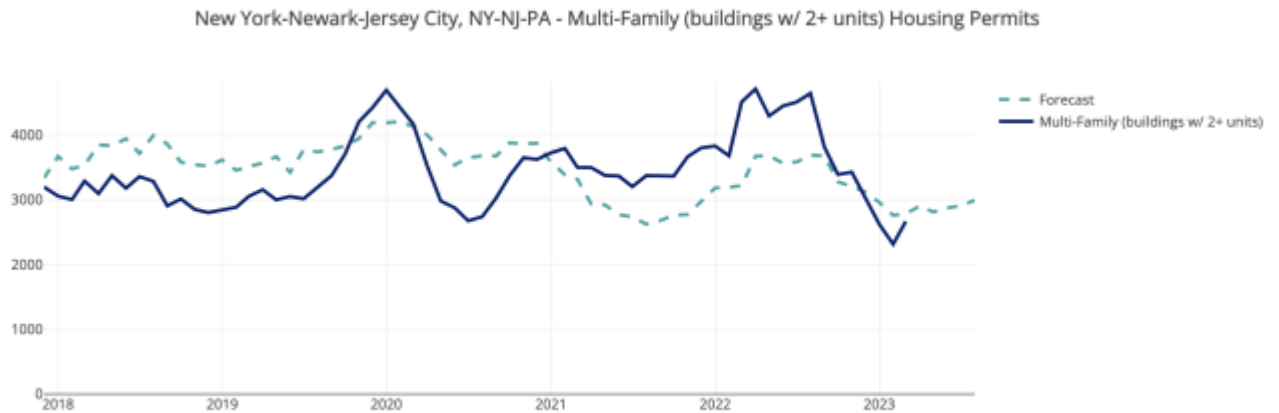
³⁵ <https://realestate.usnews.com/real-estate/housing-market-index/articles/new-jersey-housing-market-forecast>

U.S. Most Competitive Rental Market 2022

Rank ▲	Market	Competitive Score	Average Vacant Days	Occupied Apartments	Prospective Renters	Lease Renewal Rate	Share of New Apartments
1	Miami-Dade County, FL	118.0	25	97.5%	32	75.0%	2.8%
2	Grand Rapids, MI	112.6	28	96.9%	18	69.4%	0.8%
3	Orlando, FL	109.3	28	96.8%	21	72.5%	2.2%
4	Harrisburg, PA	108.7	33	96.5%	18	75.0%	0.0%
5	North Jersey, NJ	107.5	32	97.2%	21	74.3%	2.1%
6	Milwaukee, WI	102.6	29	96.4%	19	69.2%	1.1%
7	Central Jersey, NJ	96.8	41	96.8%	15	85.3%	0.9%
8	Orange County, CA	96.3	31	97.2%	19	63.2%	0.6%
9	Rochester, NY	96.1	35	96.2%	17	72.8%	0.6%
10	Omaha, NE	96.1	25	96.7%	18	64.0%	1.4%
11	Southwest Florida	93.4	31	96.1%	16	72.9%	2.7%
12	Suburban Philadelphia, PA	89.5	38	95.8%	14	78.2%	0.3%
13	San Diego, CA	82.6	29	97.1%	22	55.3%	1.1%
14	Broward County, FL	82.2	34	96.1%	17	68.9%	2.7%
15	Richmond-Tidewater, VA	81.3	28	95.8%	16	63.7%	1.3%
16	Pittsburgh, PA	81.2	33	95.9%	13	67.6%	0.5%
17	Tampa, FL	80.5	32	95.5%	16	69.4%	2.2%
18	Suburban Chicago, IL	79.3	34	95.5%	17	68.2%	1.2%
19	Bridgeport - New Haven, CT	77.7	33	96.2%	18	63.0%	1.7%
20	Lansing - Ann Arbor, MI	77.3	31	95.5%	13	65.4%	0.3%

Source: <https://www.rentcafe.com/blog/rental-market/market-snapshots/most-competitive-rental-markets-this-year/>

Historical vs Forecast Building Permits Issued for Multi-Family Housing



Source: [Realestate.usnews.com](https://www.realestate.usnews.com)

Both Jersey City and Journal Square’s robust rental markets are backed by strong occupancy rates. Since 2016, the occupancy rate for multi-family apartments in the Journal Square neighbourhood has consistently outperformed Jersey City as a whole save for two business quarters in 2022, indicating a healthy and sustained demand for rentals. Moreover, recent data shows a positive upward trend in occupancy rates for multi-family apartments in Journal Square, reinforcing the area’s attractiveness to residents and its ability to absorb the increased supply of units.

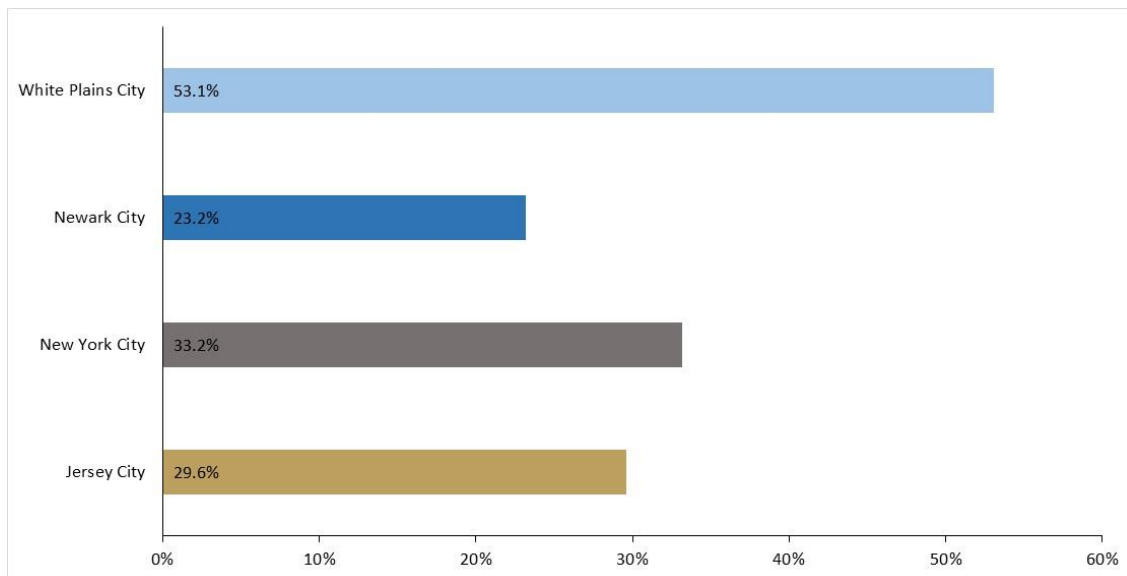
Historical Occupancy Rate for Multi-Family Apartments



Source: CoStar Market Data Report 2023

Jersey City faces ongoing challenges in terms of housing affordability (ownership) with a Housing Affordability Index (HAI) of 59.³⁶ This index suggests that purchasing a home at the median price is less affordable for residents with a median household income. The Manager believes that the lack of housing affordability will help drive demand for rental housing in Jersey City and the encompassing Hudson County area, which Jersey City is a part of. This is further reinforced by the ratio of renters to homeowners, as only 29.6% of residents in Jersey City own the homes they currently reside in, in contrast to equivalent rates in nearby cities like New York City (33.2%), Newark (23.2%), and White Plains (53.1%).

Owner-Occupied Housing in the New York Metropolitan Area



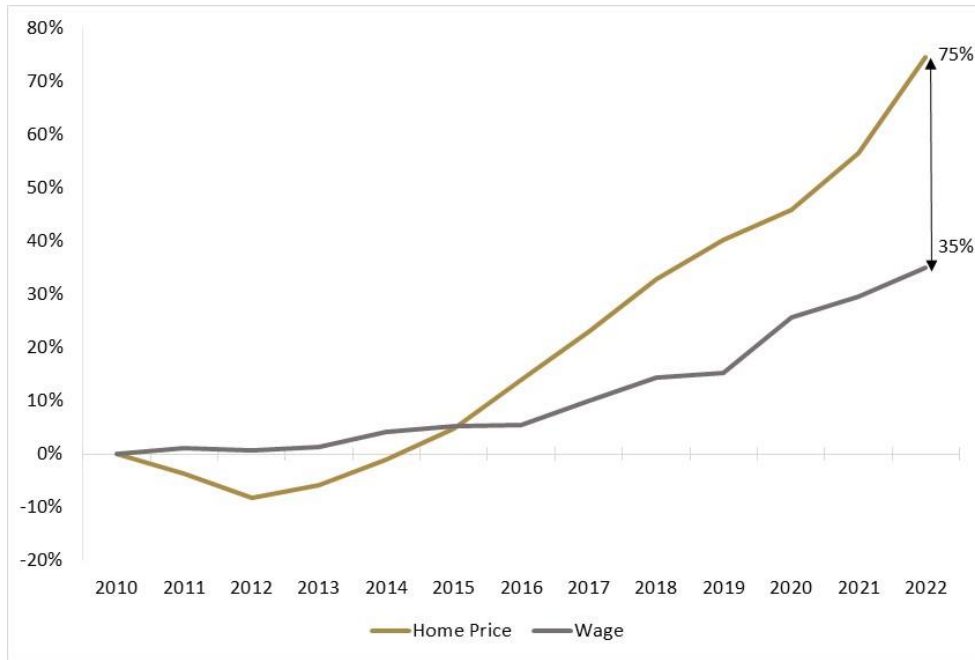
Source: U.S., Census Bureau

³⁶ <https://learn.roofstock.com/blog/jersey-city-real-estate-market>

Over the years, the growth in home prices has outpaced wage increases, intensifying the affordability issue. This widening gap between home prices and wages has perpetuated the need for individuals and families to turn to rental options as a more affordable housing solution.

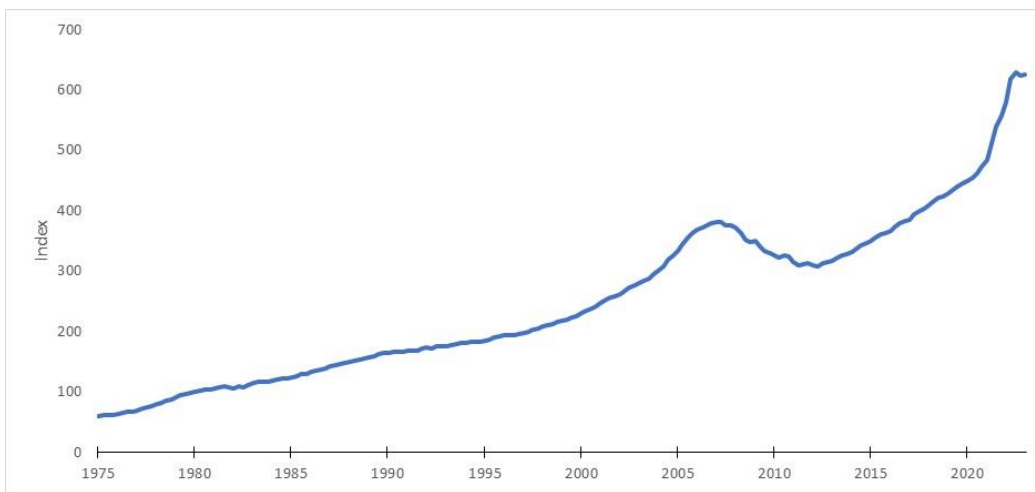
The Manager believes that these factors collectively point to a robust rental market and a high demand for rental housing in Jersey City. The housing affordability challenges, coupled with the disparity between home prices and wages, have contributed to an increased preference for renting rather than homeownership among a significant portion of the population.

Housing Prices vs. Wages since 2010 in Hudson County, NJ



Source : <https://usafacts.org/data-projects/housing-vs-wages>

House Price Index in the United States



Source : <https://fred.stlouisfed.org/series/USSTHPI>

Strong Development Activity in the Journal Square Neighbourhood

West Side Square is located within the Journal Square neighbourhood of Jersey City, which is a prominent transportation center for Jersey City and the wider region. This accessibility, coupled with its strategic location, has contributed to the area’s attractiveness for both residential and commercial development.

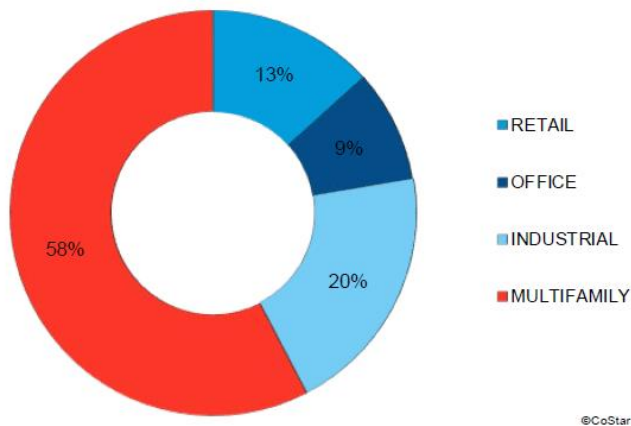
In May 2023, KRE Group and National Real Estate Advisors LLC, an investment manager developing and managing large-scale real estate projects, announced the topping-out of the third and final tower at Journal Square, the mixed-use development in the Journal Square neighbourhood. The construction milestone marks the 60-storey building reaching its maximum height of 639 feet, bringing 2.3 million-square-foot residential and retail project closer to completion. Expected to be completed in the first quarter of 2024, the new tower will add 598 rental residences and 18,000 square feet of amenities to Journal Square.

Already completed are two 53- and 70-storey towers and a public plaza hosting community events and pedestrian connections.³⁷ The entire property will include 1,840 rental residences and 36,000 square feet of retail and restaurant space. In September 2021, the builders broke leasing records for New Jersey, after Journal Square’s second and largest residential tower in Jersey City leased all 704 luxury apartment units since opening in May 2021. The Manager believes this development exemplifies the strong demand for housing in Jersey City that West Side Square will also be able to capitalize on.

In recent years, Journal Square has witnessed an increase in new residential developments. About 700 units have been delivered in the past 12 months and 5,100 units are currently under construction.³⁸ These projects are catering to the increasing demand for housing, driven by the area’s rising popularity and affordability in comparison to Manhattan, and the overall growth of Jersey City. With an influx of new residents, the neighbourhood is experiencing a change, with trendy amenities, cultural attractions, and a vibrant social scene emerging to cater to the growing population.

Beyond residential projects, the development plans for Journal Square include the construction of modern office spaces and retail centers. The local area has a number of significant developments including industrial-use real estate along major arterials that are interspersed with multi-family and single-family residential developments.³⁹ Journal Square is home to approximately 700,000 square feet of office property net rentable area and 1.55 million square feet of industrial net rentable area.⁴⁰ The Manager believes that the diversification of the area’s real estate landscape will attract businesses and investors, bolstering the local economy, and creating job opportunities for the growing population.

Development Types in the Journal Square Area



Source: CoStar Journal Square Market Report 2023

³⁷ https://www.roi-nj.com/2023/05/18/real_estate/3rd-and-final-tower-tops-out-60-stories-at-journal-squared-in-jersey-city/

³⁸ CoStar Journal Square Market Report 2023

³⁹ Colliers Letter of Transmittal dated August 25, 2023, Colliers International Valuation & Advisory Services, page 26-27.

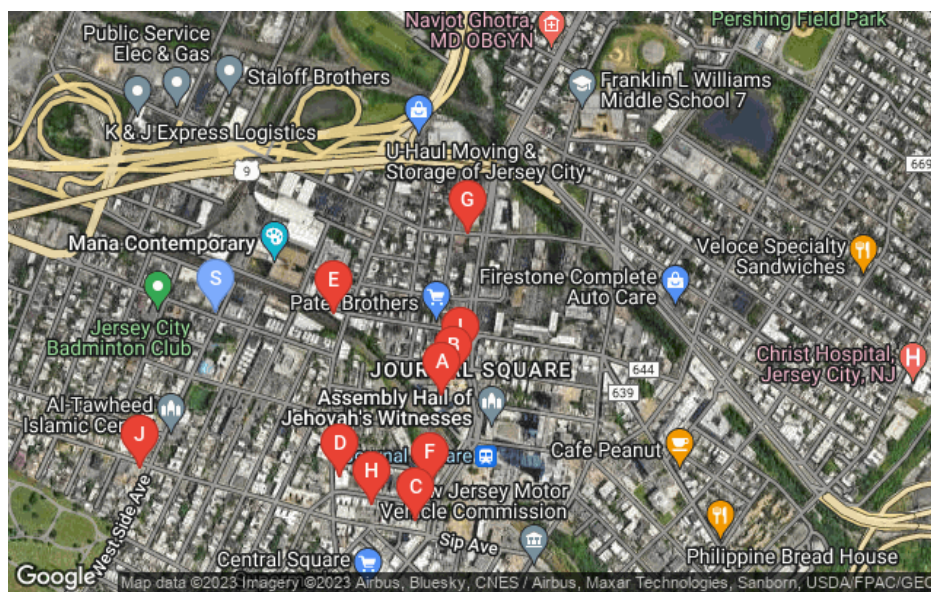
⁴⁰ Colliers Letter of Transmittal dated August 25, 2023, Colliers International Valuation & Advisory Services, page 26-27.

Journal Square Development Activity



Source: <https://data.jerseycitynj.gov/explore/dataset/development-maps-2022/information/>

Eight Largest Office Properties in the Journal Square Area

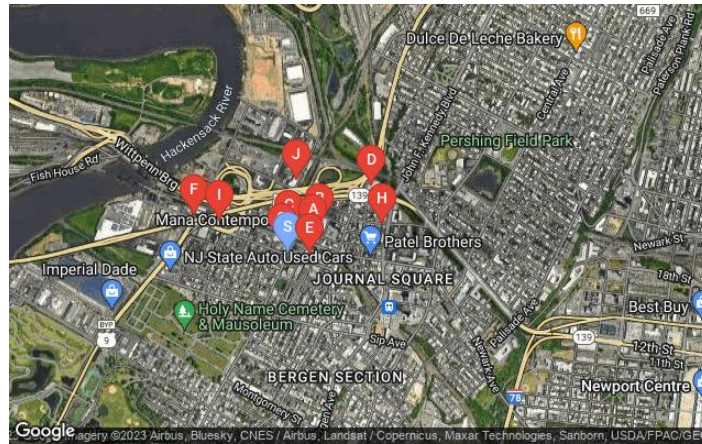


LARGEST OFFICE BUILDINGS								
NAME	ADDRESS	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Office Building	2 Journal Square	0.4 Miles	A	A	324,540	39.2	1987	N/Av
Journal Square Plz	1 Journal Sq	0.4 Miles	B	B	53,334	66.4	1983	\$38.19
Office Building	40 Journal Sq	0.4 Miles	C	C	50,633	100.0	1929	N/Av
Office Building	2815 Kennedy Boulevard	0.3 Miles	D	C	38,757	100.0	1983	N/Av
Office Building	845 New ark Avenue	0.2 Miles	E	B	17,000	100.0	2010	N/Av
Universal Bldg	50 Journal Sq	0.4 Miles	F	C	16,200	100.0	1916	N/Av
Office Building	285 Street Pauls Avenue	0.4 Miles	G	C	15,635	100.0	1897	N/Av
Office Building	2828-2834 John F Kennedy Boulevard	0.4 Miles	H	C	13,108	100.0	1923	N/Av
Office Building	2973 Kennedy Boulevard	0.4 Miles	I	C	12,289	100.0	1999	N/Av
Office Building	965 West Side Avenue	0.3 Miles	J	C	11,000	100.0	-	N/Av

Source: CoStar

Source: Colliers Letter of Transmittal, page 21

Nine Largest Industrial Properties in the Journal Square Area



LARGEST INDUSTRIAL PROPERTIES								
NAME	ADDRESS	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Industrial Building	888 New ark Avenue	0.1 Miles	A	Industrial	452,502	100.0	1960	N/Av
Industrial Building	10 Senate Place	0.2 Miles	B	Industrial	227,961	100.0	1943	N/Av
Topps Bldg	924-930 New ark Avenue	0.1 Miles	C	Industrial	200,000	100.0	1930	N/Av
Industrial Building	276 Tonnele Avenue	0.4 Miles	D	Industrial	53,220	100.0	1929	N/Av
155 Van wagenen ave	155 Van Wagenen Avenue	0.1 Miles	E	Industrial	52,000	100.0	1900	N/Av
Industrial Building	200-220 Broadw ay	0.4 Miles	F	Industrial	46,526	96.7	1988	\$14.33
Industrial Building	1075 West Side Avenue	0.0 Miles	G	Industrial	41,500	100.0	1960	N/Av
Industrial Building	399 Street Pauls Avenue	0.4 Miles	H	Industrial	38,681	100.0	1930	N/Av
Industrial Building	174-182 Broadw ay	0.3 Miles	I	Industrial	35,774	100.0	1920	\$24.00
Industrial Building	1183 West Side Avenue	0.3 Miles	J	Industrial	31,000	100.0	1971	N/Av

Source: CoStar

Source: Colliers Letter of Transmittal, page 22

2.4 The Current Owners

The Pre-Development Majority Owners are Atree, AJDL (a company owned by associates of Lanterra) and Westdale. See “Investment Strategy – Investment Highlights”.

The Pre-Development Majority Owners, along with the other Current Owners, acquired the Project on January 22, 2019. Significant pre-development work has been completed by the Pre-Development Majority Owners to date, utilizing the proceeds of the Land Loan and equity invested into the Project. See “Description of the Activities of the Trust – The Project”. In connection with the Offering, none of the Current Owners are disposing of their interest in the Project and none of the Current Owners will receive any of the net proceeds of the Offering on closing of the Offering.

The Trust will own an indirect 83.09% interest in CZBK and an indirect 67.35% equity interest in the Project, while the Current Owners are expected to own an indirect 32.65% interest in the Project through CZBK, CZRBK and Avenir LP (assuming no exercise of the Equity Commitment). The Trust's interest in the Project will be determined based on the Gross Subscription Proceeds. The Trust will invest the Net Subscription Proceeds in the Investment LP and will be deemed to have contributed an amount equal to the Agent's Fee as capital to the Investment LP, which deemed capital contribution will be replicated in each of CZBK, CZRBK and Avenir LP. Avenir LP will receive the Net Subscription Proceeds, and will pay the expenses of the Offering (other than the Agent's Fee).

The Current Owners have committed to provide additional equity to the Project, through investments in Class C Units concurrent with the closing of the Offering at a price of US\$10.00 per Class C Unit, in an aggregate amount equal to the difference between (a) the gross proceeds raised from the Offering and any concurrent private placements by the Trust, and (b) the Maximum Offering (the "**Equity Commitment**"), which would result in a maximum Equity Commitment of US\$25 million in the aggregate if only the Minimum Offering is achieved, in order to provide the necessary equity to complete development of the Project.

Avenir LP does not expect to have cost overruns in respect of the Project and the Manager has budgeted significant contingencies for the Project. However, in the event of a future incremental equity requirement or cost overrun requiring additional equity in the Project, pursuant to the Cost Overrun Funding and Guarantee Agreement, the Current Owners have agreed among themselves and Avenir LP, among other things, to provide the equity for such cost overruns by acquiring specified limited partnership units of Avenir LP (the "**Cost Overrun Units**"). The return on the Cost Overrun Units has an equal pre-tax investor gross compounded annualized return to the Class C Units (whether issued or deemed to be issued). For greater certainty, the Cost Overrun Units will otherwise achieve the same annualized internal rate of return as the Class C Units, but not the same total return, as the Cost Overrun Units will be outstanding for a shorter time period and thus be entitled to a lesser total return.

In the event that the Lender under a Construction Loan requires a guarantee from a limited partner of Avenir LP, and the interest rate for such Construction Loan is lower than the interest rate assumed in the development pro forma for the Project, the guarantors will be entitled to a guarantee fee paid by the Project, equal to the difference between the actual interest rate and the pro forma rate.

3. INVESTMENT RESTRICTIONS AND OPERATING POLICIES

3.1 Investment Restrictions

The Declaration of Trust provides certain restrictions on investments that may be made directly or indirectly by the Trust. 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 invest, directly or indirectly, in the Project and assets ancillary thereto necessary for the operation of the Project, including following completion of development of the Project, and such other activities as are consistent with the other investment restrictions;
- (b) the Trust shall not, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by the Trust, including for greater certainty, joint venture arrangements with affiliates of Atree. For purposes hereof, a "joint venture arrangement" is an arrangement between the Trust and one or more other persons (including for greater certainty, affiliates of Atree) pursuant to which the Trust, directly or indirectly, conducts an undertaking for one or more of the purposes set out in the investment guidelines of the Trust and in respect of which the Trust may hold its interest jointly or in common or in another manner with others either directly or through the ownership of securities of a corporation or other entity;
- (c) 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 or a U.S. chartered bank, 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 policies 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);

- (d) 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;
- (e) notwithstanding any other provisions of the Declaration of Trust, the Trust shall not take any action, or acquire, retain or hold any investment in any entity or other property that would result in the Trust not qualifying as a “unit trust” and a “mutual fund trust”, that would result in the Trust, the Investment LP, CZBK, CZRBK, Avenir LP or any other investee of the Trust being a “SIFT trust” or a “SIFT partnership”; or that would result in any Units not being “qualified investments” for trusts governed by Plans, in each case within the meaning of the Tax Act;
- (f) the Trust shall not invest the Net Subscription Proceeds in securities of a publicly traded entity;
- (g) notwithstanding anything else contained in the Declaration of Trust, the Trust shall not at any time hold any property that is “taxable Canadian property” within the meaning of the Tax Act; and
- (h) if the Trust invests, directly or indirectly, in securities of an issuer managed by Atree or any of its affiliates, there will be no duplication of fees chargeable in connection with such investment.

3.2 Operating Policies

The Declaration of Trust provides that operations and affairs of the Trust are to be conducted in accordance with the following policies:

- (a) the Trust shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term “hedging” has the meaning ascribed thereto by National Instrument 81-102 – *Investment Funds*, 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 duty to act in the best interest of the Trust, any written instrument which is, in the judgment of the Board, 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, beneficiaries, subscribers or holders under a Plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the Trust, but that only property of the Trust 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 engage in construction or development of real property to build new real properties or 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 the Project shall be held by and registered in the name of Avenir LP or a corporation, a limited liability company, a partnership or other entity wholly-owned, directly or indirectly, by Avenir LP;
- (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 Project would be more than 75% of the total Project costs; and
- (f) the Trust shall directly or indirectly 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.

For the purpose of the foregoing Investment Restrictions and Operating Policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the Trust, including the Investment LP, CZBK, CZRBK and Avenir 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 Restriction described in (e) and (g) above to the extent that such treatment would be inconsistent with the relevant requirements or interpretation of the Tax Act or the Code. In addition, any references in the foregoing Investment Restrictions and Operating Policies to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

3.3 Amendments to Investment Restrictions and Operating Policies

Pursuant to the Declaration of Trust, all of the Investment Restrictions and the Operating Policy described in paragraph (e) set out under the heading “– Operating Policies” above may be amended only by Special Resolution. The remaining Operating Policies may be amended by Ordinary Resolution. Notwithstanding the foregoing, the Board may, without the approval of or notice to Unitholders, amend the Declaration of Trust for certain limited purposes specified therein. See “Description of Securities – The Trust – Meetings of Unitholders and Resolutions” and “Description of Securities – The Trust – Amendments to the Declaration of Trust”.

Notwithstanding the foregoing paragraph, if at any time a government or regulatory authority having jurisdiction over the Trust or any property of the Trust shall enact any law, regulation or requirement which is in conflict with any Investment Restriction or Operating Policy then in force (other than the Investment Restrictions described in 3.1(b)), such Investment Restriction or Operating Policy in conflict shall, if the Board on the advice of legal counsel to the Trust so resolves, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary, any such resolution of the Board shall not require the prior approval of Unitholders.

4. DESCRIPTION OF THE ACTIVITIES OF THE TRUST

The Trust will invest the Net Subscription Proceeds in Investment LP Units. The Investment LP will invest the proceeds from the issuance of Investment LP Units to the Trust to acquire an interest in CZBK. CZBK will use the proceeds from the issuance of such interest to acquire a greater interest in CZRBK. CZRBK will use the proceeds from the issuance of such interest to acquire a greater interest in Avenir LP. Avenir LP will use the proceeds from the issuance of such interest to pay the costs and expenses of the Offering, repay the Land Loan and to fund the development of the Project. The Trust will be deemed to have contributed an amount equal to the Total Agent’s Fee to each of Investment LP, CZBK, CZRBK and Avenir LP. See “Description of the Activities of the Trust – The Project” and “Investment Strategy”.

As a result, an investment in Units will be an indirect investment in the ownership, development and operation of the Project and the Trust’s share of returns on, and of capital payable to, the Investment LP will also ultimately form part of the Distributable Cash Flow and be available for distribution to Unitholders after payment of all Trust expenses.

4.1 Activities of the Trust

The Trust was established on September 6, 2023 for the purpose of indirectly acquiring an interest in the Project in order to fund its development. The Trust’s principal undertaking will be to issue Units and to own an indirect interest in, and indirectly develop, the Project. The Trust does not have an operating history. See “Description of the Activities of the Trust – The Project”. The Trust will own an indirect 83.09% interest in CZBK and an indirect 67.35% equity interest in the Project, while the Current Owners are expected to own an indirect 32.65% interest in the Project through CZBK, CZRBK and Avenir LP (assuming no exercise of the Equity Commitment). The Trust’s interest in the Project will be determined based on the Gross Subscription Proceeds. The Trust will invest the Net Subscription Proceeds in the Investment LP and will be deemed to have contributed an amount equal to the Agent’s Fee as capital to the Investment LP, which deemed capital contribution will be replicated in each of CZBK, CZRBK and Avenir LP. Avenir LP will receive the Net Subscription Proceeds, and will pay the expenses of the Offering (other than the Agent’s Fee). The Term is targeted to be a period of four years starting on the Closing Date, subject to earlier termination as described below. The Term may also be extended (including following the exercise of either or both of the one-year extensions exercisable at the discretion of the Manager) by Special Resolution of the Unitholders, subject to approval by the Board. Notwithstanding the Term outlined above, the Trust may be wound up and dissolved as soon as practicable following the direct or indirect disposition of all of the assets of the Trust.

4.2 Business of the Investment LP, CZBK, CZRBK and Avenir LP

The Investment LP was established for the purposes of issuing Investment LP Units to the Trust and investing in CZBK. CZBK was established for the purposes of issuing limited partnership interests to certain of the Current Owners and investing in CZRBK. CZRBK was established for the purposes of issuing limited partnership interests to CZBK and to a U.S. resident co-investor and investing in Avenir LP. Avenir LP was established to directly own, develop and operate the Project, and to permit certain of the Current Owners to directly invest in the Project. The general partners of CZBK, CZRBK and Avenir LP, being CZBK GP, CZRBK GP and Avenir GP, respectively, are owned and controlled by one or more of the Current Owners or the shareholders, directors, officers, employees or affiliates of the Current Owners. See “Corporate Structure – Intercorporate Relationships”.

4.3 The Trust’s Property

The Trust will indirectly acquire an interest in the Project through the Investment LP’s acquisition of an interest in CZBK. The Project will be the sole real property owned by the Trust and its development and subsequent operation will constitute the business of the Trust. See “Description of the Activities of the Trust – The Project”.

The Trust’s investment objectives are to provide Unitholders with an opportunity to:

- (a) indirectly own an interest in the West Side Square development project located in the Journal Square neighbourhood of Jersey City, New Jersey; and
- (b) commencing on the Initial Occupancy Date and until a Liquidity Event has been achieved, the Trust intends to declare and pay to Unitholders quarterly cash distributions out of the available operating cash flow of the Trust (to the extent available).

The Trust will provide disclosure for the Project in the Trust’s interim and annual MD&A. The Trust anticipates such information will include details on the development status of the Project as well as the material capital expenditures intended to be made on the Project and execution against the development schedule.

4.4 Operating Expenses of the Trust

Avenir LP, CZRBK, CZBK, the Investment LP and the Trust will enter into a funding arrangement, pursuant to which Avenir LP (through CZRBK, CZBK and Investment LP) will provide the Trust with the funds necessary for the Trust to pay for all ordinary expenses incurred in connection with the operation and administration of the Trust, which costs will ultimately be charged to the Project. It is expected that these expenses will include, without limitation: mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications; any reasonable out-of-pocket expenses incurred by the Manager or its agents and paid to third parties in connection with their on-going obligations to the Trust; fees payable to the auditors and legal advisors of the Trust; marketing, leasing and investor relations expenses; regulatory filing fees, administrative expenses and costs incurred in connection with the public filing requirements of the Trust; investor relations; costs and expenses arising as a result of complying with all Applicable Laws, regulations and policies; amounts to fund Units redeemed for cash; extraordinary expenses the Trust may incur; and any expenditures incurred upon the termination of the Trust.

In addition, because the Trust will indirectly own a portion of the Project, the Trust will incur certain expenses relating to its development, including a development management fee and the costs of construction, which will be indirectly and proportionately borne by the Trust and the Current Owners in accordance with each of their respective interests in the Project. The development fee is equal to 4% of the total hard and soft costs of the Project, excluding land, financing, marketing and leasing, legal and administration and equity raising costs, and is paid to Atree Management Inc., an entity affiliated with Atree, and LanTree Property Management LLC, by Avenir LP, as direct owner of the Project. The development fee is a customary fee charged on market terms that is considered a project cost, and factors into the loan-to-cost ratio for Construction Loans.

For greater certainty, there will be no employee salaries charged to the Trust. Zev Mandelbaum will not be paid a salary as Chief Executive Officer, Natalie Leibowitz will not be paid a salary as Chief Financial Officer, Raphael Mandelbaum will not be paid a salary as Chief Operating Officer and Jordan DeBrincat will not be paid a salary as Chief Development Officer.

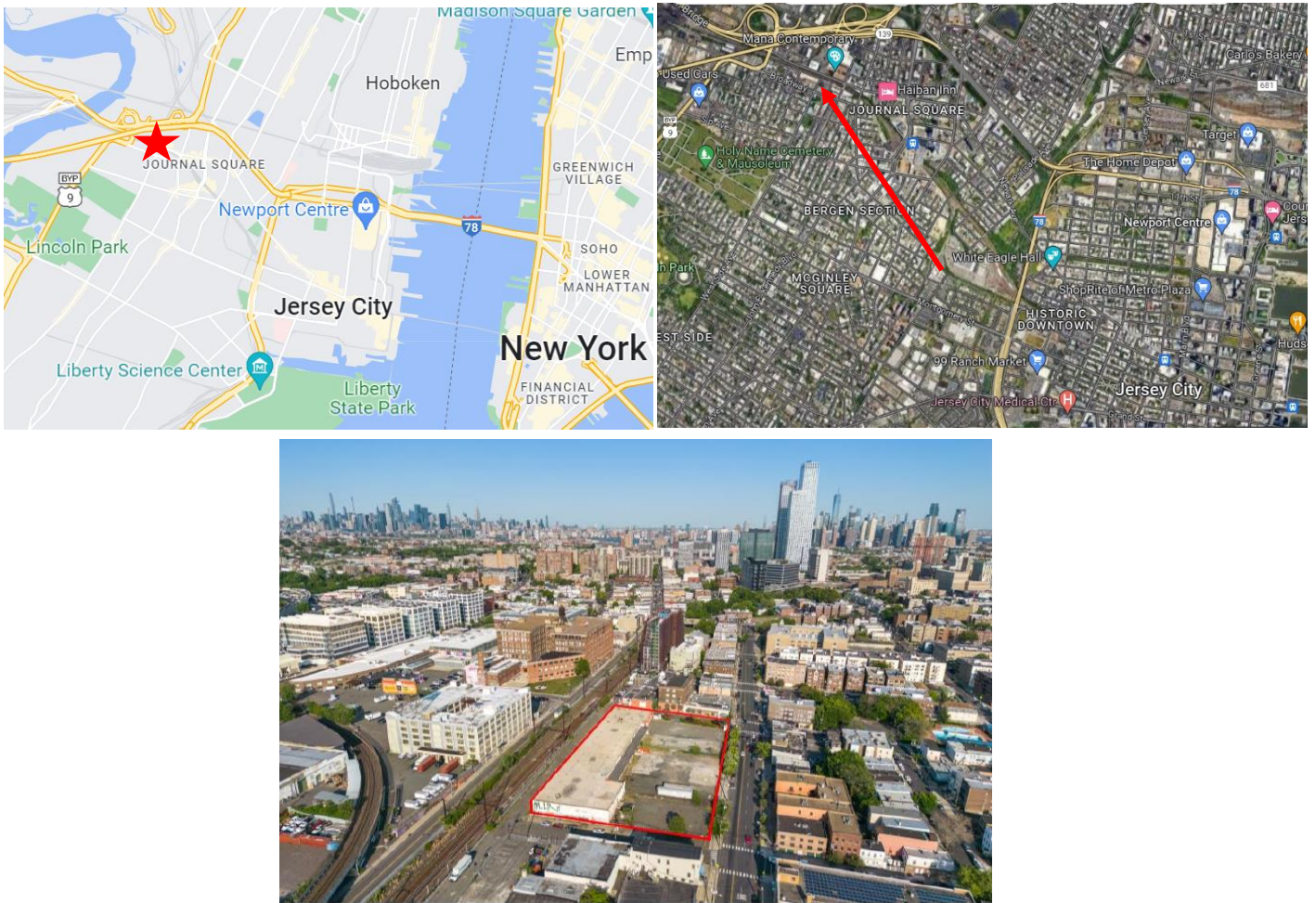
4.5 The Project

Overview

Following the completion of the Offering, the Trust intends to indirectly acquire an interest in the West Side Square development project located in the Journal Square neighbourhood of Jersey City, New Jersey, a municipality located in northeastern New Jersey, which consists of the development of land located along the New Jersey PATH transit line at 66 Broadway, Jersey City, New Jersey, 07306 into a mixed-use purpose-built rental building containing 477 rental units and approximately 9,800 square feet of commercial space. The Manager believes that the Project is in a desirable geographic location.

Description of the Project

Project Address: 66 Broadway, Jersey City, New Jersey, 07306



Following closing of the Offering, the Trust will acquire an indirect interest in the Project through the Acquisition. The Project is located in Jersey City, New Jersey, a prime location adjacent to New York City. The Project is currently approved for construction and has a site area totaling approximately 104,000 square feet. The Project will consist of a mixed-use building varying from 5 to 12 stories and will develop an approximately 415,000 square foot gross area with approximately 305,000 net rentable square feet with 477 suites, 298 parking stalls, 150 storage lockers, 269 bike storage spaces and approximately 9,800 square feet of retail floor area. The development is expected to be completed in approximately 33 months with a lease up period of approximately 15 months commencing three months prior to development completion, at an estimated aggregate cost of approximately US\$230,000,000.

The Project has obtained site plan approval and use, height and bulk variances, which are valid until August 1, 2024. In addition to this approval and these variances, additional ministerial permits and approvals (e.g. a building permit) may be required before the construction of the Project may begin. Accordingly, the Trust expects that construction of the Project will be able to commence shortly following closing of the Acquisition on or before November 13, 2023, subject to the availability of supplies and contractors.

There is no guarantee that the proposed development of the Project will be able to be completed in the proposed time frame or at all. See “Risk Factors – Risks Related to Real Estate Industry, the Project and the Trust’s Business – Project” and “Forward Looking Statements”.

Project History

The entire parcel of land comprised of Parcel A and Parcel B was originally purchased on February 5, 2015 for a purchase price of approximately US\$19,500,000 by Broadway West Associates LLC, an entity related to Jangler Associates, LLC, a limited partner of Avenir LP. Broadway West Associates LLC purchased this land parcel from an arm’s length entity that was not affiliated or related to any of the Current Owners, Trustees and executive officers of the Trust. Assuming the Maximum Offering is achieved, Jangler Associates, LLC will hold a 1.3% interest in the Project through its ownership of interests in Avenir LP. Jangler Associates, LLC is not associated or affiliated with the Pre-Development Majority Owners.

This land parcel was then subsequently acquired on January 22, 2019 for a purchase price of US\$48,000,000 (with US\$31,500,000 of such purchase price (exclusive of property taxes and land carrying costs) being allocated to Parcel A upon which the Project will be situated) by the Current Owners from Broadway West Associates LLC pursuant to arm’s length negotiations between Broadway West Associates LLC, as then vendor, and representatives for the Pre-Development Majority Owners, as purchaser (which for greater certainty, excluded Jangler Associates LLC). The increase in the purchase price from 2015 to 2019 is, in the Manager’s opinion, primarily due to the appreciation in land value, other market changes, additions to the property under development (including the advancement of zoning approvals), and other fair value gains.

In addition to the US\$31,500,000 purchase price allocated to Parcel A, additional costs of US\$18,738,000 have been incurred on Parcel A since January 22, 2019 for a total cost basis of US\$50,238,000. The current appraised value of the Project is US\$54,500,000 while the Trust’s interest in the Project will be based on its acquisition cost of approximately US\$50,238,000, including land and costs incurred to date. Therefore, Purchasers are purchasing an interest in the Project at an implied discount of approximately 7.8% to the appraised value.

The Project is comprised of development rights for 477 residential units situated on 2.38 acres, designated by the Current Owners as Parcel A, which is itself a part of a larger tract acquired. The entire parcel totals approximately 3.350 acres, bounded by Giles, Fayette Place, West Side Avenue, Corbin Avenue and Broadway as set forth in Exhibit E attached to the Master Deed, and previously consisted of multiple separate tax lots bifurcated by a street (West Side Avenue). When West Side Avenue was vacated, the land was automatically conveyed at the centerline to the adjoining properties. The entire parcel spanning 3.350 acres was then consolidated into a single lot designated as Lot No. 30.01 in Tax Block 9301. Parcel A is west of West Side Avenue and bounded by Giles Avenue, Fayette Place, West Side Avenue and Broadway. The remainder of the entire parcel, which is designated by the Current Owners as Parcel B, is east of West Side Avenue and bounded by Broadway running to Corbin Avenue and is adjacent to properties owned by third-parties not involved in the Project. Parcel B does not have any current development approvals but does have some existing improvements. Parcel B, which is owned by the Current Owners as a separate asset, is not part of the Property or the Project and will not form part of the assets of the Trust, nor will the Trust be responsible for any costs or expenses associated with Parcel B. For clarity, no proceeds from the Trust will be allocated towards Parcel B or recapitalized by the Current Owners.

The purchase price paid for the entire parcel of land comprised of Parcel A and Parcel B was US\$48,000,000, with US\$31,500,000 of such purchase price (exclusive of property taxes and land carrying costs) allocated proportionately to Parcel A. See “Description of the Activities of the Trust – The Project – Development Plan” for more details.

The original approval for development of the Project, obtained in 2016 by the original ownership group prior to its acquisition by the Current Owners contemplated an 8-storey building containing excess density in comparison to the number of approved units across the larger tract of land, and accordingly was not planned to be an institutional-quality investment or suitable for development. In connection with the due diligence process on acquiring the site, the Current Owners engaged in discussions with Jersey City officials regarding the site. The city officials expressed an interest in a 30-foot setback to support a future New Jersey PATH rail station, which was not part of the original site approval. The Current Owners, together with

input from Jersey City officials, their consultant and legal team, shrank the footprint of the building to accommodate the setback, concentrating all of the previously approved residential density on Parcel A and as a result, achieved a more efficient design and unit layout that would still meet tenant demands. To offset the loss of footprint, the Current Owners obtained approval to increase the height on the back anterior end of the building to increase the development's density. A two-tower concept up to 12-stories in height was considered to ensure all units benefit from maximum light and views, as well as the addition of a commercial pedestrian area within the site plan to offer an enhanced resident experience. As a result of the changes to the original plan, the Current Owners were required to seek new approvals from the Jersey City Zoning Board since 8-stories was the maximum height allowable. However, as a result of agreeing to the 30-foot setback, the Zoning Board approved the 12-storey proposal in June 2019. Most of the redesign work was completed during the due diligence period prior to the transfer of title, in order to efficiently make a submission to the Zoning Board.

Since the Project was acquired on January 22, 2019, significant planning and pre-development progress has been made, including assembling a team of local counsel, architects (MHS Architecture for building and Master Consulting for landscape), engineers (including InSite Engineering), planners (Topology) and a general contractor (Sordoni Construction). On January 16, 2019, the developers submitted a full package to the Jersey City Zoning Board seeking zoning approval for the site. In the period leading up to the hearing with the Zoning Board, several neighbourhood meetings were held to introduce the Project to the local community. On June 27, 2019, the Jersey City Zoning Board approved the application related to the redesign of the Project, with resolution of approval being memorialized on August 15, 2019.

The Project has since obtained plan approval and use, height and bulk variances, which are valid until August 1, 2024. The demolition permit and foundation permits also require renewal as a result of building code update requirements that went into effect on March 1, 2023. In early 2020, the Current Owners' general contractor, Sordoni Construction, was contracted to perform pre-construction activities, which included value engineering the plans, coordinating to finalize the construction drawings and drafting a tentative cost breakdown, construction schedule and cash flow analysis.

The Current Owners have determined to create separate tax lots, for financing and development purposes, by way of a commercial condominium. The use of a commercial condominium affords the ability and legal right to separately own and finance the Project as well as to maintain severability of the remaining undeveloped portion of the larger property from the Project. A Certification of Incorporation for a master condominium association known as West Side Square Condominium (the "**Master Association**") has been executed. It is anticipated the master condominium association will own the entire property which will be comprised of two (2) units: (i) Master Unit 1 which is comprised of Parcel A, including the Project, municipally known as Block 9301, Lot No. 30.01 (C0001) and (ii) Master Unit 2 which is comprised of Parcel B, including the existing improvements, municipally known as Block 9301, Lot No. 30.01 (C0002).

Master Unit 1 and Master Unit 2 each own a percentage of the interests in the common elements, and each have a right to use the common elements. Pursuant to the By-Laws of the Master Association, the maintenance, cleaning, snow removal and insuring of the common elements is the responsibility of Master Unit 1; however, Master Unit 1 is entitled to request reimbursement for such costs and expenses from the Master Association who will be required to assess the owner of Master Unit 2 for such costs and expenses based on its proportionate share in the Master Association. Master Unit 1's percentage of interest is 77.77% and Master Unit 2's percentage of interest is 22.23%, based on their proportionate land area of the combined land area of Master Unit 1 and Master Unit 2. The Master Deed for the Master Association provides that Master Unit 2 can be further subdivided to create additional units as the development rights may evolve, however the cumulative percentage of interest in the Master Association cannot increase without the consent of the owner of Master Unit 1. The ownership of Master Unit 1 and Master Unit 2 is separate and distinct with respect to proposed uses, financing, management and the like, and each Master Unit will be independent from the other apart from their relationship pursuant to the condominium governing documentation.

The Current Owners have allocated (and their interests in the Project reflect) a land value of US\$31,500,000 to Master Unit 1 (exclusive of property taxes and land carrying costs), and the Unitholder acquisition cost basis of the Project of approximately US\$50,238,000, is below the Master Unit 1 appraised value of US\$54,500,000.

The New York Metropolitan Area

The New York Metropolitan Area, often referred to as the "Tri-state area", is the largest metropolitan area in the world by land area and is one of the most populous metropolitan areas in the U.S., with more than 19.8 million residents in 2022. The New York Metropolitan Area encompasses New York City, Long Island, Mid and Lower Hudson Valley, the 6 largest cities

in Connecticut and the 6 largest cities in New Jersey – Newark, Jersey City, Paterson, Elizabeth, Lakewood and Edison. The New York Metropolitan Area has the greatest proportion of foreign-born residents of any region in the U.S., with over 5,800,000 foreign-born residents as of 2021.⁴¹ It also has the largest foreign-born population in the world, ranking above metropolitan areas such as London, United Kingdom.⁴²

The State of New Jersey

The State of New Jersey has seven metropolitan areas. While in terms of land area New Jersey is one of the smallest states in the U.S., it is one of the largest in terms of population, comprising 9.3 million people⁴³ and making it the most densely populated State in the U.S.⁴⁴ In 2022, the State of New Jersey had the 7th highest population growth rate out of all U.S. states.⁴⁵ After rapid development to the area in the 1980s, high-rise buildings on the old rail yard and surrounding factory land were erected, leading to the development of the Exchange Place financial district, known as the “Wall Street West”, with some of the largest financial institutions having offices in the immediate areas as well as the tallest buildings in New Jersey.⁴⁶

Financially, New Jersey is one of the wealthiest States in the U.S., consistently being ranked within the top three of median household income,⁴⁷ with nearly one tenth of all households being defined as millionaires.⁴⁸ The population has direct access to Manhattan, connected by extensive rail infrastructure sharing significant mass transit systems with the city.⁴⁹

Hudson County is part of North Jersey, which comprises the northern portions of the U.S. state of New Jersey between the upper Delaware River and the Atlantic Ocean. North Jersey is characterized by its position, both geographically and culturally, within the greater New York City metropolitan area, as well as its high economic output, including its regional economic engines of Paramus in Bergen County and Jersey City, Newark Liberty International Airport in Newark, and Port Newark–Elizabeth Marine Terminal.

Bergen County is the most populous county in both North Jersey and the state and serves as the western terminus for the George Washington Bridge, the world’s busiest motor vehicle bridge, which connects Fort Lee, New Jersey to Upper Manhattan in New York City. Newark, located in Essex County, is New Jersey’s most populous city.⁵⁰ Jersey City, Paterson, and Elizabeth, located in Hudson, Passaic, and Union counties in North Jersey are the second, third, and fourth most populous cities in the state after Newark.⁵¹ The North Jersey region of the state most consistently includes Bergen, Essex, Hudson, Morris, Passaic, Sussex, Union, and Warren counties, though definitions of North Jersey vary and may include other New Jersey counties in the New York Metropolitan Area that are sometimes differentiated as or considered “Central Jersey”, including Middlesex County, Monmouth County, Somerset County, Hunterdon County, Mercer County, and even the northern portion or all of Ocean County. The county is included in the New York-Newark-Jersey City, NY-NJPA Metropolitan Statistical Area, the most populated area in the United States.

⁴¹ <https://www.migrationpolicy.org/programs/data-hub/charts/us-immigrant-population-metropolitan-area>

⁴²

<https://www.ons.gov.uk/download/table?format=xlsx&uri=/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/thechangingpictureoflongterminternationalmigrationenglandandwales/census2021/4dcb8270.json>

⁴³ Colliers Letter of Transmittal dated August 25, 2023, Colliers International Valuation & Advisory Services, page 14.

⁴⁴ <https://www.nationsonline.org/oneworld/US-states-population.htm>

⁴⁵ Colliers Letter of Transmittal dated August 25, 2023, Colliers International Valuation & Advisory Services, page 14.

⁴⁶ https://web.archive.org/web/20131028234728/http://www.jcedc.org/Pages/JerseyCity%20UEZ_Economics.pdf

⁴⁷ <https://www.census.gov/content/dam/Census/library/publications/2018/acs/acsbr17-01.pdf>

⁴⁸ <https://www.kiplinger.com/slideshow/investing/t006-s001-millionaires-america-all-50-states-ranked/index.html>

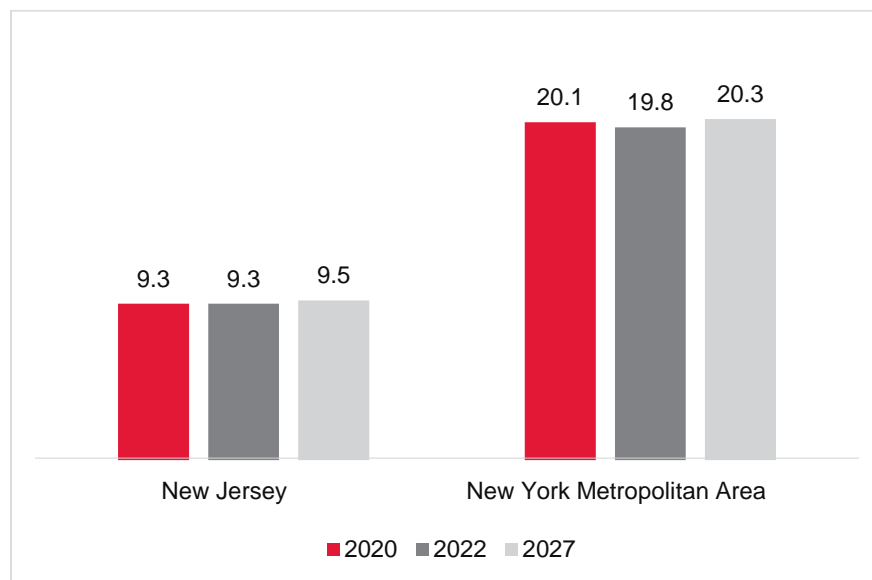
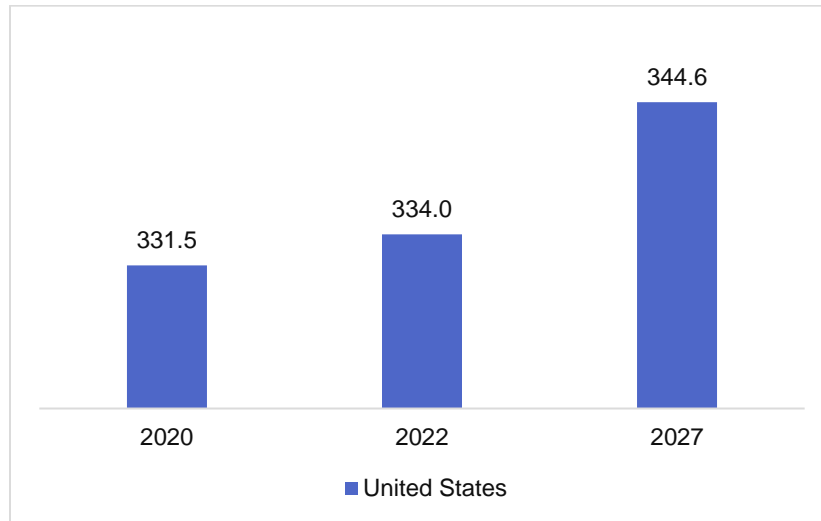
⁴⁹ <https://smartasset.com/mortgage/best-cities-for-public-transportation>

⁵⁰ Colliers Letter of Transmittal dated August 25, 2023, Colliers International Valuation & Advisory Services, page 9.

⁵¹ Colliers Letter of Transmittal dated August 25, 2023, Colliers International Valuation & Advisory Services, page 9.

The number of households in the New Jersey metropolitan area was 7,426,310 and is projected to increase by 0.6% annually to 7,644,495 households by 2027.⁵² New Jersey’s gross state product has grown 1.2% from 2017 to 2022, reaching \$569.5 billion in 2022.⁵³

Actual and Forecast Population Growth in U.S., New Jersey and the New York Metropolitan Area

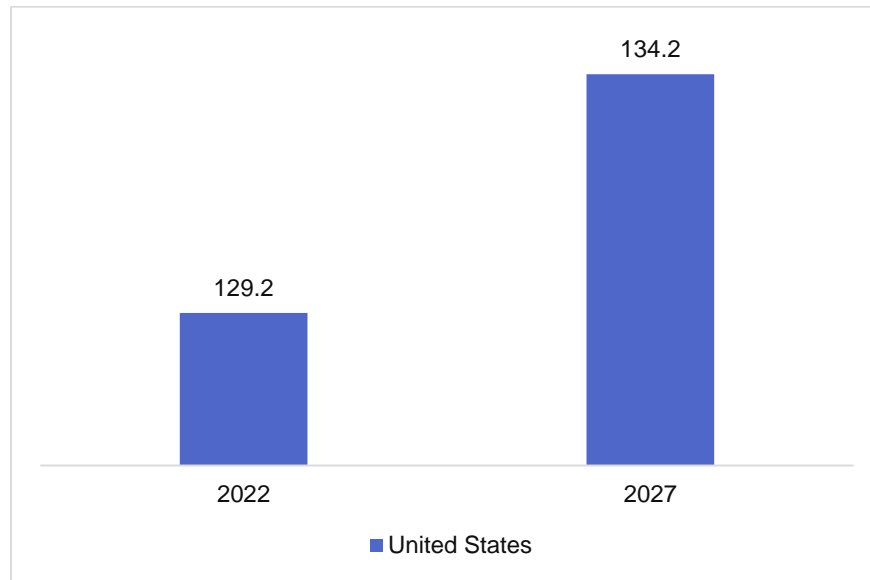


Source: Pitney Bowes/Gadberry Group – Groundview

⁵² Colliers Letter of Transmittal dated August 25, 2023, Colliers International Valuation & Advisory Services, page 14.

⁵³ Colliers Letter of Transmittal dated August 25, 2023, Colliers International Valuation & Advisory Services, page 14.

Actual and Forecast Household Growth in the U.S., New Jersey and the New York Metropolitan Area



Source: Pitney Bowes/Gadberry Group – Groundview

The New York Metropolitan Rental Market

The New York Metropolitan Area’s demand for rental units is amplified by the limited rental supply. The Manager believes the declining number of multi-family building permits being approved is a contributing factor. From 2018 to 2020, the New York Metropolitan Area experienced a discrepancy between forecasted and actual building permits issued. The trend has continued in mid-year 2022 and the beginning of 2023, with the number of building permits decreasing, further impacting the availability of rental units.⁵⁴

The New York Metropolitan Area is a leading education hub with over 63 institutes of higher education.⁵⁵ Colleges and universities in New York State and the New York Metropolitan Area play a significant role in local and regional labor market economies. Colleges and universities also enhance the quality of the labor force. The New York Metropolitan Area’s highly educated labor force continues to attract knowledge-based industries such as information and financial services. Two Ivy League universities, Columbia University in Manhattan, and Princeton University in Princeton, New Jersey, are in the region and ranked amongst the top four universities in the U.S.

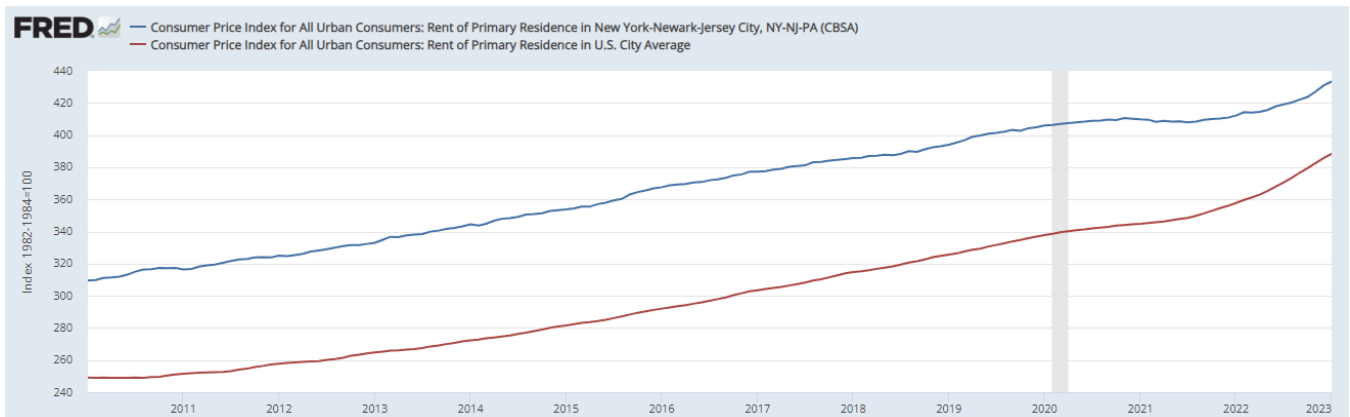
The New York Metropolitan Area achieved the highest number of job increases compared to the top 12 largest metropolitan statistical areas in the U.S., adding 497,500 jobs since July 2022.⁵⁶ The employment opportunities in the area have contributed to increased demand for housing, resulting in an upward and consistent growth trend in rental prices year-over-year. Notably, this metropolitan area has historically maintained a higher index, reflecting its elasticity and sustained growth.

⁵⁴ <https://realestate.usnews.com/real-estate/housing-market-index/articles/new-jersey-housing-market-forecast>

⁵⁵ Colliers Letter of Transmittal dated August 25, 2023, Colliers International Valuation & Advisory Services, page 10.

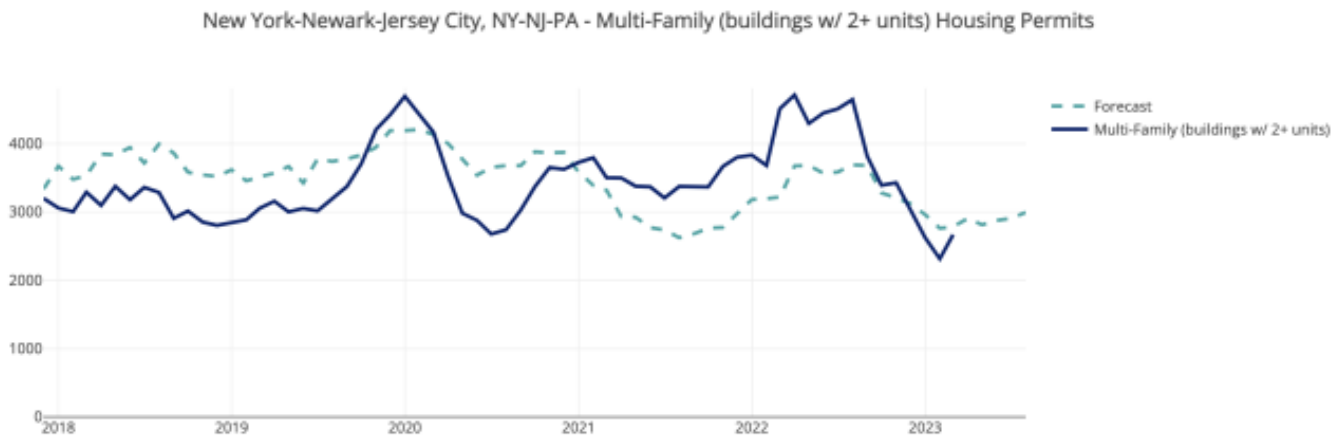
⁵⁶ https://www.bls.gov/regions/new-york-new-jersey/news-release/areaemployment_newyork.htm

Consumers Price Index: Rent – New York – Newark – Jersey City vs U.S. Average



Source: <https://fred.stlouisfed.org/series/CUURA101SEHA#0>

Historical vs Forecast Building Permits Issued



Jersey City Rental Submarket

Following Newark, Jersey City is the second-most populous city in New Jersey, at over 270,000 residents.⁵⁷ With its relative proximity and accessibility to Manhattan, Jersey City has been referred to as an additional, unofficial borough of New York City. As a major port of entry for immigration into the United States, as well as a major employment center, Jersey City is one of the most ethnically diverse cities in the U.S.⁵⁸ The median rental rate in Jersey City is one of the highest in all of the United States.⁵⁹

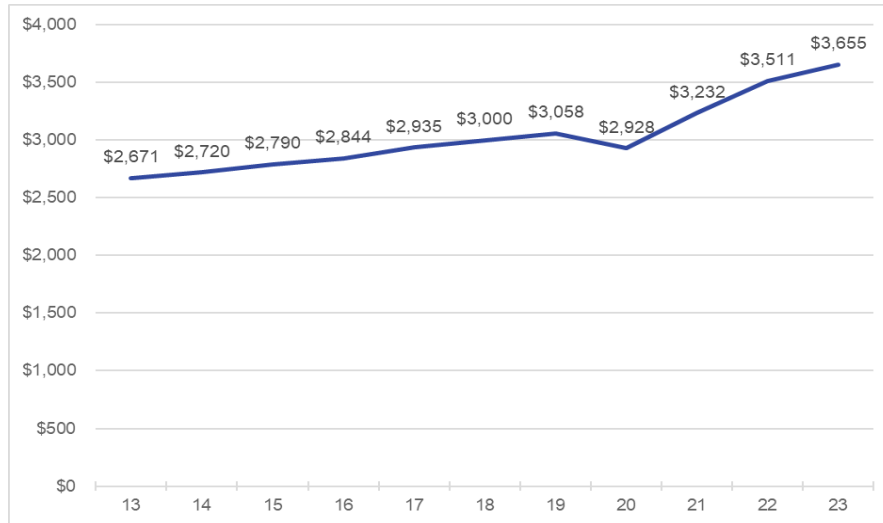
In recent years, Jersey City's rental market has experienced robust demand with market asking rent continuing to increase year-over-year, in large part due to its close proximity to Manhattan, employment opportunities, and its cultural scene. The city's excellent transportation infrastructure, including the Jersey City PATH transit system, further enhances its appeal to commuters.

⁵⁷ Prepared by: New Jersey Department of Labor and Workforce Development; New Jersey State Data Center; August, 2021

⁵⁸ https://www.nj.com/hudson/2015/02/jersey_city_named_most_ethnically_linguistically_d.html

⁵⁹ <https://nypost.com/2022/07/29/jersey-city-is-now-americas-most-expensive-city-to-live-in/amp/>

Average Jersey City Market Asking Rent for a Multi-Family Apartment



Source: CoStar Market Data Report 2023

The competitive nature of Jersey City’s rental market is evident through various key metrics. A study conducted by RentCafe considered average vacant days, occupied apartments, prospective renters, lease renewal rates, and the share of new apartments to determine an overall competitive score. Jersey City’s high competitive score is indicative of the city’s increasing demand for rental units. In North Jersey, which encompasses Jersey City, an average of 21 renters compete for each available rental unit, surpassing the U.S. average of 14.⁶⁰ The demand-supply disparity is further highlighted by North Jersey’s impressive occupancy rate of 97% and a lease renewal rate of 74%, exceeding the national averages of 95% and 62%, respectively.⁶¹

Supply and Demand Indicator for Northern New Jersey Apartments

NORTHERN NJ HISTORICAL STATISTICS (LAST TEN YEARS)							
PERIOD	SUPPLY	ADDED SUPPLY	NET ABSORPTION	VACANCY	ASKING RENT	ACTUAL RENT	Δ POP
2013	214,295 Units	2,125 Units	1,991 Units	3.9%	\$1,622/Unit	\$1,576/Unit	0.9%
2014	218,983 Units	4,688 Units	2,422 Units	4.8%	\$1,687/Unit	\$1,640/Unit	0.8%
2015	223,906 Units	4,923 Units	6,589 Units	4.0%	\$1,774/Unit	\$1,727/Unit	0.9%
2016	228,517 Units	4,611 Units	3,687 Units	4.3%	\$1,830/Unit	\$1,775/Unit	0.8%
2017	234,457 Units	5,940 Units	5,857 Units	4.2%	\$1,920/Unit	\$1,851/Unit	0.7%
2018	241,083 Units	6,626 Units	4,650 Units	4.9%	\$2,036/Unit	\$1,960/Unit	0.4%
2019	246,396 Units	5,313 Units	4,813 Units	5.0%	\$2,083/Unit	\$1,982/Unit	0.2%
2020	252,125 Units	5,729 Units	3,154 Units	5.9%	\$2,034/Unit	\$1,931/Unit	(0.4%)
2021	259,797 Units	7,672 Units	5,355 Units	6.6%	\$2,308/Unit	\$2,192/Unit	(0.5%)
2022	264,603 Units	4,806 Units	5,182 Units	6.4%	\$2,427/Unit	\$2,319/Unit	0.3%
CAGR	2.13%	-	-	-	4.11%	3.93%	0.32%

Source: REIS

⁶⁰ <https://www.rentcafe.com/blog/rental-market/market-snapshots/most-competitive-rental-markets-this-year/>

⁶¹ <https://www.rentcafe.com/blog/rental-market/market-snapshots/most-competitive-rental-markets-this-year/>

Development Plan



The development plan for the Project is expected to span a total of approximately 45 months and includes the pre-construction, construction, and lease-up of the mixed-use rental building on the Project site. Pre-construction services and construction of the rental building are estimated to be completed in approximately 33 months. The lease-up period of approximately 15 months is expected to commence three months prior to development completion on the Initial Occupancy Date, at which time the Project is intended to be refinanced with a new mortgage loan from a U.S. chartered bank or similar lender. Upon Stabilization at the completion of the approximate 15-month lease-up period, the Manager intends to achieve a Liquidity Event. The below table sets forth the annual milestones to be achieved for the Project and their respective expenditures. No qualified third party cost consultant has been engaged to assess the reasonableness of the current budget estimates.

(US\$)	Costs to Date	Offering expenses	2023 - 2024	2024 - 2025	2025 - 2026	2026	2027	Total
Milestones			Demolition complete, excavation and foundation start	Foundation complete, start of superstructure	Superstructure underway, installing building finishes	Construction complete, lease up commences and refinance to be obtained	Occupancy stabilized, Liquidity event	
Initial Land Acquisition Cost	31.5M	-	-	-	-	-	-	31.5M
Soft Costs⁽¹⁾ (excluding contingency)	8.2M	-	0.5M	2.4M	2.5M	1.6M	-	15.2M
Hard Costs (excluding contingency)⁽²⁾	2.2M	-	2.3M	37.9M	64.9M	31.3M	-	138.6M
Financing⁽³⁾ Costs	6.7M	-	4.2M	1.1M	7.8M	7.3M	-	27.1M
Other Costs⁽⁴⁾	1.6M	4.0M ⁽⁵⁾	0.4M	1.7M	1.7M	0.7M	-	10.1M
Hard & Soft Contingency	-	-	0.5M	2.9M	2.9M	1.4M	-	7.7M
Total	50.2M⁽⁶⁾	4.0M	7.9M	46.0M	79.8M	42.3M	-	230.2M

Note:

- (1) Inclusive of property taxes, municipal fees, other ancillary land carrying costs, legal, accounting and audit and consultant fees during the construction period, administrative costs and marketing and sales costs.
- (2) Inclusive of the below and above grade construction of the building (demolition, excavation, construction of the foundation, construction of the superstructure and the installation of the building finishes) and common area fixtures, furniture and equipment.
- (3) Inclusive of the commitment fee associated with any Construction Loan and refinancing of any such loan, bank administrative charges, mortgage broker arrangement fees, title, third party and rate hedging costs, and interest on any Construction Loan and the Land Loan.
- (4) Inclusive of the remaining Development Management Fees.
- (5) Comprised of the Agent's Fee and the estimated expenses of the Offering. See "Use of Proceeds".

⁽⁶⁾ This represents the price at which Purchasers are purchasing an interest in the Project which is an implied discount of approximately 7.8% to the appraised value.

The next significant milestone of the Project will be completing the demolition of the Property which began in September 2023 and is expected to be completed in November 2023, following which the excavation and foundation processes will begin. The excavation and foundation processes are expected to be completed by May 2024. A foundation permit application has been submitted and is currently pending approval.

Following completion of the foundation, construction of the superstructure will begin and is expected to be completed in June 2026. While construction of the superstructure is ongoing, between August 2025 and May 2026, the building finishes are expected to be installed. Following installation of the building finishes, construction of the Project will be complete. The lease-up of the mixed-use rental building on the Project site is expected to commence in March 2026, three months prior to the completion of construction, and continue for 15 months thereafter. The Project is expected to be refinanced upon Stabilization at the completion of the lease-up period and the Manager intends to achieve a Liquidity Event thereafter.

No due diligence has been conducted or agreements entered into in connection with any of the milestones, other than in connection with demolition on the Property. The Trust does not anticipate facing any barriers to achieving the milestones set out above.

The Construction Contract

The following is a summary of certain material provisions of the Construction Contract. This summary does not purport to be complete.

Pursuant to the Construction Contract, the construction period is divided into two phases: (i) the pre-construction phase and (ii) the construction phase. During the pre-construction phase, Sordoni Construction, as construction manager, will provide standard pre-construction services while the design of the Project is being refined and finalized. It may also perform limited construction services (e.g., procurement of long lead time items) during such phase. During the construction phase, Sordoni Construction, as contractor, will construct the building in accordance with an agreed-upon schedule for achieving substantial completion and subject to a GMP.

The Construction Contract provides that the GMP will be calculated based on the costs of the work incurred by Sordoni Construction, plus a 3% construction manager's fee. The construction manager's fee may not be applied to general conditions costs. At the time that the GMP proposal is submitted, Sordoni Construction is (i) required to have "locked in" the price of at least 85% of its subcontractors or suppliers, and (ii) prohibited from including allowances in excess of 10% of the total value of the GMP. Following Avenir LP's acceptance of the GMP proposal, Sordoni Construction is only eligible for contract adjustments for price escalation to the extent such escalation is beyond annual inflation, was not foreseeable, and could not have been avoided with reasonable diligence, and only if timely notice thereof is provided to Avenir LP. Any such adjustments are required to be well-documented, and Avenir LP has a right to directly contact any persons or entities involved to confirm the particulars of the price increase. At the time of final payment, if there are any savings under the GMP, those savings are split equally between Avenir LP and Sordoni Construction.

The Construction Contract furthermore provides that Sordoni Construction is not entitled to any fee on change orders unless the aggregate value of the change orders exceeds US\$3 million. The GMP includes a fixed contingency amount to be applied to expenses that are considered "Cost of the Work" but are not eligible for a change order. However, before using any contingency for any expenditures over US\$50,000, Sordoni Construction must obtain Avenir LP's prior approval.

In the event Sordoni Construction fails to timely achieve substantial completion and the Construction Contract may not be extended, Avenir LP is entitled to recover liquidated damages following the expiration of a 60-day grace period. Liquidated damages are fixed at the rate of US\$50 per unit per calendar day, subject to a cap of US\$500,000. The Construction Contract; however, contains a mutual waiver of consequential damages which prevents either party from recovering consequential damages, except to the extent such damages are paid by insurance coverage or such damages are within the scope of Sordoni Construction's indemnification obligations.

Moreover, under the Construction Contract, Sordoni Construction is required to indemnify and hold harmless Avenir LP, its lender, the architect, and other parties related to or affiliated with Avenir LP (collectively, the "**Indemnitees**") from

certain specified losses and liabilities, including but not limited to legal fees, arising out of or resulting from (i) any bodily injury, sickness, disease or death or injury to or destruction of tangible property (other than the Project itself) that arises from the construction of the building, (ii) any defects or deficiencies in the construction performed by Sordoni Construction, its subcontractors or its affiliates who may be liable, and (iii) any violations of law, including fines or penalties imposed against Avenir LP due to the acts or omissions of Sordoni Construction, its subcontractors or its affiliates who may be liable. The foregoing indemnification provisions are not limited by any amount or type of damages payable under worker's legislation and Sordoni Construction's indemnification obligations are expressly excluded from the mutual waiver of consequential damages. The Construction Contract also provides that Sordoni Construction is required to indemnify the Indemnitees against breaches by Sordoni Construction and its affiliates of certain representations and warranties related to anti-corruption laws and actions, lawsuits or proceedings brought against Sordoni Construction and its affiliates. Sordoni Construction is also required to indemnify the Avenir LP from (i) all losses arising out of any lien claim or other claim for payment by any subcontractor or supplier, provided that the Avenir LP has fulfilled its payment obligations, and (ii) any delay claims made directly against the Avenir LP as a result of any threatened or actual work stoppage initiated from any labour union and directed at Sordoni Construction in protest of the Project.

CZBK Interest Purchase Agreement

The following is a summary of certain material provisions of the CZBK Interest Purchase Agreement. This summary does not purport to be complete and reference should be made to the agreement itself, a copy of which will be made available promptly and in any event within seven days after its execution at www.sedarplus.com.

The CZBK Interest Purchase Agreement will provide for the acquisition by Investment LP of CZBK Class B Units at a price of US\$10.00 per unit, using all of the Net Subscription Proceeds. If only the Minimum Offering is achieved, this is expected to be US\$48,500,000, and if the Maximum Offering is achieved, this is expected to be US\$47,000,000. The CZBK Interest Purchase Agreement will provide for the Investment LP to be deemed to have contributed additional capital to CZBK equal to the difference between the Gross Subscription Proceeds and the Net Subscription Proceeds (being the Agent's Fee).

The CZBK Interest Purchase Agreement will contain customary closing conditions, covenants and representations and warranties typical of those contained in purchase agreements for similar real estate assets negotiated between sophisticated purchasers and vendors acting at arm's length. Certain of the representations and warranties will be qualified as to knowledge (after reasonable inquiry), materiality and disclosure, and subject to reasonable exceptions, relating to CZBK, CZRBK, Avenir LP and the Project (including, among other things, representations and warranties as to organization and status, power and authorization and issued capital of each of CZBK, CZRBK and Avenir LP, compliance with federal, state and local laws, rules and regulations, title to the Property, certain property related financial information, outstanding liens, tax matters, environmental matters and litigation matters). The representations and warranties will survive for a period of ten months from the Closing Date.

CZBK will indemnify the Trust for any breach of the representations and warranties in the CZBK Interest Purchase Agreement. The maximum liability of CZBK under this indemnity will be limited to US\$1.0 million and no claim under such indemnity may be made until the aggregate losses for all claims arising from a breach of a representation and warranty that is the subject of the indemnity exceed US\$50,000.

There can be no assurance of recovery by the Trust from CZBK for any breach of the representations and warranties to be made by it under the CZBK Interest Purchase Agreement, as there can be no assurance that CZBK's assets will be sufficient to satisfy such obligations. Only the Trust will be entitled to bring a claim or action for misrepresentation or breach of contract under the CZBK Interest Purchase Agreement and purchasers of Units under this Prospectus will not have any contractual rights under the CZBK Interest Purchase Agreement. Purchasers will, however, have certain statutory rights of action against the Trust, the promoters and the Agent under applicable securities laws. See "Purchasers' Statutory Rights and Other Contractual Rights".

Environmental Site Assessments

An independent environmental consultant has prepared environmental site assessment reports for the Project (the "**Environmental Assessments**") in general accordance with Applicable Laws of the State of New Jersey or related regulations governing environmental site assessments. In general, the purpose of the Environmental Assessments was to determine the history of the Project, assess the potential for contamination and research the likely ground conditions.

The Environmental Assessments conducted in June 2018 by an accredited Licensed Soil Remediation Professional licensed by the New Jersey Department of Environmental Protection concluded that contaminants were not detected above the New Jersey Department of Environmental Protection's (NJDEP) most stringent soil remediation standards, and advised that no further investigation of the soil at the Property was warranted at that time.

Geotechnical Study

An independent accredited Professional Engineer (P.E.) has prepared a geotechnical study report for the Project (the "**Geotechnical Study**"). In general, the purpose of the Geotechnical Study was to evaluate the foundation system for the structures and to develop recommendations for foundation design and construction, utility support and earthwork. The Geotechnical Study concluded that the existing subsurface conditions are suitable for direct shallow foundation and slab-on-grade, provided that the recommended subgrade preparation is followed and the proposed basement subgrade is below the bottom of the existing fill materials stratum. The Geotechnical Study concluded that the site was suitable for the development of a mixed-use building varying from 5 to 12 stories.

Independent Appraisal

Colliers International Valuation & Advisory Services (the "**Appraiser**") has prepared an independent appraisal report for the fair market value of the Property (the "**Independent Appraisal**"). The Independent Appraisal was prepared in conformity with requirements of *Uniform Standards of Professional Appraisal Practice* and the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute of the United States. The Independent Appraisal was conducted with a valuation date of June 30, 2023. A copy of the Independent Appraisal is available on the Trust's issuer profile on SEDAR+ at www.sedarplus.com.

The Appraisal Institute of the United States defines market value as "the most probable price which 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 that the price is not affected by undue stimulus", and this definition is accordingly used in the Independent Appraisal. According to the Appraisal Institute of the United States, implicit in the 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 in U.S. dollars 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 Appraiser was not given any limiting instructions by the Manager.

Based on the Independent Appraisal, the estimated market value of the Project is US\$54,500,000.

In valuing the Project, the Sales Comparison Approach (as defined below) was utilized by the Appraiser, adjusted and reconciled as appropriate. The Sales Comparison Approach is based on the principle of substitution, which asserts that no one would pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments in order to bracket the subject property on an appropriate unit value comparison. The Sales Comparison Approach is applicable when sufficient data on recent market transactions is available. Alternatively, this approach may offer limited reliability because many properties have unique characteristics that cannot be accounted for in the adjustment process (the "**Sales Comparison Approach**"). The income capitalization and the cost approach are not applicable when valuing unimproved commercial land and therefore were excluded by the Appraiser.

The Appraiser visited the Project to assess location and general physical characteristics and estimated the highest and best use for the Project. In appraising the Project, the Appraiser assumed that title to the Project was clear and marketable, all existing liens, encumbrances and assessments were disregarded unless otherwise noted in the Independent Appraisal, the Project is appraised as though free and clear, under responsible ownership and competent management, that the soil conditions are suitable, and that no asbestos or other hazardous materials are stored or found in or on the Project. The Appraiser further assumed that all factual data furnished by the Manager, the Current Owners, the Current Owners' representatives, or persons designated by the Manager or the owner to supply such data was accurate and correct, unless otherwise specifically noted in the Independent Appraisal.

Caution should be exercised in the evaluation of the Independent Appraisal results. An appraisal is an estimate of market value and is not a precise measure of value. The Independent Appraisal is based on various assumptions, including assumptions of future expectations and while the Appraiser’s forecasts are considered to be reasonable as of the effective date of the applicable Independent Appraisal, some of the assumptions may not materialize or may differ materially from actual results in the future.

5. MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

This MD&A outlines the Property’s operating strategies, risk profile considerations, business outlook and analysis of its results of operations and financial conditions for the three and six months ended June 30, 2023 as well as for the year ended December 31, 2022. This MD&A should be read in conjunction with the Property’s interim carve-out financial statements for the three months and six months ended June 30, 2023 and June 30, 2022 (unaudited) (the “**Avenir Property Interim Carve-out Financial Statements**”), together with the audited carve-out financial statements for the financial years ended December 31, 2022 and December 31, 2021 (the “**Avenir Property Carve-out Financial Statements**” and together with the Avenir Property Interim Carve-out Financial Statements, the “**Property Financial Statements**”) included in this Prospectus.

The Property as presented in the Property Financial Statements is not a legal entity and represents a carve out of real estate development assets owned by Avenir LP (the “**Owner**”). The real estate development assets are located at 66 Broadway, Jersey City, New Jersey USA. Avenir LP was formed as a limited partnership under the laws of the New Jersey Uniform Limited Partnership Law on September 4, 2018. Avenir LP’s general partner, Avenir GP has the authority to administer and carry out the day-to-day business and affairs of Avenir LP as set forth in the limited partnership agreement. Avenir LP’s registered office is located at 101 Chase Avenue Suite 201, Lakewood, New Jersey, 08701. As of December 31, 2022 and December 31, 2021, the Property was owned by the following entities: CZRBK, AJDL, JK Jersey City LLC, Landsbridge Jersey Corp. and Jangler Associates LLC (the “**Previous Owners**”). The Property was managed by LanTree Property Management LLC and Atree Management Inc.

Cautionary Note Regarding Forward-Looking Information

Some of the information contained in this MD&A contains forward-looking information. See “Forward-Looking Statements”.

Basis Of Presentation

The Avenir Property Carve-out Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IFRS**”). These are the Property’s first carve-out financial statements in accordance with IFRS and the Property adopted IFRS in accordance with IFRS 1, First Time Adoption of International Reporting Standards. The Property’s first annual IFRS financial statements are those for the year ended December 31, 2021 with a date of transition of January 1, 2021. The Avenir Property Interim Carve-out Financial Statements have been prepared in accordance with IAS 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board (“**IASB**”). Unless otherwise stated, amounts expressed in this management’s discussion and analysis are in U.S. dollars (\$). The Property Financial Statements have been prepared on a historical cost basis.

The Property Financial Statements have been prepared for the specific purposes of reporting on the financial position, financial performance, changes in equity and cash flows of the Property as required by applicable Canadian securities laws.

Business Overview, Objectives and Strategy

The Property was purchased in January 2019 for the primary purpose of acquiring, developing, and operating a multi-family mixed-use rental building, at the property located at 66 Broadway, Jersey City, New Jersey, 07002, United States. Following the acquisition, the property achieved its zoning approval and with pre-construction work now well underway, construction is scheduled to commence in the fourth quarter of 2023.

Concurrent with the Trust’s acquisition of an indirect interest in the Project, the Manager intends to commence construction. The Manager will oversee the construction process. Following completion of the construction of the building, the Manager intends to supervise marketing efforts to lease-up the property until Stabilization and anticipates refinancing the Property upon initial occupancy. The Manager intends to complete a Liquidity Event within four years of the Closing Date.

Financial And Operational Highlights

Annual Financial Performance

The Property's financial performance for the years ended December 31, 2022 and December 31, 2021 is summarized below:

(In U.S. dollars)

Years ended December 31, 2022 and 2021

	2022	2021
	(Audited)	(Audited)
Expenses:		
General and Administrative	(389,623)	(595,488)
Interest Expense	(660,614)	(821,602)
Management Fees	(120,000)	(180,000)
Financing Fees	(352,458)	0
Loss before the undernoted	(1,522,695)	(1,597,090)
Fair value gain on investment properties	5,520,334	(1,045,371)
Net income (loss) and comprehensive income (loss)	\$ 3,997,639	\$ (2,642,461)

	December 31, 2022	December 31, 2021	January 1, 2021
	(Audited)	(Audited)	(Audited)
Total Assets	\$54,661,624	\$47,365,593	\$47,362,859
Non-current Liabilities	0	0	0

Annual Results of Operations

The Property is currently in the pre-construction phase with anticipated construction start in the fourth quarter of 2023. Most of the costs incurred during the periods noted above have been capitalized as part of the property under development. Some costs did not qualify for capitalization due to pauses in development and were recognized during the period incurred. These incremental costs include general and administrative costs, interest expense and management fees. The net income for the year ended December 31, 2022 was \$3,997,639 as compared to a loss of \$2,642,461 for the year ended December 31, 2021. The reason for this variance was due to the changes in fair value gain on investment properties during those periods. Other expenses remained relatively in line, period over period. The year ended December 31, 2022 contained a fair value gain of \$5,520,334, whereas the year ended December 31, 2021 contained a fair value loss of \$1,045,371.

General and Administrative

General and Administrative costs for the years ended December 31, 2022, and December 31, 2021, consisted of property carry costs, consultant costs, accounting fees, filing fees, bank fees and late payment fees. Realty taxes for the year ended December 31, 2022 was \$201,877 as compared to \$310,055 for the year ended December 31, 2021. General and Administrative costs were \$389,623 in the year ended December 31, 2022 as compared to \$595,488 in the year ended December 31, 2021. This variance was largely due to an eight month pause in construction in 2021 versus a six month pause in construction in 2022. During these pause periods, General and Administrative costs did not meet the capitalization criteria and were therefore expensed. As such, \$201,877 in realty taxes were expensed in 2022 as compared to \$310,055 in 2021. Construction administration costs of \$94,500 were expensed in 2022 as compared to \$144,337 in 2021. Additionally, no legal tax consultant costs were expensed in 2022 as compared to \$21,474 in 2021.

Interest Expense

Interest expense for the year ended December 31, 2022, consists of interest pertaining to the Land Loan. (See note 4 in the Avenir Property Carve-out Financial Statements). Interest expense for the year ended December 31, 2021, consists of \$417,187 of interest pertaining to the Land Loan and \$404,415 pertaining to related party loans. (See Related Party Transactions discussion below).

Management Fees

Management fees pertain to development management services provided to the Property by related entities, LanTree Property Management LLC and Atree (See Related Party Transactions discussion below). Management Fees were \$120,000 in the year ended December 31, 2022, as compared to \$180,000 in the year ended December 31, 2021. This variance was largely due to an eight month pause in construction in 2021, versus a six month pause in construction in 2022. During these pause periods, management fees did not meet the capitalization criteria and as a result were expensed.

Financing Fees

In 2021, the Previous Owners of the Property, via Avenir LP, engaged a debt brokerage firm to procure construction financing. In aggregate, \$352,458 was spent regarding legal and diligence costs as part of this process. Ultimately the financing at that time was not completed and these costs were expensed in 2022. No similar costs were incurred in 2021.

Loss Before the Undernoted

Due to the fact that the project is in its predevelopment phase, other than the fair value adjustments on investment properties discussed below, the profit and loss activity for the years ended December 31, 2022, and December 31, 2021 were isolated to the expenses noted above, causing a loss for these periods.

Fair Value Gain on Investment Properties

The fair value of the Property was determined using a third-party appraisal. The third-party appraiser evaluates external market data provided by independent industry experts to arrive at their determination of fair value. As of December 31, 2022, the appraised value was \$54,500,000 compared to \$47,300,000 as of December 31, 2021. This resulted in a fair value gain on investment properties of \$5,520,334 in the year ended December 31, 2022. The remaining increase in fair value pertains to \$1,679,666 of additions to property under development. As of January 1, 2021, the appraised value was \$47,300,000. In the year ended December 31, 2021, since there were \$1,045,371 of additions to property under development but no corresponding changes in fair value, there was a fair value loss in the amount of \$1,045,371. Any changes in fair value were included in comprehensive income as a fair value gain on investment properties.

Property Under Development

In January 2019, the Owner acquired a tract of land for \$48 million which consists of two adjacent land parcels, one of which is the Property. As of January 1, 2021, the appraised value of the Property was \$47,300,000. The appraised value increased to \$54,500,000 as of December 31, 2022. This increase in fair value pertains to market changes, as well as additions to property under development. Additions to property under development in the years ended December 31, 2022 and December 31, 2021, consisted of consultant costs, legal fees, development management fees, financing costs and miscellaneous carry costs incurred. Ownership performed value engineering and consultants were engaged to refine the plans accordingly. The general contractor was also engaged to provide input in the value engineering process and other pre-construction work. The interior design plans were finalized as well. During this period, there were no further acquisition or dispositions of real estate assets.

	December 31, 2022 (Audited)	December 31, 2021 (Audited)
Balance, beginning of year	\$ 47,300,000	\$ 47,300,000
Additions to property under development	1,679,666	1,045,371
Fair value gain (loss)	5,520,334	(1,045,371)
Balance, end of year	\$ 54,500,000	\$ 47,300,000

Annual Cash Flows

The following table details the changes in cash for the years ended December 31, 2022 and December 31, 2021.

(In U.S. dollars)

	Year ended December 31, 2022	Year ended December 31, 2021
Cash (used in) operating activities	(1,515,523)	(1,557,027)
Cash (used in) investing activities	(1,607,086)	(1,049,140)
Cash from financing activities	3,122,609	2,606,167
Increase in cash, end of year	0	0

Cash on hand at December 31, 2022 and December 31, 2021 was \$0. The Property does not have any stand-alone bank accounts. All cash utilized by the Property is received from the legal entity, Avenir LP and funds are not considered cash of the carve-out reporting entity and thus are not included in its statement of financial position.

Cash outflow from operating activities for the year ended December 31, 2022 of \$1,515,523 was in line with the cash outflow for the year ended December 31, 2021 in the amount of \$1,557,027.

Cash used in investing activities for the year ended December 31, 2022 was \$1,607,086, compared to \$1,049,140 for the year ending December 31, 2021. The period over period difference was primarily driven by an increase in additions to property under development.

Cash proceeds from financing activities for the year ended December 31, 2022, was \$3,122,609, compared to \$2,606,167. Cash proceeds from financing in the year ended December 31, 2022, was provided by proceeds from the Previous Owners. Cash proceeds of \$15,566,167 were received from the investors in Avenir LP in the year ended December 31, 2021. However, \$12,960,000 were used to repay related party loans and related interest, resulting in net cash received of \$2,606,167.

Interim Financial Performance

The Property's financial performance for the three and six-month periods ended June 30, 2023 and June 30, 2022 is summarized below:

(In U.S. dollars)

	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Expenses:				
General and Administrative	\$(91,667)	\$(1,719)	\$(281,779)	\$(98,082)
Interest	(482,119)	0	(928,722)	(53,794)
Management fees	0	0	0	(20,000)
Loss before the undernoted	(573,786)	(1,719)	(1,210,501)	(171,876)
Fair value gain on investment properties	0	6,211,697	0	5,752,925
Net income (loss) and comprehensive income (loss)	\$(573,786)	\$6,209,978	\$(1,210,501)	\$5,581,049

	June 30, 2023	December 31, 2022
Total Assets	\$54,658,109	\$54,661,624
Non-current Liabilities	0	0

Interim Results of Operations

The Property is currently in the pre-construction phase with an anticipated construction start in the fourth quarter of 2023. Most of the costs incurred during the interim periods noted above have been capitalized as part of the property under development. The incremental interest, management fees and general and administrative costs incurred in the interim periods have been expensed, as shown above. The net income for the six months ended June 30, 2023 was a loss of \$1,210,501 as compared to a net income of \$5,581,049 for the six months ended June 30, 2022. The reason for this variance was largely due to the changes in fair value gain on investment properties during those periods. The six months ended June 30, 2023 contained no fair value gain or loss, whereas the six months ended June 30, 2022 contained a fair value gain in the amount of \$5,752,925.

The net income for the three months ended June 30, 2023 was a loss of \$573,786 as compared to a net income of \$6,209,978 for the three months ended June 30, 2022. The reason for this variance was largely due to the changes in fair value gain on investment properties during those periods. The three months ended June 30, 2023 contained no fair value gain or loss, whereas the three months ended June 30, 2022 contained a fair value gain in the amount of \$6,211,697.

General and Administrative

General and administrative costs for the six months ended June 30, 2023 and June 30, 2022 consist primarily of carrying costs, such as real estate taxes. General and administrative costs for the six months ended June 30, 2023 were \$281,779 as compared to \$98,082 for the six months ended June 30, 2022. This variance was due to pauses in construction in 2023 causing general and administrative costs to no longer meet the capitalization criteria. Similar expenses incurred during the six months ended June 30, 2022 were capitalized. General and administrative costs for the three months ended June 30, 2023 were \$91,667 as compared to \$1,719 for the three months ended June 30, 2022. This variance was due to pauses in construction in 2023 causing general and administrative costs to no longer meet the capitalization criteria. Similar expenses incurred during the three months ended June 30, 2022 were capitalized.

Interest

Interest expense for the six months ended June 30, 2023 and June 30, 2022 consists of interest pertaining to the Land Loan. (See note 4 in the Avenir Property Carve-out Financial Statements). Interest expense for the six months ended June 30, 2023 was \$928,722 as compared to \$53,794 for the six months ended June 30, 2022. This variance was due to pauses in construction in 2023 causing interest expense to no longer meet the capitalization criteria. Interest expense for the three months ended June 30, 2023 was \$482,119 as compared to nil for the three months ended June 30, 2022. This variance was due to pauses in construction in 2023 causing interest expense to no longer meet the capitalization criteria.

Management Fees

Management fees charged in the six months ended June 30, 2022 consist of charges pursuant to a development management agreement. (See note 4.(b) on the Avenir Property Interim Carve-out Financial Statements for further details.) No management fees were charged in the six months ended June 30, 2023. Management fees charged in the three months ended June 30, 2022 were capitalized, and no management fees were charged in the three months ended June 30, 2023.

Loss Before the Undernoted

Due to the fact that the project is in its pre-development phase, other than the fair value adjustments on investment properties discussed below, the profit and loss activity during the three- and six-month periods ended June 30, 2023 and June 30, 2022 were isolated to certain interest, management fees, and general and administrative expenses, causing a loss for these periods.

Fair Value Gain on the Property

The fair value of the Property was determined using a third-party appraisal. The third-party appraiser evaluates external market data provided by independent industry experts to arrive at their determination of fair value. The appraised value of the property as of June 30, 2023 and December 31, 2022 was \$54,500,000 resulting in no fair value gain or loss during the six-months ended June 30, 2023. However, the appraised value of June 30, 2022 was \$54,500,000 compared to \$47,300,000 as of December 31, 2021. This resulted in a fair value gain on investment properties in the amount of \$5,752,925 during the six months ended June 30, 2022. The remaining increase in fair value pertains to \$1,447,075 of additions to property under development. Any changes in fair value were included in comprehensive income as a fair value gain on investment properties.

Property Under Development

In the six month period ended June 30, 2023, property under development remained at \$54,500,000, as there were no changes in the appraised value. Costs incurred did not qualify for capitalization due to pauses in development and were recognized during the period incurred. Ownership kept costs at a minimum while determining the strategy to obtain financing for the Project.

(US\$)	June 30, 2023 (Audited)
Balance, beginning of year	\$54,500,000
Additions – property under development	-
IFRIC 21 real estate tax liability adjustment	270,937
IFRIC 21 fair value adjustment	(270,937)
Fair value gain (loss)	0
Balance, end of period	\$54,500,000

Interim Cash Flows

The following table details the changes in cash during the six months ended June 30, 2023 and June 30, 2022:

(US\$)	Six months ended June 30, 2023	Six months ended June 30, 2022
Cash (received/used in) operating activities	(1,352,986)	(517,478)
Cash (used in) investing activities	19,112	(1,223,419)
Cash from financing activities	1,333,874	1,740,897
Increase in cash, end of period cash	0	0

Cash on hand at June 30, 2023 and June 30, 2022 was \$0. The Property does not have any stand-alone bank accounts. All cash utilized by the Property is received from the legal entity, Avenir LP and funds are not considered cash of the carve-out reporting entity and thus are not included in its statement of financial position.

Cash inflow from operating activities for the six months ended June 30, 2023, was negative \$1,352,986 compared with a cash outflow of negative \$517,478 for the six months ended June 30, 2022. The difference period over period was due to a larger comprehensive loss in the six months ended June 30, 2023.

Cash received/used in investing activities for the six months ended June 30, 2023 was \$19,112 as compared with negative \$1,223,419 for the six months ended June 30, 2022. The difference period over period was primarily driven by an increase in additions to property under developments.

Cash proceeds from financing activities for the six months ended June 30, 2023 was \$1,333,874 as compared with \$1,740,897 for the six months ended June 30, 2022. Cash from financing activities was provided by proceeds from the Current Owners.

Risk Management

The Property's activities expose it to market risk, credit risk and liquidity risk. Risk management is carried out by management of the Property. The Property's overall risk management strategy seeks to minimize potential adverse effects on the Property's financial performance.

(a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as interest rates associated with debt obligations.

The Property's bank loan is subject to variable interest rates which can result in fluctuations in the cost of borrowing. As at June 30, 2023, a 25 basis-point change in interest rates, assuming all other variables are constant, would result in a \$65,903 annual change in the amount of interest incurred by the Property.

(b) Liquidity risk:

Management of the Property manages liquidity risk through ensuring, to the extent possible, that the Property 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.

At December 31, 2022, the Property had a working capital deficiency of \$26,133,823 compared to \$26,054,071 as of December 31, 2021. At June 30, 2023, the Property had a working capital deficiency of \$26,010,450. The working capital deficiency for all periods is primarily from the Property's outstanding third-party debt facility (the "**Bank Loan**") with Goldman Sachs Bank USA totaling \$26,000,000. The Property has no sources of operating cash inflows and its ability to continue as a going concern is dependent upon its ability to raise additional financing to repay the Bank Loan, continue to develop the Property, and meet ongoing requirements for general operations. Management believes that the repayment of the Bank Loan and other liabilities, including its general operations as they come due, will be satisfied by either the Offering, further refinancing of the Bank Loan, or additional contributions from the Current Owners. The Property may also receive continued financial support from the Current Owners or obtain additional financing to alleviate the financing concerns. As disclosed in note 1(a) to the Avenir Property Interim Carve-out Financial Statements, there is no assurance that these events will occur. These matters represent material uncertainties that may cast significant doubt on the Property's ability to continue as a going concern.

All of the Property's current liabilities have contractual maturities of less than 12 months and are subject to normal trade terms. The Bank Loan is interest only and is currently bearing interest at the SOFR Rate plus a 2.35% margin. Subsequent to June 30, 2023, the Previous Owners obtained a term extension of Bank Loan to December 2023 which is secured by a charge over the Property.

Cash flow from financing activities represents the primary source of liquidity to the Property. The Property's cash flow from financing activities is dependent upon equity invested by the investors of Avenir LP. The following were the contractual maturities of financial liabilities and other commitments as at December 31, 2022:

	< 1 year	> 1 year	Total
Bank loan	\$26,000,000	\$-	\$26,000,000
Accounts payable and accrued liabilities	149,447	-	149,447
Due to related parties	146,000	-	146,000
	<u>\$26,295,447</u>	<u>\$-</u>	<u>\$26,295,447</u>

The Property manages its liquidity risk by preparing budgets and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations. The Property mitigates its liquidity risk by maintaining relationships with various lenders, capital commitments by its owners to fund its liabilities as they become due. As there are no significant capital expenditures committed

as of June 30, 2022, the Property will manage its resources responsibly until such time as it can procure the necessary financing. Any reduction in planned expenditures is expected to result in delays to the various construction milestones.

After sufficient proceeds have been raised from the Offering or from the Current Owners as discussed above, management will then look to obtain Construction Loans. The Construction Loans may be provided either by a single source institutional debt provider or will be syndicated by multiple capital partners comprising a senior and mezzanine loan. In the event that the Property is unable to secure the Construction Loans, it will seek as much debt financing as possible.

Significant Accounting Policies

A summary of the significant accounting policies is available in Note 2 of the Avenir Property Carve-out Financial Statements.

Use Of Estimates

The preparation of carve-out financial statements in conformity with IFRS requires management to make certain estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. A full list of significant estimates and judgements can be found in Note 1 (b) of the Avenir Property Carve-out Financial Statements.

Related Party Transactions

For the years ended December 31, 2022 and December 31, 2021, the Property entered into various transactions with related parties and consist of the following:

Pursuant to development of the Property, LanTree Property Management LLC and Atree, each related parties to the Trust, provided development management services to the Property through a development management agreement (the “**Existing Management Agreement**”).

	December 31, 2022	December 31, 2021	June 30, 2023	June 30, 2022
Development Management Fees:	\$240,000	\$240,000	0	\$120,000
Accounting and Project Management Fees:	120,000	120,000	0	60,000
Construction Administration Fees:	190,000	206,777	0	96,500

Additionally, upon the purchase of the Property a \$12,000,000 vendor take-back loan was initiated with Broadway West Associates LLC (the “**Broadway Loan**”), an entity related to Jangler Associates, LLC, a limited partner of Avenir LP. The Broadway Loan was initiated on the January 24, 2019 with an initial maturity date of the earlier of 18 months following the date of the execution of the agreement and commencement of construction on the Property. The Broadway Loan has been amended five times with a final maturity date of October 31, 2023. The interest rate on the Broadway loan ranged from 4% to 7% during this period.

On October 3, 2019, Almond Tree Enterprises Inc., an entity related to AJDL, assumed \$2,000,000 of the Broadway Loan. On December 8, 2020, Lindifrim (US) Holdings Inc., an entity related to AJDL, assumed an additional \$2,500,000 of the Broadway Loan. During 2021, \$5,500,000 of the Broadway Loan was assumed by three entities who are owned by individuals who are also indirect owners of the Property: Lindifrim (US) Holdings Inc., Westdale, and Landsbridge Jersey Corporation (a corporation that is a limited partner in Avenir LP). The Broadway Loan was subsequently paid off and all of Avenir LP’s obligations related to the loan have been fully released. Total interest paid to related parties in connection with these loans for the year ended December 31, 2022 amounted to nil (2021- \$1,630,328).

All the above transactions are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

The Property does not employ key management personnel. Management services, strategic oversight, accounting and administrative duties of managing the Property are managed through the Existing Management Agreement.

Future Outlook

The objective of the Manager is to successfully develop the Property into a mixed-use rental building throughout the construction, lease-up and refinance of the building. The Manager intends to refinance the Property soon after the Initial Occupancy Date and achieve a Liquidity Event upon the building reaching Stabilization.

Upon closing of the Offering, the Trust plans to adopt a financial year end of December 31.

Subsequent Events

On January 24, 2019, Avenir LP entered into the Bank Loan with Goldman Sachs Bank USA, in the amount of \$24,000,000 to finance the purchase of the Property. The Bank Loan also contained an option to draw down \$2,000,000 as a pre-development loan. The additional \$2,000,000 was drawn down in five separate draws during 2019. The Bank Loan is repayable interest only and is secured by a first mortgage on the Property. The Bank Loan's initial maturity date was July 23, 2020, but it has since been extended in five separate amendments, with the final maturity date in December 2023.

Discussion of Operations

The Property is in the pre-development stage of a multi-family mixed-use rental building development. The Property intends to commence construction in the fourth quarter of 2023, at which point significant capital expenditures will be incurred. No revenue is expected until construction is completed, however, certain operational costs not directly attributable to the development, such as general and administrative fees, are anticipated until construction is completed.

Discussion of Capital Expenditures

Following the acquisition of the Property in January 2019, \$13,315,268 of additions to property under development have been incurred as of June 30, 2023. These costs include consultant costs, zoning costs, permitting costs, pre-construction consulting costs, site servicing costs, asbestos abatement costs, utility connection fees, development management fees, financing costs, interest expense, realty taxes, insurance costs, and miscellaneous carry costs.

Avenir LP intends to commence demolition of the vacant warehouse included on the lot in September 2023 and intends to commence construction shortly following the Trust's acquisition of an indirect interest in the Property.

6. USE OF PROCEEDS

Following the completion of the Offering, the Trust intends to indirectly acquire an interest in the Project using the Net Subscription Proceeds, through an investment in Investment LP Units. The Investment LP will invest the proceeds from the issuance of Investment LP Units to the Trust to acquire an interest in CZBK. CZBK will use the proceeds from the issuance of such interest to acquire a greater interest in CZRBK. CZRBK will use the proceeds from the issuance of such interest to acquire a greater interest in Avenir LP. Avenir LP will use the proceeds from the issuance of such interest to pay the costs and expenses of the Offering, repay the Land Loan and to fund the development of the Project. The Trust will be deemed to have contributed an amount equal to the Total Agent's Fee to each of Investment LP, CZBK, CZRBK and Avenir LP.

Assuming the Minimum Offering is sold, the Gross Subscription Proceeds will be US\$50,000,000 (net proceeds of US\$48,500,000, including US\$25,000,000 from the issuance of Class C Units are issued pursuant to the Equity Commitment, before deduction of the expenses of the Offering and any concurrent private placements by the Trust, which are estimated to be US\$1,025,000). Assuming the Maximum Offering is sold, the Gross Subscription Proceeds will be US\$50,000,000 (net proceeds of US\$47,000,000, before deduction of the expenses of the Offering, which are estimated to be US\$1,025,000 in the case of the Maximum Offering). The Trust will use the Net Subscription Proceeds to acquire the Investment LP Units and therefore an indirect interest in the Project. The Trust's net proceeds will be used to repay the Land Loan and fund the

development of the Project. The Trust may also temporarily hold cash and investments for the purposes of paying its expenses and liabilities and for working capital.

The Current Owners have committed to provide the Equity Commitment in an aggregate amount equal to the difference between (a) the gross proceeds raised from the Offering, and (b) the Maximum Offering, which would result in a maximum Equity Commitment of US\$25,000,000 in the aggregate if only the Minimum Offering is achieved, in order to provide the necessary equity to complete development of the Project.

During the year ended December 31, 2022, the Project had negative cash flow from operating activities. The Trust does not intend to use any of the net proceeds from the Offering to fund negative cash flow from operating activities in future periods. See “Risk Factors – Risks Related to Real Estate Industry, the Project and the Trust’s Business – Negative Cash Flow from Operating Activities”.

The following table shows the intended use of the gross proceeds from the issuance of Units in the case of the completion of the Minimum Offering and the Maximum Offering.

(US\$)	Assuming Minimum Offering	Assuming Maximum Offering
Sources of Funds		
Proceeds from issuance of Units	\$25,000,000	\$50,000,000
Proceeds from the Equity Commitment	\$25,000,000	–
Total Sources of Funds:	\$50,000,000	\$50,000,000
Use of Funds		
Agent’s Fee	\$1,500,000	\$3,000,000
Investment in the Project ⁽¹⁾	\$48,500,000	\$47,000,000
Total Use of Funds:	\$50,000,000	\$50,000,000

Note:

(1) The Investment LP’s interest in CZBK will be fixed based on the Gross Subscription Proceeds raised in the Offering and not the Net Subscription Proceeds. The Investment LP will invest the Net Subscription Proceeds (along with a deemed capital contribution equal to the Agent’s Fee) in CZBK. CZBK will invest the Net Subscription Proceeds (along with a deemed capital contribution equal to the Agent’s Fee) in CZRBK. CZRBK will invest the Net Subscription Proceeds (along with a deemed capital contribution equal to the Agent’s Fee) in Avenir LP.

Operating Expenses are forecasted at approximately US\$285,000 per annum, including advisory fees, audit, tax, legal, transfer agent, and other fees. Avenir LP, CZRBK, CZBK, the Investment LP and the Trust will enter into a funding arrangement, pursuant to which Avenir LP (through CZRBK, CZBK and the Investment LP) will provide the Trust with the funds necessary for the Trust to pay for all such Operating Expenses.

There is also no guarantee that the Trust will be able to complete the proposed development of the Project. See “Risk Factors – Risks Related to Real Estate Industry, the Project and the Trust’s Business – Project” and “Forward-Looking Statements”.

Set out below are the expected sources and uses of funds for the Project, assuming either the Minimum Offering or the Maximum Offering (rounded to the nearest thousand):

(US\$)	Assuming Minimum Offering	Assuming Maximum Offering
Sources of Funds		
Investment in CZBK by the Trust from the Offering Public	25,000,000	50,000,000
Investment in CZBK by the Trust from the Equity Commitment	25,000,000	–
Proceeds from Construction Loans	153,939,000	155,939,000
Total Sources of New Funds:	203,939,000	205,939,000
Current Owners Equity	24,238,000	24,238,000
Total Sources of Funds	228,177,000	230,177,000
Use of Funds		
Agent’s Fee ⁽²⁾	1,500,000	3,000,000

Estimated expenses of the Offering (legal, accounting and audit, appraisal, tax advice, printing, travel, securities filings)	1,025,000	1,025,000
Repayment of Land Loan	26,000,000	26,000,000
Above and Below Grade Construction Costs (inclusive of the Construction Management Fee)	134,931,000	134,931,000
General Liability Insurance	619,000	619,000
Furniture, Fixtures and Equipment	775,000	775,000
Remaining Hard Costs ⁽³⁾	136,325,000	136,325,000
Property Taxes	1,825,000	1,825,000
Remaining Zoning, Permit and Real Estate Fees	835,000	835,000
Site Consultant Fees	913,000	913,000
Project Legal and Accounting Fees	1,616,000	1,616,000
Marketing and Advertising Costs	309,000	309,000
Leasing Commissions	1,493,000	1,493,000
Remaining Soft Costs ⁽⁴⁾	6,991,000	6,991,000
Loan Commitment Fees, Bank Charges, Construction Loan Interest and Related Financing Costs	19,771,000	20,232,000
Land Loan Interest	163,000	163,000
Financing Costs ⁽⁵⁾	19,934,000	20,395,000
Development Management Fees	4,499,000	4,499,000
Other Costs ⁽⁶⁾	4,449,000	4,449,000
Hard Cost Contingency	6,797,000	6,797,000
Soft Cost Contingency	918,000	957,000
Contingency Costs	7,715,000	7,754,000
Total New Uses of Funds:	203,939,000	205,939,000
Original Land Equity	5,500,000	5,500,000
Costs to Date ⁽⁷⁾	18,738,000	18,738,000
Total Uses of Funds	228,177,000	230,177,000

Notes:

- (1) Inclusive of deemed capital contribution representing the difference between the Gross Subscription Proceeds and the Net Subscription Proceeds (being the Agent's Fee).
- (2) Expenses do not include fees and expenditures described in the table under the heading "Use of Proceeds". The net proceeds from the Offering will be allocated to such fees and expenditures.
- (3) Inclusive of the below and above grade construction of the building (demolition, excavation, construction of the foundation, construction of the superstructure and the installation of the building finishes) and common area fixtures, furniture and equipment.
- (4) Inclusive of property taxes, legal, accounting and audit and consultant fees during the construction period, administrative costs and marketing and sales costs.
- (5) Inclusive of the commitment fee associated with any Construction Loan and refinancing of any such loan, bank administrative charges, mortgage broker arrangement fees, title, third party and rate hedging costs, and interest on any Construction Loan and the Land Loan.
- (6) Inclusive of the remaining Development Management Fees.
- (7) Inclusive of soft and hard Costs (excluding contingencies), financing costs and other costs. See "Description of the Activities of the Trust – The Project – Development Plan" for a further breakdown of the development costs.

Following the completion of the Offering, the Trust expects there to be sufficient cash to achieve the next significant milestone of the Project of completing the demolition, excavation and starting the foundation. Based on the construction timeline, not all construction elements would be able to continue for the next 12 months absent the Construction Loan, however, the Trust expects there to be more than sufficient cash to maintain the asset and sustain operations for at least the next 12 months.

In the event that the Project is unable to secure the anticipated Construction Loans, it will seek as much debt financing as possible in order to fund the construction. In addition, if the lack of debt financing is determined to be a cost overrun, pursuant to the Avenir LP Agreement and Cost Overrun Funding and Guarantee Agreement among the Current Owners and Avenir LP, the Current Owners will be obligated to fund such cost overrun through subscriptions for Cost Overrun Units. The Trust will manage its resources responsibly until such time as it can procure the necessary financing. Any reduction in

expenditures is expected to result in delays to the various milestones. See “Risk Factors – Real Property Ownership and Revenue Risks” and “Risk Factors – Construction and Development Risk”.

See “Description of the Activities of the Trust – The Project – Development Plan” for a detailed estimate of project costs and the development timeline for the Project.

7. DESCRIPTION OF SECURITIES

The Trust is offering a minimum of US\$25,000,000 and a maximum of US\$50,000,000 of Class A Units, Class E Units, Class F Units and/or Class U Units, at a purchase price of C\$10.00 per Class A Unit and C\$10.00 Class F Unit and US\$10.00 per Class E Unit and US\$10.00 per Class U Unit.

7.1 The Trust

The rights and obligations of the Unitholders are governed by the Declaration of Trust. The following is a summary of certain material provisions of the Declaration of Trust, as it will be amended and restated in connection with the filing of this Prospectus. This summary does not purport to be complete and reference should be made to the Declaration of Trust itself, a copy of which will be available from the Trust during the period of distribution of the Units and is available under the Trust’s profile on SEDAR+ at www.sedarplus.com

Capitalized terms in this summary which are not defined in this Prospectus are defined in the Declaration of Trust.

Units

The beneficial interest in the net assets and net income of the Trust is divided into five classes of Units: Class A Units, Class C Units, Class E Units, Class F Units and Class U Units. The Trust is authorized to issue an unlimited number of Units of each class, although, following completion of the Offering and any concurrent private placements, the Trust will not seek to raise any further equity from the public and, accordingly, the Trust is a closed-ended vehicle. The issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without notice to or the approval of the Unitholders.

The Class A Units are denominated in Canadian dollars and designed for investors with commission-based accounts wishing to make their investment and receive distributions in Canadian dollars. The Class F Units are denominated in Canadian dollars and designed for investors with fee-based accounts wishing to make their investments and receive distributions in Canadian dollars and differ from the Class A Units in that the Class F Units are not required to pay a selling concession. The Class U Units are denominated in U.S. dollars and designed for investors with commission-based accounts and will receive distributions in U.S. dollars. The Class C Units are denominated in U.S. dollars and are designed for the Current Owners in connection with the exercise of the Equity Commitment and differ from the Class E Units and Class U Units in that they are not required to pay any Agent’s Fees or selling concession. The Class C Units will receive distributions in U.S. dollars. The Class E Units are denominated in U.S. dollars and designed for investors with fee-based accounts wishing to make their investments and receive distributions in U.S. dollars and differ from the Class U Units in that the Class E Units are not required to pay a selling concession.

Except as described above, each Unit entitles the holder to the same rights and obligations and no Unitholder is entitled to any privilege, priority or preference in relation to any other holder of Units, subject to (i) the proportionate entitlement of each holder of Class A Units, Class C Units, Class E Units, Class F Units and Class U Units to participate in distributions made by the Trust and to receive proceeds upon termination of the Trust, based on such holder’s share of the Proportionate Class A Interest, Proportionate Class C Interest, Proportionate Class E Interest, Proportionate Class F Interest and Proportionate Class U Interest, respectively, (to achieve the intended result of ensuring that any changes in the value of the Canadian dollar relative to the value of the U.S. dollar since the Closing Date to the date of any applicable distribution do not affect the amounts distributable by the Trust to holders of U.S. Dollar Units) and (ii) a proportionate allocation of income or loss of the Trust in accordance with the terms of the Declaration of Trust. None of the Units will be listed on a stock exchange.

On termination or liquidation of the Trust, each Unitholder of record is entitled to receive on a proportionate basis based on such holder’s share of the Proportionate Class A Interest, Proportionate Class C Interest, Proportionate Class E Interest, Proportionate Class F Interest and Proportionate Class U Interest, respectively, (to achieve the intended result of ensuring that any

changes in the value of the Canadian dollar relative to the value of the U.S. dollar since the Closing Date to the date of any applicable distribution do not affect the amounts distributable by the Trust to holders of U.S. Dollar Units) all of the assets of the Trust remaining after payment of or provisions made for all debts, liabilities and liquidation expenses of the Trust.

On the redemption of Units, the Trust may, in its sole discretion, designate as payable to the redeeming Unitholder, the 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. In addition, the Trust may designate, for the purposes of the Tax Act, any capital gains realized by the Trust as a result of the redemption of Units (including any capital gains realized by the Trust on an *in specie* redemption of Units) as being paid to the redeeming Unitholders with the result that the taxable portion of such gains generally may be deductible by the Trust, subject to the Allocation to Redeemers Rule. Any such allocations and designations will reduce the proceeds of disposition otherwise payable to the redeeming Unitholder for the Units redeemed but, for greater certainty, will not reduce the amount paid to the redeeming Unitholder in connection with the redemption. Notwithstanding the foregoing, the Manager does not intend to cause the Trust to designate capital gains to redeeming Unitholders to the extent that the Allocation to Redeemers Rule would apply to limit the ability of the Trust to deduct taxable capital gains so designated to redeeming Unitholders. On termination or liquidation of the Trust, the Unitholders of record are entitled to receive on a proportionate basis based on the Proportionate Class A Interest, Proportionate Class C Interest, Proportionate Class E Interest, Proportionate Class F Interest and Proportionate Class U Interest, respectively, all of the assets of the Trust remaining after payment of all debts, liabilities and liquidation expenses of the Trust.

The Trust is prohibited from offering Units to the public following the closing of the Offering, provided, for clarity that the Trust may issue the Class C Units pursuant to the exercise of the Equity Commitment in connection with the closing of the Offering.

Non-Certificated Inventory System and Transfers of Units

Other than pursuant to certain exceptions, 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 the Closing Date, the Trust, via its transfer agent, will electronically deliver the Units registered to CDS or its nominee. Units held in CDS must be purchased, transferred and surrendered for redemption through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of Unitholders who hold Units in CDS must be exercised through, and all payments or other property to which such Unitholders are entitled will be made or delivered by CDS or the CDS participant through which such Unitholders hold such Units. A Unitholder participating in the NCI system will not be entitled to a certificate or other instrument from the Trust or the Trust's transfer agent evidencing that person's interest in or ownership of Units, nor, to the extent applicable, will such Unitholder be shown on the records maintained by CDS, except through an agent who is a CDS participant.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such Unitholder's interest in such Units (other than through a CDS participant) may be limited due to the lack of a physical certificate.

Any purported transfer of a Unit on a "public market", as defined for purposes of the SIFT Rules, shall be considered void *ab initio*.

Limitation on Non-Resident Ownership

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, except in limited circumstances. Among those circumstances are that all or substantially all of the mutual fund trust's property is not "taxable Canadian property", as defined by the Tax Act. Although it is not expected that the Trust will directly or indirectly own "taxable Canadian property", Non-Residents will not be permitted to be the beneficial owners of more than 49% of the Units (on a number of Units or fair market value basis) and the Board will inform the transfer agent and registrar of this restriction. The Board may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Board becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the Units then outstanding (on a number of Units or fair market value 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 Units from or issue 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 Units (on a number of Units or fair market value basis) are held by Non-Residents, the Board may send a notice to Non-Resident Unitholders, chosen in inverse order to the order of acquisition or registration or in such manner

as the Board may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Board with satisfactory evidence that they are not Non-Residents within such period, the Board may, on behalf of such Unitholders, sell such Units and, in the interim, suspend the voting and distribution rights attached to such Units. Upon such sale the affected holders will cease to be Unitholders 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 Unitholders. The Board will have no liability for the amount received provided that they act in good faith.

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 Trust will aim to realize an annual projected targeted pre-tax investor gross compounded annualized return of approximately 18%-20% equating to a total pre-tax investor gross return over four years from the Closing Date of approximately 100%, before fees and satisfaction of the Carried Interest, on the Trust's indirect investment in the Project upon the achievement of a Liquidity Event, although these figures will necessarily vary as between classes of Units based on the proportionate entitlements of each class of Units and Canadian/U.S. dollar exchange rates. See "Use of Proceeds" and "Risk Factors" for a more complete discussion of the factors and assumptions underlying these statements and of related risks and their potential consequences. "Pre-tax investor gross compounded annualized return" is calculated based on the estimated net pre-tax cash flow expected to be generated the Project considering revenues, expenditures as well as factors specific to the Project, such as construction timelines and sale dates, including financing costs and prior to amounts paid as Carried Interest. This supplementary measure does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

Commencing on the Initial Occupancy Date and until a Liquidity Event has been achieved, the Trust intends to declare and pay to Unitholders quarterly cash distributions out of the available operating cash flow of the Trust (to the extent available). However, such cash distributions may not occur or, if any such cash distributions do occur, may be reduced, including to zero, or suspended, as the ability of the Trust to make cash distributions and the actual amount distributed will depend on the development and operation of the Project, the expenses and requirements of the Trust, the timing of a Liquidity Event, and will be subject to various factors, including those referenced in the "Risk Factors" section of this Prospectus.

The achievement of the annual projected targeted pre-tax investor gross compounded annualized return of approximately 18%-20% equating to a total pre-tax investor gross return over four years from the Closing Date of approximately 100%, before fees and satisfaction of the Carried Interest, on the Trust's indirect investment in the Project upon the occurrence of a Liquidity Event, is based on the following assumptions:

- (a) a Liquidity Event is based on the forecasted value of the Property at Stabilization of approximately US\$307.6 million, calculated as the forecasted stabilized net operating income divided by the forecasted project capitalization rate of 4.76%, less any real estate closing costs and interim cash flow of US\$7.4 million, resulting in a net projected stabilized value of approximately US\$300.2 million;
- (b) the forecasted stabilized net operating income of approximately US\$14.6 million is defined as the net operating income for the 12 months following Stabilization, which is forecasted to occur 15 months following the Initial Occupancy Date. The forecasted stabilized net operating income can be calculated as the difference between the forecasted stabilized total operating revenue and forecasted stabilized total operating expenses for the 12 months following Stabilization. Forecasted stabilized total operating revenue of approximately US\$19.5 million for the period of 12 months following Stabilization primarily includes apartment rental revenue, parking and locker revenue, bike storage revenue, commercial rental revenue and provision of bad debt. Total operating revenue is expected to increase at an annual growth rate of 2% following the Initial Occupancy Date. Forecasted stabilized total operating expenses of approximately US\$4.9 million for the period of 12 months following Stabilization primarily includes salaries, purchased services, repairs and maintenance, utilities, property insurance, property taxes, property management fees, general and administrative expenses, and other operating expenses. The total operating expenses are expected to increase at an annual growth rate of 1.5% following the Initial Occupancy Date. The forecasted stabilized net operating income margin is assumed to be 75%, forecasted stabilized total operating expenses are assumed to be 25% of forecasted stabilized total operating revenue, and average base monthly rent is assumed to be US\$4.89 per square foot upon the Initial Occupancy Date, which is

untrended from the Closing Date and below rental rates of other buildings of the same class in the Journal Square Neighbourhood of Jersey City as of mid-2023;⁶²

- (c) the forecasted capitalization rate for the apartment rental component, including revenue from apartment rental, parking and locker, and bike storage, is forecasted to be 4.75%. The capitalization rate for the commercial rental component, is forecasted to be 5%. The weighted average capitalization rate of the Project is forecasted to be 4.76% based on the forecasted revenues from the apartment rental component and the commercial component;
- (d) in the event that a Liquidity Event involves the sale of all or substantially all of the assets of the Trust, real estate closing costs are estimated at US\$4.6 million, equivalent to 1.5% of the Project stabilized value. Following a refinancing of the Project upon the Initial Occupancy Date, the Project is expected to incur negative interim cash flow of US\$2.8 million until the occurrence of a Liquidity Event, calculated as the net operating income after deducting debt service costs;
- (e) stabilized occupancy of the Project of 95% is expected to occur 15 months following the Initial Occupancy Date (“**Stabilization**”);
- (f) the total Project costs are anticipated to be approximately US\$230.2 million including land costs and costs to date of approximately US\$50.2 million, Hard Costs (excluding contingency) of approximately US\$136.3 million, Soft Costs (excluding contingency) of approximately US\$7.0 million, Financing Costs of approximately US\$20.4 million, Other Costs (including Development Management Fees, Agent’s Fees and Offering Costs) of US\$8.5 million and Contingency (Hard and Soft) of approximately US\$7.8 million;
- (g) the total anticipated Project profit of approximately US\$70.0 million is calculated as the difference between the net projected stabilized value (approximately US\$307.6 million) and total forecasted Project costs (US\$230.2 million);
- (h) the Project intends to incur financing by way of Construction Loans in the amount of approximately 68% loan-to-cost at a blended interest rate of the forward SOFR Rate at the anticipated first draw upon the Construction Loan plus a margin of 5.20%; and
- (i) upon the Initial Occupancy Date, the Project is intended to be refinanced based on a debt-service-coverage-ratio (DSCR) of 1.25x applied to forecasted stabilized net operating income at an interest rate of the forward SOFR at the Initial Occupancy Date plus a margin of 3%.

Following closing of the Offering and the acquisition of the Trust’s indirect interest in the Project, the Trust will initially own all of the issued and outstanding Investment LP Units. The Investment LP will acquire an interest in CZBK. CZBK will increase its interest in CZRBK. CZRBK will increase its interest in Avenir LP.

Holders of limited partnership interests in Avenir LP will receive all distributions and returns of capital from their investment in the Project, as and when declared.

Holders of interests in CZRBK will be entitled to receive all the Distributable Cash from Avenir LP, less any amounts to be paid to the other partners of Avenir LP based on their proportionate interests, and in respect of the Carried Interest paid to holders of Avenir Special LP Units. Holders of interests in CZBK will be entitled to receive all the Distributable Cash from CZRBK, less any amounts to be paid to the other partners of CZRBK based on their proportionate interests. The Investment LP will be entitled to receive all the Distributable Cash (after payment to the other partners of CZBK based on their proportionate interests) from CZBK, less any amounts to be paid to the other partners of CZBK based on their proportionate interests. Holders of interests in the Investment LP will be entitled to receive all the Distributable Cash from CZBK. See “Description of Securities – The Investment LP – Cash Flow Distributions”, “Description of Securities – CZBK – Cash Flow Distributions”, “Description of Securities – CZRBK – Cash Flow Distributions” and “Description of Securities – Avenir LP – Cash Flow Distributions”.

⁶² <https://www.apartments.com/journal-squared-jersey-city-nj/krsqxx8/>

After (i) payment of all expenses of the Trust and its Subsidiaries, and (ii) payment of the Minimum Return of 8% compounded per annum by the Trust to Unitholders (the calculation of which, for greater clarity, includes the repayment of Gross Subscription Proceeds) and the payment of an equivalent minimum return to the Current Owners, the Current Owners will, in addition to their pro rata share of distributions from the Project, be entitled to receive 20% of all further distributions made by the Project. Thereafter, after payment of the Secondary Minimum Return of 15% compounded per annum by the Trust to Unitholders and the payment of an equivalent secondary minimum return to the Current Owners, the Current Owners will, in addition to their pro rata share of distributions from the Project, be entitled to receive 30% of all further distributions made by the Project.

The Carried Interest calculation is calculated at a Unit class level after having allocated the appropriate exit proceeds to each Unit class based on the proportionate class interest. In connection with the completion of a Liquidity Event, holders of the Carried Interest may, directly or indirectly, receive cash and/or securities in satisfaction of their interest.

The Investment LP will elect to be classified as a corporation for U.S. federal income tax purposes. Accordingly, the Investment LP will be subject to applicable U.S. income and withholding taxes. The Investment LP will satisfy its U.S. tax liability, or make sufficient reserves for its applicable U.S. taxes, prior to making distributions to the Trust. The Trust will then distribute the Distributable Cash Flow to the Unitholders, based on the proportionate entitlement of each class of Units. A Canadian resident Unitholder (other than a Plan) generally will be entitled to a credit, and the Trust may be entitled to claim a deduction, in respect of its share of the U.S. taxes paid by the Investment LP in computing its Canadian taxable income to the extent permitted by the detailed rules in the Tax Act. See “Certain Canadian Federal Income Tax Considerations”, “Certain U.S. Federal Income Tax Considerations”, “Risk Factors – Risks Related to Canadian Tax” and “Risk Factors – Risks Related to U.S. Tax”.

If and when declared by the Trustees, the amount of the distributions payable in respect of each Unit, as applicable, 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;
- (c) the product of the Proportionate Class E Interest and the Distributable Cash Flow Balance shall be distributed to the holders of Class E Units, *pro rata* in accordance with their respective proportionate shares;
- (d) 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; and
- (e) the product of the Proportionate Class U Interest and the Distributable Cash Flow Balance shall be distributed to the holders of Class U Units, *pro rata* in accordance with their respective proportionate shares,

in each case adjusted as required to achieve the intended result of ensuring that any changes in the value of the Canadian dollar relative to the value of the U.S. dollar since the Closing Date to the date of the applicable distribution do not affect the amounts distributable by the Trust to holders of U.S. Dollar Units (including for greater certainty ensuring that the effect of such changes on the calculation of the amounts distributable to the Investment LP by CZBK on the Investment LP’s interest in CZBK is attributed in its entirety to the Canadian Dollar Units).

The aggregate Minimum Return, after payment of all expenses of the Project, the Trust and its Subsidiaries, (i) is based on an 8% per annum compounded return on the Gross Subscription Proceeds received by the Trust from the issuance of each Unit, (ii) is calculated in the currency of issuance of each such Unit, and (iii) is a preferred return, payable prior to payment of any amounts pursuant to the Carried Interest and Asset Management Fee, but (iv) is not guaranteed, is not expected to be paid prior to the occurrence of a Liquidity Event, and may not be paid upon the occurrence of a Liquidity Event or at all. The aggregate Secondary Minimum Return, after payment of all expenses of the Project, the Trust and its Subsidiaries (including the Asset Management Fee and a portion of the Carried Interest), (i) is based on a 15% per annum compounded return on the Gross Subscription Proceeds received by the Trust from the issuance of each Unit, (ii) is

calculated in the currency of issuance of each such Unit, and (iii) is a preferred return, payable prior to payment of the increased percentage of distributions payable pursuant to the Carried Interest, but (iv) is not guaranteed, is not expected to be paid prior to the occurrence of a Liquidity Event, and may not be paid upon the occurrence of a Liquidity Event or at all.

The Trust may designate for the purposes of the Tax Act capital gains realized by the Trust as a result of the redemption of Units (including any capital gains realized by the Trust on an *in specie* redemption of Units) as being paid to the redeeming Unitholders, with the result that the taxable portion of such gains generally may be deductible by the Trust, subject to the Allocation to Redeemers Rule. In addition, on the redemption of Units, the Trust may in its sole discretion, designate payable to the redeeming Unitholder, the 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 proceeds of disposition otherwise payable to the redeeming Unitholder of the Units redeemed but, for greater certainty, will not reduce the amount paid to the redeeming Unitholder in connection with the redemption. Notwithstanding the foregoing, the Manager does not intend to cause the Trust to designate capital gains to redeeming Unitholders to the extent that the Allocation to Redeemers Rule, which limits the ability of the Trust to deduct taxable capital gains allocated to redeeming Unitholders, would apply to such designated capital gains. Accordingly, any such taxable capital gains may be made payable to the non-redeeming Unitholders at the end of the year rather than being allocated to redeeming Unitholders. In such cases, the amounts and/or taxable component of distributions to non-redeeming Unitholders may be greater than they would have been in the absence of the Allocation to Redeemers Rule.

Distributions payable to Unitholders pursuant to the Declaration of Trust shall be deemed to be distributions of income of the Trust, net realized taxable capital gains of the Trust, foreign source income, Trust capital or other items in such amounts as the Board, in its absolute discretion, determine and shall be so designated, where required, and allocated to the Unitholders in the same proportions as distributions received by the Unitholders, subject to the discretion of the Board to adopt an allocation method which the Board considers to be more reasonable in the circumstances. For greater certainty, any distribution of net realized capital gains of the Trust shall include the non-taxable portion of the capital gains of the Trust which are included in such distribution.

If, on a Distribution Payment Date, the Board determines that the Trust does not have cash in an amount sufficient to pay the full amount of any distribution to be made on such Distribution Payment Date, or for any other reason cannot pay the distribution in cash, or the Board otherwise elects in respect of any such distribution, the distribution payable to the Unitholders on such Distribution Payment Date will be distributed to Unitholders in the form of additional Units, or fractions of Units, having a value equal to the cash shortfall. Any distributions payable in Units will increase the aggregate adjusted cost base of a Unitholder's Units. Those additional Units will be issued pursuant to exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing.

If, for any taxation year of the Trust, after any other distributions made in the year, there would remain in the Trust additional net income or net realized capital gains, the Trust will be required to pay or make payable such net income and net realized capital gains as one or more special year-end distributions for such year to Unitholders as is necessary to ensure that the Trust will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account all available deductions, credits and refunds). Such special distributions may be paid in the form of Units and/or cash. Any special distributions payable in Units will increase the aggregate adjusted cost base of a Unitholder's Units. Immediately after a proportionate *pro rata* distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Unitholder will, subject to any reduction on account of withholding taxes, hold after the consolidation the same number of Units as the Unitholder held before the non-cash distribution.

Distribution on Termination of the Trust

On the termination of the Trust, the 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 the 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 pay the balance to Unitholders on a proportionate basis based upon the (i) Proportionate Class A Interest, (ii) Proportionate Class C Interest, (iii) Proportionate Class E Interest, (iv) Proportionate Class F Interest, and (v) Proportionate Class U Interest, respectively, and within each class *pro rata* based upon the number of Units held, subject to adjustments to achieve the intended result with respect to attributing the effect of changes in the value of the Canadian dollar relative to the value of the U.S. dollar as described above.

Such distribution may be made in cash or in kind or partly in each, all as the Board in its sole discretion may determine.

Holders of Canadian Dollar Units will have unhedged exposure in respect of any returns of capital made at the end of the Term.

Meetings of Unitholders and Resolutions

The Board may, at any time, convene a meeting of the Unitholders and will be required to convene a meeting on receipt of a request in writing of Unitholders holding, in aggregate, 15% or more of the Units outstanding. 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 Unitholders of the class of Units. A meeting of a class of Unitholders shall be called by the Board upon written request of the Unitholders of the class holding in the aggregate not less than 15% of the Units of the class then outstanding, which requisition must specify the purpose or purposes for which such meeting is to be called. Any meeting of Unitholders (or a class of Unitholders) may be held by telephonic or electronic means and a Unitholder who, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed to be present at the meeting. Any such meeting shall be deemed to have taken place at the registered office of the Trust.

Any matter to be considered at a meeting of Unitholders, other than certain matters requiring the approval of Unitholders by Special Resolution, will require the approval of Unitholders by Ordinary Resolution. A quorum for a meeting convened to consider such a matter will consist of two or more Unitholders or any class of Unitholders present in person or by proxy and representing not less than 10% of the Units, or class of Units, as the case may be. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting, if convened pursuant to a request of Unitholders, will be cancelled, but otherwise will be adjourned to such day, being not less than 10 days later, and to such place and time as may be selected by the chairperson of the meeting. The Unitholders present at any adjourned meeting will constitute a quorum.

Each Unitholder is entitled to one vote per Unit held and votes of Unitholders will be conducted with holders of Class A Units, Class C Units, Class E Units, Class F Units and Class U Units voting together as a single class. 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.

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

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

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 change in the Carried Interest, Asset Management Fee or the addition of any other fee or amount payable to the Manager or its affiliates;

- (b) matters relating to the administration of the Trust for which the approval of the Unitholders is required by Special Resolution by applicable securities laws, regulations, rules or policies in effect from time to time;
- (c) changes to the Investment Restrictions and the Operating Policy described in paragraph (e) set out under the heading “Investment Restrictions and Operating Policies – Operating Policies”;
- (d) any re-opening of the Trust or the creation of further classes of Units;
- (e) the issuance of equity by any Subsidiaries of the Trust other than in connection with the issuance of the Cost Overrun Units;
- (f) a reduction in the amount payable on any outstanding Units upon termination of the Trust;
- (g) an increase in the liability of any Unitholders;
- (h) any extension of the Term (other than pursuant to the exercise of the two one-year extensions at the discretion of the Board);
- (i) an amendment, modification or variation in the provisions or rights attaching to the Units in any material adverse respect as determined by the Board, acting reasonably;
- (j) the alteration or elimination of any voting rights pertaining to any outstanding Units; or
- (k) approval of a Liquidity Event.

Furthermore, 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.

In the event the Trust enters into a transaction that is subject to review under MI 61-101, and as a result requires approval from each class of Units, voting separately as a class, the Trust intends to apply to applicable securities regulatory authorities for discretionary relief from such obligation given that (i) the Declaration of Trust provides that Unitholders will vote as a single class unless the nature of the business to be transacted at a 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 a formula set out in the Declaration of Trust, and (iii) providing a class vote could grant disproportionate power to a potentially small number of Unitholders.

Resolution in Lieu of a Meeting

A resolution signed in writing by Unitholders shall be deemed to be a proceeding at a meeting of Unitholders and to be as valid and effective as if it has been passed at a meeting of Unitholders that satisfies all the requirements of the Declaration of Trust relating to meetings of Unitholders if:

- (a) in the case of a resolution of Unitholders that may be approved by the affirmative vote of a majority of the votes cast at a meeting of Unitholders, such resolution is, after being submitted to all of the Unitholders, consented to in writing by Unitholders who, in the aggregate, hold not less than half of the outstanding Units; and
- (b) in the case of a resolution of Unitholders that may be approved by the affirmative vote of at least two-thirds of the votes cast at a meeting of Unitholders, such resolution is consented to in writing by Unitholders who, in the aggregate, hold not less than two-thirds of the outstanding Units.

Termination of the Trust

In order to provide Unitholders with liquidity, the Manager intends to achieve a Liquidity Event within four years of the Closing Date, subject to two one-year extensions where the Manager determines in its discretion that the extensions are prudent given then prevailing market conditions and in the best interests of the Trust. The “**Liquidity Event**” may be, subject to Unitholder approval as the case may be, (i) the sale of all or substantially all of the assets of the Trust; (ii) the sale of all or substantially all of the Units or the securities in entities through which the Trust indirectly owns its interests in the Project, for cash or Listed Securities or a combination of cash and Listed Securities, (iii) a transaction which provides Unitholders with comparable liquidity that such Unitholders would have if the Units were Listed Securities, whether by means of a reverse take-over, merger, amalgamation, arrangement, take-over bid, insider bid, reorganization, joint venture or similar transaction or other combination with an issuer of Listed Securities, (iv) the exchange of Units for securities that are listed on a stock exchange or securities that are exchangeable or convertible into securities that are listed on a stock exchange (collectively, “**Listed Securities**”), or (v) an event similar to those described in items (i) to (iv) above and designated as a “Liquidity Event” by the independent Trustees.

The Term is targeted to be a period of four years starting on the Closing Date, subject to earlier termination as described below. The Term may also be extended (including following the exercise of either or both of the one-year extensions exercisable at the discretion of the Manager) by Special Resolution of the Unitholders, subject to approval by the Board.

Notwithstanding the Term outlined above, the Trust may be wound up and dissolved as soon as practicable following the direct or indirect disposition of all of the assets of the Trust.

The Avenir Limited Partners have agreed to certain liquidity rights in favour of the Trust (as the ultimate indirect holder of the Avenir Class B Units) in the event a Liquidity Event is not completed within four years of the Closing Date, subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders). In such circumstances, the Trust (acting through CZRBK) will be permitted to initiate a process whereupon the Trust and the Avenir Limited Partners (together as a group) shall each appoint an independent, third party appraiser to obtain an appraisal of the Project. Following receipt of the appraisals, the Avenir Limited Partners will have 30 days to agree to acquire the Avenir Class B Units (the “**Liquidity Option**”) at a purchase price for the Avenir Class B Units (the “**Liquidity Option Price**”) equal to the pre-tax amount that would be distributed (or be available for distribution) in respect of the Avenir Class B Units if the Project was sold for the higher of: (A) the value of the Liquidity Event modelled in the pro forma of the Project (being approximately US\$307.6 million); and (B) either (i) the mid-point of the two appraisals, or (ii) if the higher appraisal is more than 110% of the lower appraisal, a third appraisal shall be obtained and the price shall be the mid-point of the two closest appraisals.

If the Avenir Limited Partners do not exercise the Liquidity Option within such 30-day period, the Trust will have the right for a 60-day period following the expiry of the 30 day exercise period for the Liquidity Option (the “**Shop Period**”) to cause CZRBK initiate a sale of the Avenir Class B Units (or, where the Trust intends to exercise its drag along rights, either the sale of all but not less than all of the limited partner interests in Avenir LP or a direct sale of the whole of the Project by Avenir LP) to one or more third parties at not less than the Liquidity Option Price. If the Trust is able to identify such an acquiror, the Trust shall have the right to require that the Avenir Limited Partners sell their respective limited partner interests in Avenir LP, at the applicable proportion that such interests represent of the Liquidity Option Price.

In the event the Trust is unable to identify such an acquiror during the Shop Period, the Trust will restart the Liquidity Option at a new price for the Avenir Class B Units selected by the Trust among the following three (3) formula (the “**Revised Liquidity Option Price**”): (i) a purchase price for the Avenir Class B Units, as applicable, equal to the pre-tax amount that would be distributed (or be available for distribution) in respect of the Avenir Class B Units if the Project or the Avenir Class B Units were sold for the highest offer price received by the Trust during the Shop Period pursuant to a binding and unconditional offer by an arms length third party, (ii) a purchase price for the Avenir Class B Units, as applicable, equal to the pre-tax amount that would be distributed (or be available for distribution) in respect of the Avenir Class B Units if the Project was sold for 95% of the mid-point of the original two appraisals or if the higher appraisal is more than 110% of the lower appraisal and a third appraisal was obtained, then 95% of the mid-point of the two closest original appraisals, or (iii) a purchase price for the Avenir Class B Units, as applicable, equal to the pre-tax amount that would be distributed (or be available for distribution) in respect of the Avenir Class B Units if the Project was sold for (A) the mid-point of two new appraisals or (B) if the higher appraisal is more than 110% of the lower appraisal, then the mid-point of the two closest new appraisals out of the three new appraisals.

In the event that the Avenir Limited Partners do not exercise the Liquidity Option at the Revised Liquidity Option Price within 30 days from the date the Revised Liquidity Option Price is determined, the Trust will have the right to during the next 30-day period to direct Avenir LP to initiate a sales process for the entirety of the Project (the “**Sale Process**”). Any transaction to be completed pursuant to the Liquidity Option, the Shop Period or the Sale Process will be subject to approval by the Unitholders by Special Resolutions.

Following completion of the Liquidity Option, the Shop Period or the Sale Process, as applicable, the Trust will distribute, or will direct Avenir LP to distribute, the available net proceeds to the Unitholders.

Notwithstanding anything to the contrary in the foregoing, the Trust and the Avenir Limited Partners shall work together to structure the occurrence of the Liquidity Event in a manner that is mutually tax efficient for the parties, including that if the expected U.S. federal income tax required to be withheld on such disposition is higher than the expected U.S. federal income tax liability of the Investment LP on the gain realized from such disposition, then the Trust (on behalf of Investment LP) and the Avenir Limited Partners intend to take steps, if available, in order to mitigate the amount of U.S. federal income tax required to be withheld.

Amendments to the Declaration of Trust

The Board may, without the approval of or notice to Unitholders, amend the Declaration of Trust for certain limited purposes specified therein, including to:

- (a) remove any conflicts or other inconsistencies which may exist between any terms of the 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 to obtain, preserve or clarify the provision of desirable tax treatment to Unitholders;
- (c) notwithstanding anything to the contrary contained herein, make amendments which, in the opinion of the independent Trustees, are necessary or desirable in the interests of Unitholders in connection with a Liquidity Event described under “– Termination of the Trust” above, provided that any such amendment does not, and could not reasonably be expected to, adversely affect the rights, privileges or interests of Unitholders;
- (d) make amendments which, in the opinion of the Board, 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, or in order to benefit from or better comply with any provisions or such laws or rules;
- (e) remove conflicts or inconsistencies between the disclosure in the Prospectus and the Declaration of Trust that, in the opinion of the Board, based on the advice of counsel, are necessary or desirable in order to make the Declaration of Trust consistent with the Prospectus;
- (f) make any change or correction in the 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;
- (g) make any amendments which, in the opinion of the Board, based on the advice of its financial advisors, are required to achieve the intended result of ensuring that any changes in the value of the Canadian dollar relative to the value of the U.S. dollar since the Closing Date to the date of any applicable distribution do not affect the amounts distributable by the Trust to holders of U.S. Dollar Units;
- (h) bring the 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;
- (i) 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” and a “unit 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; or

- (j) make amendments as 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.

Except for changes to the Declaration of Trust which require the approval of Unitholders or changes described above which do not require approval of or prior notice to Unitholders, the Declaration of Trust may be amended from time to time by the Board upon prior written notice to Unitholders. Any such amendment of the Declaration of Trust will be described in the Trust's next quarterly MD&A.

Information and Reports

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 the Declaration of Trust and by applicable law. In addition, on or before March 31 in each calendar year (or such other time as required by law), the Trust will forward to Unitholders tax reporting information in such manner as will enable each such person to report the income tax consequences of investment in Units in the Unitholder's annual Canadian income tax return.

As a "venture issuer" under Applicable Laws, the Trust will be required to file, in addition to applicable news releases: (i) audited annual financial statements, related MD&A, and the applicable annual certificate for each of the Chief Executive Officer and Chief Financial Officer under NI 52-109, each within 120 days after the end of the Trust's financial year-end, (ii) interim financial reports, related MD&A and the applicable interim certificate for each of the Chief Executive Officer and Chief Financial Officer under NI 52-109, each within 60 days after the end of each of the Trust's first three quarterly periods of its financial year, (iii) material change reports, as soon as possible, and in any event within ten days of the date on which the change occurs, in accordance with Part 7 of NI 51-102, and (iv) business acquisition reports, in accordance with Part 8 of NI 51-102. As a venture issuer, the Trust will not be required to file an annual information form and the Trust does not currently intend to do so voluntarily. The Declaration of Trust does not require the Trust to, and the Trust does not intend to, call and hold annual general meetings of Unitholders and, accordingly, the Trust does not expect to annually file and send Unitholders a management information circular.

If a material change occurs in the affairs of the Trust, including in respect of the affairs of its Subsidiaries, the Trust will (a) immediately issue and file a news release authorized by an executive officer disclosing the nature and substance of the change, and (b) as soon as practicable, and in any event within 10 days of the date on which the change occurs, file a material change report with respect to the material change in accordance with applicable Canadian securities laws. Notwithstanding the foregoing, the Trust may instead comply with the provisions of applicable Canadian securities laws concerning confidential material change reports. For purposes of the foregoing, "material change" shall mean: (a) a change in the business, operations or capital of the Trust or any of its Subsidiaries that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Trust, or (b) a decision to implement a change referred to in (a) made by the Board or other persons acting in a similar capacity or by senior management of the Trust or any of its Subsidiaries who believe that confirmation of the decision by the Board or any other persons acting in a similar capacity is probable.

Redemption

The Units will be redeemable at the option of Unitholders, quarterly, by written notice to the Trust.

A Unitholder wishing to redeem the whole or any part of his, her or its Units may do so by delivering a written notice of such desire (the "**Unit Redemption Notice**") to the Trust at any time. Units shall be considered to be tendered for redemption on the date (the "**Unit Redemption Date**") that the Trust has, to the satisfaction of the Board, received the Unit 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 and the conditions listed below, the Trust will redeem the Units specified in such Unit Redemption Notice. The redemption price payable per Unit in respect of each class (or series, as applicable) of Units will be based on the proportionate interest of the Trust attributable to each class or series, as applicable, determined as follows:

- (a) where the Units are listed on a stock exchange or similar market, equal to the lesser of (i) 95% of the average market price of the Units during the 10-trading day period after the Redemption Date; and (ii) 100% of the closing market price of the Units on the Redemption Date; or
- (b) where the Units are not listed on a stock exchange or similar market, based on the proportionate interest of the Trust attributable to each class, determined as follows:
 - (i) the redemption price per Class A Unit is equal to the Redemption Value of the Trust on the Unit Redemption Date multiplied by the Proportionate Class A Interest divided by the total number of outstanding Class A Units less the Redemption Cost;
 - (ii) the redemption price per Class C Unit is equal to the Redemption Value of the Trust multiplied by the Proportionate Class C Interest divided by the total number of outstanding Class C Units less the Redemption Cost;
 - (iii) the redemption price per Class E Unit is equal to the Redemption Value of the Trust multiplied by the Proportionate Class E Interest divided by the total number of outstanding Class E Units less the Redemption Cost;
 - (iv) the redemption price per Class F Unit is equal to the Redemption Value of the Trust multiplied by the Proportionate Class F Interest divided by the total number of outstanding Class F Units less the Redemption Cost; and
 - (v) the redemption price per Class U Unit is equal to the Redemption Value of the Trust multiplied by the Proportionate Class U Interest divided by the total number of outstanding Class U Units less the Redemption Cost.

The redemption proceeds payable on the Class A Units and Class F Units will be based on the Net Asset Value, determined in U.S. dollars and converted into Canadian dollars at the spot exchange rate available to the Trust in respect of such redemption proceeds and holders of Class A Units and Class F Units will receive redemption proceeds in Canadian dollars. As a result, although holders of Class A Units and Class F Units will receive Canadian dollars upon redemptions, the amount of such redemptions will be determined based in part upon the U.S. dollar/Canadian dollar exchange rate at the time of such redemption. The Trust does not currently intend to enter into any hedging arrangements to limit the impact of changes in the U.S. dollar/Canadian exchange rate and therefore Unitholders will have full exposure to changes in the exchange rate between the U.S. dollar and Canadian dollar. The Trust may enter into hedging arrangements in the future. See “Risk Factors – Risks Related to the Trust – Currency Exchange Rate”.

The redemption price per Unit multiplied by the number of Units tendered by a Unitholder for redemption will be paid to such Unitholder by way of a cash payment no later than the last day of the calendar month following the calendar quarter in which such Units were tendered for redemption, provided that, unless the Board otherwise determines:

- (a) the total amount payable by the Trust by cash payment in respect of the redemption of Units for the calendar quarter shall not exceed C\$50,000 in the aggregate; and
- (b) the total amount payable by the Trust by cash payment in respect of the redemption of Units in any 12-month period ending at the end of that calendar quarter will not exceed 1% of the aggregate Net Asset Value at the start of such 12-month period.

See “Risk Factors – Risks Related to the Offering – Limited Liquidity of Units”.

The payment in cash by the Trust of the redemption price of Units will reduce the amount of cash available to the Trust for the payment of distributions to Unitholders, as the payment of the amount due in respect of redemptions will take priority over the payment of such cash distributions. See “Risk Factors – Risks Related to Redemptions – Use of Available Cash.”

If the redemption price for any Units is not satisfied in cash as a result of the foregoing limitations, the Trust shall satisfy the redemption of such Units by way of an *in specie* distribution of property of the Trust (which may include Investment LP Units, provided such Unitholder is not an Excluded Person unless such transfer is approved by the Investment GP in its sole and absolute discretion) and/or the issuance of unsecured subordinated promissory notes of the Trust, at its option, as determined by the Board in its sole discretion. Property distributed by the Trust, or notes issued by the Trust, on a redemption may be illiquid and generally will not be qualified investments for trusts governed by Plans. In those circumstances, adverse tax consequences generally may apply to a Plan and/or the annuitant, holder, subscriber or beneficiary thereunder or thereof, as a result of the redemption of Units held in a trust governed by a Plan. See “Risk Factors – Risks Related to Redemptions – Payment of Redemption Price in Kind”. The redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment.

In respect of a cash payment to a holder of Class A Units or Class F Units, the redemption price per Unit as determined above will be converted by the Trust into Canadian dollars at the spot exchange rate available to the Trust in respect of such redemption amount, and the resulting Canadian dollar amount will be paid to the redeeming Unitholder.

Units will be redeemed according to the order in which Redemption Notices are received.

Powers and Responsibilities of the Board of Trustees

The Board has exclusive authority to manage the operations and affairs of the Trust and to make all decisions regarding the business of the Trust, and has authority to bind the Trust. The powers, authorities and responsibilities of the Board are limited to those expressly set forth in the Declaration of Trust. The Board is responsible for managing the activities and administration of the Trust and the conduct of the affairs of the Trust, including without limitation:

- (a) holding Trust Property in safekeeping; retaining moneys, securities, property, assets or investments; investing moneys from time to time forming part of the Trust Property (as such term is defined in the Declaration of Trust);
- (b) ensuring that the Net Subscription Proceeds are invested in Investment LP Units;
- (c) borrowing money as necessary to pay distributions to Unitholders, and encumbering Trust Property in respect thereof;
- (d) lending money or other Trust Property, whether secured or unsecured;
- (e) paying properly incurred expenses out of Trust Property;
- (f) depositing moneys from time to time forming part of the Trust Property in accounts;
- (g) possessing and exercising rights, powers and privileges pertaining to ownership of or interest in Trust Property;
- (h) holding legal title to Trust Property;
- (i) approving the application for the listing on any stock exchange of any Units or other securities of the Trust, and doing all things which in the opinion of the Board may be necessary or desirable to effect or maintain such listing or listings;
- (j) reinvesting income and gains of the Trust and taking other actions besides the mere protection and preservation of the Trust Property;
- (k) ensuring compliance with applicable securities legislation;
- (l) preparing and filing or causing to be prepared and filed all requisite returns, reports and filings;

- (m) monitoring the Trust's status as a "mutual fund trust" within the meaning of the Tax Act;
- (n) providing all requisite office accommodation and associated facilities;
- (o) providing or causing to be provided to the Trust all other administrative and other services and facilities required by the Trust;
- (p) maintaining or causing to be maintained complete records of all transactions in respect of the investment portfolio of the Trust;
- (q) prescribing any instrument provided for or contemplated by the Declaration of Trust;
- (r) remitting distributions to Unitholders;
- (s) appointing the auditors of and registrar and transfer agent for the Trust; and
- (t) 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 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 the Declaration of Trust and will be subject at all times to the general control and supervision of the Board as provided for therein,

all subject to the terms and conditions set out in the Declaration of Trust. The Declaration of Trust provides that the Board may engage or employ persons in connection with the Trust and pay them compensation out of Trust Property and may delegate its powers, authorities and duties. Pursuant to the Management Agreement, the Manager will be responsible for providing management and administration services to the Trust and will fulfil the responsibilities listed above, subject to the oversight of the Board.

The Declaration of Trust provides that any Trustee may resign upon written notice to the Trust. A Trustee may be removed at any time with cause by the Manager. A vacancy occurring among the Trustees may be filled by resolution of the remaining Trustees, as long as they constitute a quorum and a majority of the Trustees constituting quorum are resident in Canada for purposes of the Tax Act (or if they are not, then a new Trustee may be appointed by the Manager). In the event that an independent Trustee ceases to be a Trustee, such vacancy shall be filled by a person that would qualify as an independent Trustee, and a quorum of independent Trustees shall be necessary to fill such vacancy.

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

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

Each of the Trustees are required to exercise their powers and discharge their duties honestly, in good faith and in the best interests of the Trust and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Conflicts of Interest

A Trustee who directly or indirectly has a material interest in a material contract or transaction or proposed material contract or transaction with the Trust, or an affiliate of the Trust, must disclose in writing to the Trust the nature and extent of such interest forthwith after becoming aware of the material contract or transaction or proposed material contract or transaction. Such Trustee must not vote on any resolution to approve the material contract or transaction, unless the material contract or transaction is one relating primarily to his or her remuneration as a Trustee or one for indemnity or insurance. Where a Trustee fails to disclose his or her interest in a material contract or transaction, any Trustee or any Unitholder, in addition to exercising any other rights or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the material contract or transaction and directing that the Trustee account to the Trust for any profit or gain realized, provided that if the Trustee is acting honestly and in good faith, he or she will not be accountable to the Trust or to the Unitholders for any profit or gain realized from such material contract or transaction, and such material contract or transaction will not be void or voidable and may not be set aside, if: (i) the material contract or transaction was reasonable and fair to the Trust at the time it was approved; (ii) the material contract or transaction is confirmed or approved at a meeting of the Unitholders duly called for that purpose; and (iii) the nature and extent of the Trustee's interest in such contract or transaction is disclosed in reasonable detail in the notice calling the meeting of the Unitholders.

All decisions of the Board will require the approval of a majority of the Trustees present in person or by phone at a meeting of the Board, except for each of the following matters which will also require the approval of a majority of the independent Trustees and provided these matters are exclusively related to the Project:

- (a) an acquisition of real property or an investment in real property in connection with the Project, whether by co-investment or otherwise, in which Altree or its affiliates or any related party of the Trust has any direct or indirect interest, whether as owner, operator or manager, other than pursuant to the CZBK Interest Purchase Agreement;
- (b) a material change to any agreement with Altree, its affiliates or any 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, excluding the development management fees contemplated in this Prospectus;
- (c) any new fees or arrangements to be entered into with Altree, its affiliates or any related party of the Trust that are not contemplated in the Management Agreement and excluding the development management fees contemplated in this Prospectus;
- (d) 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 (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or other similar capacity;
- (e) the refinancing, increase or renewal of any indebtedness related to the Project owed by or to (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or other similar capacity;
- (f) decisions relating to any claims by or against one or more parties to any agreement with Altree, its affiliates or any related party of the Trust related to the Project;
- (g) determining whether to exercise the Trust's rights (as the indirect holder of the CZBK Class B Units, CZRBK Class B Units and Avenir Class B Units) to replace the general partner of CZBK, CZRBK and/or Avenir LP, as applicable; and
- (h) determining whether an event or occurrence should be designated as a Liquidity Event.

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.

Rights of Unitholders

Subject to certain important exceptions, a Unitholder has substantially all of the same protections, rights and remedies as a shareholder would have under the CBCA. Many of the provisions of the CBCA respecting the governance and management of a corporation have been incorporated in the Declaration of Trust. For example, Unitholders are entitled to exercise voting rights in respect of their Units in a manner comparable to shareholders of a CBCA corporation, and provisions relating to the calling and holding of meetings of Unitholders included in the Declaration of Trust are comparable to those of the CBCA. Unlike shareholders of a CBCA corporation, the Trust will not be required to hold annual Unitholder meetings and Unitholders do not have a comparable right of a shareholder to make a proposal at a general meeting of the Trust. The matters in respect of which Unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of a CBCA corporation. Unitholders do not have recourse to a dissent right under which shareholders of a CBCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, the sale of all or substantially all of its property, or a going private transaction). As an alternative, Unitholders seeking to terminate their investment in the Trust are entitled to receive, subject to certain conditions and limitations, a share of the Trust's net assets, through the exercise of the redemption rights described above under "– Redemption". Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of a CBCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties. Unitholders have no pre-emptive rights with respect to the Units.

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

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

7.2 The Investment LP

The following is a summary only of certain of the material provisions that are contained in the Investment LP Agreement.

The rights and obligations of the Investment GP and the parties holding Investment LP Units are governed by the Investment LP Agreement among the Investment GP, the Trust, as the initial limited partner, and all persons who subsequently become limited partners of the Investment LP holding Investment LP Units.

Capital in the Investment LP

The capital of the Investment LP consists of an unlimited number of Investment LP Units, plus the interests held by the Investment GP as general partner. Initially, all of the Investment LP Units will be held by the Trust.

Allocation of Net Income and Net Losses

Net income, and (where permitted by Applicable Law) the income for income tax purposes, of the Investment LP will be allocated among the Investment GP and holders of Investment LP Units on the following basis:

- (a) first, 0.01% of net income and (where permitted by Applicable Law) the income for income tax purposes, will be allocated to the Investment GP; and
- (b) second, the balance will be allocated to the holders of Investment LP Units (initially being the Trust).

Net losses and (where permitted by Applicable Law) losses for income tax purposes of the Investment LP will be allocated to the holders of Investment LP Units.

For the avoidance of doubt, allocations of income and loss of the Investment LP will be made on a consistent basis for Canadian and U.S. Federal income tax purposes, except in the case of income to the extent of any difference in income arising solely because of one or more differences described in subsection 126(4.12) of the Tax Act.

Cash Flow Distributions

To the extent cash flow permits, the Investment LP will pay and distribute in each year an amount equal to all cash flow from its investment in Investment LP Units in that year after payment of all current obligations of the Investment LP. Cash flow will be distributed on a quarterly basis (or such other time frame as determined by Investment GP) as follows:

- (a) 0.01% to the Investment GP, up to a maximum of US\$1,000 in a single fiscal year;
- (b) 99.99% to the holders of Investment LP Units.

Notwithstanding the above, the Investment GP may in its sole and unfettered discretion elect to not distribute cash flow in any period or to reduce the amount of any distribution of cash flow in whole or in part.

Distributions upon Wind-up, etc.

Upon the liquidation, dissolution or wind-up of the Investment LP, the assets of the Investment LP will be liquidated and the proceeds thereof will be distributed, as applicable, as follows:

- (a) first, to pay all unpaid expenses which are required to be paid under the Investment LP Agreement and all expenses incurred in the winding-up of the Investment LP;
- (b) second, to pay all of the liabilities of the Investment LP, including any loans or advances made by its limited partners and any amounts owing to the Investment GP in respect of costs and expenses owing to it as general partner;
- (c) third, to establish such reserves as the Investment GP as general partner considers necessary;
- (d) fourth, to pay to the partners of the Investment LP any unpaid portion of the distributions noted under "Description of Securities – The Investment LP – Cash Flow Distributions."

Alternatively, the holders of Investment LP Units may approve by Special Resolution distributions of all assets of the Investment LP *in specie*, in which event the Investment GP and each holder of Investment LP Units shall, subject to the provisions of the Investment LP Agreement, be entitled to receive an undivided interest in each and every asset of the Investment LP in accordance with such limited partner's proportionate interest in the Investment LP as of the date of dissolution or sale, which would reduce the capital account of the Investment LP Units accordingly.

Additional Capital Contributions

No limited partner of the Investment LP will be required to make additional capital contributions to the Investment LP over and above the purchase price paid for such limited partner's Investment LP Units.

Management of the Investment LP

The Investment GP, as general partner, has continuing exclusive authority over the management of the Investment LP, the conduct of its affairs, and the management and disposition of the property of the Investment LP, except for certain limited matters being subject to votes of the holders of Investment LP Units. The Investment GP does not have any right to vote.

Removal of the Investment GP

Holders of Investment LP Units may, by Ordinary Resolution and upon 10 days' written notice to the Investment GP, remove the Investment GP as general partner of the Investment LP without cause, and may immediately remove the Investment GP for cause, if such cause is not remedied after reasonable notice from the holders of Investment LP Units. In either such case, the holders of Investment LP Units will appoint, concurrently with the removal, a replacement general partner to assume all of the responsibilities and obligations of the removed general partner, and the removed general partner will be released of its liabilities under the Investment LP Agreement and indemnified for any damages and expenses with respect to events which occur in relation to the Investment LP after the appointment of the new general partner.

Transfer of Investment LP Units

The transfer of Investment LP Units will be subject to a number of restrictions, including: (i) the Investment LP Units may not be transferred to a person or partnership who is an Excluded Person (which includes a Non-Resident) unless such transfer is approved by the Investment GP in its sole and absolute discretion; (ii) no Investment LP Units will be transferable in part; and (iii) no transfer of Investment LP Units will be accepted by the Investment GP unless a transfer form, duly completed and signed by the registered holder of such Investment LP Units has been remitted to the registrar and transfer agent of the Investment LP. In addition, a transferee of Investment LP Units must provide to the Investment GP such other instruments and documents as the Investment GP may require, in appropriate form, completed and executed in a manner acceptable to the Investment GP and must pay the administration fee, if any, required thereby. A transferee of a unit of the Investment LP will not become a partner or be admitted to the Investment LP and will not be subject to the obligations and entitled to the rights of a partner under the Investment LP Agreement until the foregoing conditions are satisfied and such transferee is recorded on the Investment LP's register of partners.

Amendments to the Investment LP Agreement

The Investment LP Agreement may be amended by Special Resolution of the holders of Investment LP Units except for certain amendments which require unanimous approval of holders of Investment LP Units, including: (i) changing the liability of any limited partner; (ii) changing the right of a limited partner to vote at any meeting of holders of Investment LP Units; and (iii) changing Investment LP from a limited partnership to a general partnership.

The Investment GP may also make amendments to the Investment LP Agreement without the approval or consent of the limited partners to reflect, among other things: (i) a change in the name of the Investment LP or the location of the principal place of business or registered office of the Investment LP; (ii) the admission, substitution, withdrawal or removal of limited partners in accordance with the Investment LP Agreement; (iii) a change that, as determined by the Investment GP, is reasonable and necessary or appropriate to qualify or continue the qualification of the Investment LP as a limited partnership in which the limited partners have limited liability under Applicable Laws; (iv) a change that, as determined by the Investment GP, is reasonable and necessary or appropriate to enable the Investment LP to take advantage of, or not be detrimentally affected by, changes in the Tax Act or other taxation laws; (v) creating or issuing one or more new classes or series of additional limited partnership units that rank *pari passu* with or junior to the Investment LP Units and the Cost Overrun Units or any other limited partnership units; or (vi) a change to amend or add any provision, or to cure any ambiguity or to correct or supplement any provisions contained in the Investment LP Agreement which may be defective or inconsistent with any other provision contained in the Investment LP Agreement or which should be made to make the Investment LP Agreement consistent with the disclosure set out in this Prospectus.

Notwithstanding the foregoing: (i) no amendment which would adversely affect the rights and obligations of the Investment GP, as a general partner, may be made without the consent of the Investment GP; and (ii) no amendment which would adversely affect the rights and obligations of any other holders of limited partnership units or any class of limited partner differently than any other class of limited partner may be made without the consent of such holder or class.

7.3 CZBK

The following is a summary only of certain of the material provisions that are contained in the CZBK LP Agreement.

The rights and obligations of CZBK GP and the parties holding CZBK LP Units will be governed by the CZBK LP Agreement, as it will be amended and restated on or before the Closing Date. The Trust will indirectly invest in CZBK through the Trust's investment of the Net Subscription Proceeds in the Investment LP, which in turn will invest in CZBK. Following the Acquisition, the Trust will have an indirect 83.09% limited partner interest in CZBK (inclusive of a deemed capital contribution by the Investment LP equal to the amount of the Agent's Fee).

Capital in CZBK

The capital of CZBK consists of an unlimited number of CZBK Class A Units, an unlimited number of CZBK Class B Units, an unlimited number of CZBK Special LP Units, plus the general partner interest held by CZBK GP as general partner. The CZBK Class A Units and CZBK Special LP Units will be held by certain of the Current Owners directly and the CZBK Class B Units will be held by the Investment LP directly, representing the Trust's indirect interest in CZBK.

Allocation of Income and Losses for Tax and Accounting Purposes

For tax and accounting purposes, losses for each fiscal year of CZBK will be allocated to the holders of CZBK Class A Units and CZBK Class B Units. For tax and accounting purposes, net income for each fiscal year of CZBK will be allocated to the holders of CZBK LP Units and CZBK GP, as general partner of CZBK LP, in a manner consistent with and in the same priorities in which distributions are made to partners (or that would have been distributed in the year if there were sufficient distributions), provided for greater certainty that, to the extent possible, the amount of income allocated to CZBK GP as general partner of CZBK for each fiscal year is intended to be equal to the amount of the distributions, if any, paid to CZBK GP for such fiscal year; subject to adjustments for prior loss allocations and such other adjustments as necessary to be made on a cumulative basis and subject to certain adjustments for Canadian or U.S. federal income tax purposes, as applicable, provided for the avoidance of doubt, that allocations of income and loss will be made on a consistent basis for Canadian and U.S. federal income tax purposes, except in the case of income to the extent of any difference in income arising solely because of one or more differences described in subsection 126(4.12) of the Tax Act. For greater certainty, no amounts of income or loss of CZBK for a fiscal year shall be allocated to CZBK Class B Units to the extent such amounts arise prior to such CZBK Class B Units being in issued in that fiscal year.

Cash Flow Distributions

To the extent the aggregate cash flow of CZBK permits, and subject to any restrictions imposed on CZBK by any lenders under any Construction Loans, CZBK is expected to pay and distribute, from time to time, all cash flow received from its investment in CZBK LP Units. Cash flow will be distributed on a quarterly basis, 0.1% to CZBK GP, to a maximum of US\$1,000 in a single fiscal year, with the balance distributed to the limited partners of CZBK as follows, in each case without duplication and to the extent not previously distributed:

- (a) as to that portion of Distributable Cash comprised of proceeds received by CZBK as distributions on the CZBK Class B Units, to the holder of CZBK Class B Units;
- (b) as to that portion of Distributable Cash comprised of proceeds received by CZBK as distributions on the CZBK Class A Units, to the holders of CZBK Class A Units on a pro rata basis in accordance with their respective proportion of CZBK Class A Units;
- (c) as to that portion of Distributable Cash comprised of proceeds received by CZBK as distributions on the CZBK Special LP Units, to the holders of CZBK Special LP Units on a pro rata basis in accordance with their respective proportion of CZBK Special LP Units; and
- (d) as to that portion of Distributable Cash from sources otherwise than as described above, to the holders of CZBK Class A Units and CZBK Class B Units on a pro rata basis in accordance with their respective proportion of CZBK Class A Units and CZBK Class B Units, collectively.

Notwithstanding the above, CZBK GP may in its sole and unfettered discretion elect to not distribute the cash flow of CZBK in any period or to reduce the amount of any distribution of cash flow in whole or in part.

Distributions upon Wind-up, etc.

Upon the liquidation, dissolution or wind-up of CZBK, the assets of CZBK will be liquidated and the proceeds thereof will be distributed as follows:

- (a) first, to pay all unpaid expenses which are required to be paid under the CZBK LP Agreement and all expenses incurred in the liquidation, dissolution or winding-up of CZBK;
- (b) second, to pay all of the liabilities of CZBK, including any loans or advances made by its limited partners and any amounts owing to CZBK GP in respect of costs and expenses owing to it as general partner;
- (c) third, to establish such reserves as CZBK GP as general partner considers necessary; and
- (d) fourth, to pay to the partners of CZBK any unpaid portion of the distributions noted under “Description of Securities– CZBK – Cash Flow Distributions”.

Alternatively, the holders of CZBK LP Units may approve by a resolution of 66²/₃% of each voting class of CZBK LP Units distributions of all assets of CZBK, in which event CZBK GP and each holder of CZBK LP Units shall, subject to the provisions of the CZBK LP Agreement, be entitled to receive an undivided, proportionate interest in each and every asset of CZBK in accordance with the proportionate amounts that would have been received if the property were liquidated and distributed as described above.

Additional Capital Contributions

No limited partner of CZBK will be required to make additional capital contributions to CZBK over and above the purchase price paid for such limited partner’s CZBK LP Units.

Management of CZBK

CZBK GP, as general partner of CZBK, will have exclusive authority over the management of CZBK, the conduct of its affairs, and the management and disposition of the property of CZBK, except for certain limited matters being subject to votes of the holders of CZBK LP Units and certain Investment Restrictions and Operating Policies contained in the Declaration of Trust, as described under “Investment Restrictions and Operating Policies”. CZBK GP will not have any rights to vote.

Removal of CZBK GP

Holders of CZBK Class B Units may, by Ordinary Resolution and not less than 30 days’ written notice to CZBK GP, remove CZBK GP as general partner of CZBK without cause, and may immediately remove CZBK GP for cause, if such cause is not remedied after reasonable notice from the holders of CZBK LP Units. In either such case, the holders of CZBK Class B Units will appoint, by Ordinary Resolution, concurrently with the removal, a replacement general partner to assume all of the responsibilities and obligations of the removed general partner, and the removed general partner will be released of its liabilities under the CZBK LP Agreement and indemnified for any damages and expenses with respect to events which occur in relation to CZBK after the appointment of the new general partner.

Transfer of CZBK LP Units

The transfer of CZBK LP Units will be subject to a number of restrictions, including: (i) the CZBK LP Units may not be transferred except to an affiliate in accordance with the terms of the CZBK LP Agreement or in connection with the exercise of certain rights of Current Owners against non-funding Current Owners pursuant to the Cost Overrun Funding and Guarantee Agreement; and (ii) no transfer of CZBK LP Units will be accepted by CZBK GP unless a transfer form and power of attorney, duly completed and signed by the registered holder of such CZBK LP Units, as applicable, has been remitted to the CZBK GP. In addition, a transferee of CZBK LP Units must provide to CZBK GP such other instruments and documents as CZBK GP may require, in appropriate form, completed and executed in a manner acceptable to CZBK GP and must pay the administration fee, if

any, required thereby. No transfer of CZBK LP Units may be made if such transfer: (i) would result in CZBK becoming a “SIFT partnership” for purposes of the Tax Act; (ii) in the opinion of legal counsel, such transfer would result in CZBK being treated as a corporation for purposes of the Code; (iii) is effectuated through an “established securities market” or a “secondary market (or the substantial equivalent thereof)” within the meaning of Section 7704 of the Code; (iv) in the opinion of legal counsel for the Partnership, is reasonably likely to cause the Partnership to fail to satisfy the 90% qualifying income test described in Section 7704(c) of the Code; or (v) in the opinion of legal counsel for the Partnership, would require the registration of the CZBK LP Units under the United States Securities Act of 1933, as amended, or would otherwise violate any applicable federal or state securities or blue sky law (including investment suitability standards). A transferee of a CZBK LP Unit will not become a partner or be admitted to CZBK and will not be subject to the obligations and entitled to the rights of a partner under the CZBK LP Agreement until the foregoing conditions are satisfied and such transferee is recorded on CZBK’s register of partners.

Amendments to CZBK LP Agreement

The CZBK LP Agreement may be amended by a resolution of 66²/₃% of each voting class of CZBK LP Units, except for certain amendments which require unanimous approval of holders of CZBK LP Units and certain other amendments which require (only and not in addition) the approval of 50% of the CZBK Class B Units. Matters requiring unanimous approval of holders of CZBK LP Units include: (i) changing the liability of any limited partner; (ii) changing the right of a limited partner to vote at any meeting of holders of CZBK LP Units; and (iii) changing CZBK from a limited partnership to a general partnership. Matters requiring approval of 50% of the CZBK LP Units include: (i) any removal of or change to CZBK GP, (ii) any amendment to the terms and conditions of the CZBK Class B Units, (iii) the issuance of any additional CZBK Class B Units, (iv) the creation of any class of CZBK LP Units having rights equal to or greater than those attaching to the CZBK Class B Units, (v) an amendment to the amending clause in respect of the CZBK Class B Units, and (vi) to consent to any action that would adversely affect the CZBK Class B Units, as applicable, and any interests therein.

CZBK GP may also make amendments to the CZBK LP Agreement without the approval or consent of the limited partners to reflect, among other things: (i) a change in the name of CZBK or the location of the principal place of business or registered office of CZBK; (ii) the admission, substitution, withdrawal or removal of limited partners in accordance with the CZBK LP Agreement (iii) a change that, as determined by CZBK GP, is reasonable and necessary or appropriate to qualify or continue the qualification of CZBK as a limited partnership in which the limited partners have limited liability under Applicable Laws; (iv) a change that, as determined by CZBK GP, is reasonable and necessary or appropriate to enable CZBK to take advantage of, or not be detrimentally affected by, changes in Applicable Laws relating to taxation; (v) creating or issuing one or more new classes or series of additional limited partnership interests; or (vi) a change to amend or add any provision, or to cure any ambiguity or to correct or supplement any provisions contained in the CZBK LP Agreement which may be defective or inconsistent with any other provision contained in the CZBK LP Agreement or which should be made to make the CZBK LP Agreement consistent with the disclosure set out in this Prospectus.

Notwithstanding the foregoing: (i) no amendment which would adversely affect the rights and obligations of CZBK GP, as a general partner, may be made without the consent of CZBK GP; and (ii) no amendment which would adversely affect the rights and obligations of any other holders of limited partnership units or any class of limited partner differently than any other class of limited partner may be made without the consent of such holder or class.

7.4 CZRBK

The following is a summary only of certain of the material provisions that are contained in the CZRBK LP Agreement.

The rights and obligations of CZRBK GP and the parties holding CZRBK LP Units will be governed by the CZRBK LP Agreement, as it will be amended and restated on or before the Closing Date. The Trust will indirectly invest in CZRBK through the Trust’s investment of the Net Subscription Proceeds in Investment LP, which in turn will invest in CZBK, which in turn will invest in CZRBK. Following the Acquisition, the Trust will have an indirect 81.06% interest in CZRBK (inclusive of a deemed capital contribution by CZBK equal to the amount of the Agent’s Fee).

Capital in CZRBK

The capital of CZRBK consists of an unlimited number of CZRBK Class A Units, an unlimited number of CZRBK Class B Units, an unlimited number of CZRBK Special LP Units, plus the general partner interest held by CZRBK GP as general partner. The CZRBK Class A Units and CZRBK Special LP Units will be held by certain of the Current Owners either directly or through CZBK and the CZRBK Class B Units will be held by CZBK directly, representing the Trust's indirect interest in CZRBK.

Allocation of Income and Losses for Tax and Accounting Purposes

For tax and accounting purposes, losses for each fiscal year of CZRBK will be allocated to the holders of CZRBK Class A Units and CZRBK Class B Units. For tax and accounting purposes, net income for each fiscal year of CZRBK will be allocated to the holders of CZRBK LP Units and CZRBK GP, as general partner of CZRBK LP, in a manner consistent with and in the same priorities in which distributions are made to partners (or that would have been distributed in the year if there were sufficient distributions), provided for greater certainty that, to the extent possible, the amount of income allocated to CZRBK GP as general partner of CZRBK for each fiscal year is intended to be equal to the amount of the distributions, if any, paid to CZRBK GP for such fiscal year; subject to adjustments for prior loss allocations and such other adjustments as necessary to be made on a cumulative basis and subject to certain adjustments for Canadian or U.S. federal income tax purposes, as applicable, provided for the avoidance of doubt, that allocations of income and loss will be made on a consistent basis for Canadian and U.S. federal income tax purposes, except in the case of income to the extent of any difference in income arising solely because of one or more differences described in subsection 126(4.12) of the Tax Act. For greater certainty, no amounts of income or loss of CZRBK for a fiscal year shall be allocated to CZRBK Class B Units to the extent such amounts arise prior to such CZRBK Class B Units being issued in that fiscal year.

Cash Flow Distributions

To the extent the aggregate cash flow of CZRBK permits, and subject to any restrictions imposed on CZRBK by any lenders under any Construction Loans, CZRBK is expected to pay and distribute, from time to time, all cash flow received from its investment in the Avenir LP Units. Cash flow will be distributed on a quarterly basis, 0.1% to CZRBK GP, to a maximum of US\$1,000 in a single fiscal year, with the balance distributed to the limited partners of CZRBK as follows, in each case without duplication and to the extent not previously distributed:

- (a) as to that portion of Distributable Cash comprised of proceeds received by CZRBK as distributions on the Avenir Class B Units, to the holders of CZRBK Class B Units on a pro rata basis in accordance with their respective proportion of CZRBK Class B Units;
- (b) as to that portion of Distributable Cash comprised of proceeds received by CZRBK as distributions on the Avenir Class A Units, to the holders of CZRBK Class A Units on a pro rata basis in accordance with their respective proportion of CZRBK Class A Units;
- (c) as to that portion of Distributable Cash comprised of proceeds received by CZRBK as distributions on the Avenir Special LP Units, to the holders of CZRBK Special LP Units on a pro rata basis in accordance with their respective proportion of CZRBK Special LP Units; and
- (d) as to that portion of Distributable Cash from sources otherwise than as described above, to the holders of CZRBK Class A Units and CZRBK Class B Units on a pro rata basis in accordance with their respective proportion of CZRBK Class A Units and CZRBK Class B Units, collectively.

Notwithstanding the above, CZRBK GP may in its sole and unfettered discretion elect to not distribute the cash flow of CZRBK in any period or to reduce the amount of any distribution of cash flow in whole or in part.

Distributions upon Wind-up, etc.

Upon the liquidation, dissolution or wind-up of CZRBK, the assets of CZRBK will be liquidated and the proceeds thereof will be distributed as follows:

- (a) first, to pay all unpaid expenses which are required to be paid under the CZRBK LP Agreement and all expenses incurred in the liquidation, dissolution or winding-up of CZRBK;
- (b) second, to pay all of the liabilities of CZRBK, including any loans or advances made by its limited partners and any amounts owing to CZRBK GP in respect of costs and expenses owing to it as general partner;
- (c) third, to establish such reserves as CZRBK GP as general partner considers necessary; and
- (d) fourth, to pay to the partners of CZRBK any unpaid portion of the distributions noted under “Description of Securities– CZRBK – Cash Flow Distributions”.

Alternatively, the holders of CZRBK LP Units may approve by a resolution of 66²/₃% of each voting class of CZRBK LP Units distributions of all assets of CZRBK, in which event CZRBK GP and each holder of CZRBK LP Units shall, subject to the provisions of the CZRBK LP Agreement, be entitled to receive an undivided, proportionate interest in each and every asset of CZRBK in accordance with the proportionate amounts that would have been received if the property were liquidated and distributed as described above.

Additional Capital Contributions

No limited partner of CZRBK will be required to make additional capital contributions to CZBK over and above the purchase price paid for such limited partner’s CZBK LP Units.

Management of CZRBK

CZRBK GP, as general partner of CZRBK, will have exclusive authority over the management of CZRBK, the conduct of its affairs, and the management and disposition of the property of CZRBK, except for certain limited matters being subject to votes of the holders of CZRBK LP Units and certain Investment Restrictions and Operating Policies contained in the Declaration of Trust, as described under “Investment Restrictions and Operating Policies”. CZRBK GP will not have any rights to vote.

Removal of CZRBK GP

Holders of CZRBK Class B Units may, by Ordinary Resolution and upon not less than 30 days’ written notice to CZRBK GP, remove CZRBK GP as general partner of CZRBK without cause, and may immediately remove CZRBK GP for cause, if such cause is not remedied after reasonable notice from the holders of CZRBK LP Units. In either such case, the holders of CZRBK Class B Units will appoint, by Ordinary Resolution, concurrently with the removal, a replacement general partner to assume all of the responsibilities and obligations of the removed general partner, and the removed general partner will be released of its liabilities under the CZRBK LP Agreement and indemnified for any damages and expenses with respect to events which occur in relation to CZRBK after the appointment of the new general partner.

Transfer of CZRBK LP Units

The transfer of CZRBK LP Units will be subject to a number of restrictions, including: (i) the CZRBK LP Units may not be transferred except to an affiliate in accordance with the terms of the CZRBK LP Agreement or in connection with the exercise of certain rights of Current Owners against non-funding Current Owners pursuant to the Cost Overrun Funding and Guarantee Agreement; and (ii) no transfer of CZRBK LP Units will be accepted by CZRBK GP unless a transfer form and power of attorney, duly completed and signed by the registered holder of such CZRBK LP Units, as applicable, has been remitted to the CZRBK GP. In addition, a transferee of CZRBK LP Units must provide to CZRBK GP such other instruments and documents as CZRBK GP may require, in appropriate form, completed and executed in a manner acceptable to CZRBK GP and must pay the administration fee, if any, required thereby. No transfer of CZRBK LP Units may be made if such Transfer: (i) would result in CZRBK becoming a “SIFT partnership” for purposes of the Tax Act; (ii) in the opinion of legal counsel, would result in CZRBK being treated as a corporation for purposes of the Code; (iii) is effectuated through an “established securities market” or a “secondary market (or the substantial equivalent thereof)” within the meaning of Section 7704 of the Code; (iv) in the opinion of legal counsel for the Partnership, is reasonably likely to cause the Partnership to fail to satisfy the 90% qualifying income test described in Section 7704(c) of the Code; or (v) in the opinion of legal counsel for the Partnership, would require the registration of the CZRBK LP Units under the United States Securities Act of 1933, as amended, or would otherwise violate any applicable federal or state

securities or blue sky law (including investment suitability standards). A transferee of a CZRBK LP Unit will not become a partner or be admitted to CZRBK and will not be subject to the obligations and entitled to the rights of a partner under the CZRBK LP Agreement until the foregoing conditions are satisfied and such transferee is recorded on CZRBK's register of partners.

Amendments to CZRBK LP Agreement

The CZRBK LP Agreement may be amended by a resolution of 66²/₃ of each voting class of CZRBK LP Units, except for certain amendments which require unanimous approval of holders of CZRBK LP Units and certain other amendments which require (only and not in addition) the approval of 50% of the CZRBK Class B Units. Matters requiring unanimous approval of holders of CZRBK LP Units include: (i) changing the liability of any limited partner; (ii) changing the right of a limited partner to vote at any meeting of holders of CZRBK LP Units; and (iii) changing CZRBK from a limited partnership to a general partnership. Matters requiring approval of 50% of the CZRBK LP Units include: (i) any removal of or change to CZRBK GP, (ii) any amendment to the terms and conditions of the CZRBK Class B Units, (iii) the issuance of any additional CZRBK Class B Units, (iv) the creation of any class of CZRBK LP Units having rights equal to or greater than those attaching to the CZRBK Class B Units, (v) an amendment to the amending clause in respect of the CZRBK Class B Units, and (vi) to consent to any action that would adversely affect the CZRBK Class B Units, as applicable, and any interests therein.

CZRBK GP may also make amendments to the CZRBK LP Agreement without the approval or consent of the limited partners to reflect, among other things: (i) a change in the name of CZRBK or the location of the principal place of business or registered office of CZRBK; (ii) the admission, substitution, withdrawal or removal of limited partners in accordance with the CZRBK LP Agreement (iii) a change that, as determined by CZRBK GP, is reasonable and necessary or appropriate to qualify or continue the qualification of CZRBK as a limited partnership in which the limited partners have limited liability under Applicable Laws; (iv) a change that, as determined by CZRBK GP, is reasonable and necessary or appropriate to enable CZRBK to take advantage of, or not be detrimentally affected by, changes in Applicable Laws relating to taxation; (v) creating or issuing one or more new classes or series of additional limited partnership interests; or (vi) a change to amend or add any provision, or to cure any ambiguity or to correct or supplement any provisions contained in the CZRBK LP Agreement which may be defective or inconsistent with any other provision contained in the CZRBK LP Agreement or which should be made to make the CZRBK LP Agreement consistent with the disclosure set out in this Prospectus.

Notwithstanding the foregoing: (i) no amendment which would adversely affect the rights and obligations of CZRBK GP, as a general partner, may be made without the consent of CZRBK GP; and (ii) no amendment which would adversely affect the rights and obligations of any other holders of limited partnership units or any class of limited partner differently than any other class of limited partner may be made without the consent of such holder or class.

7.5 Avenir LP

The following is a summary only of certain of the material provisions that are contained in the Avenir LP Agreement.

The rights and obligations of Avenir GP and the parties holding Avenir LP Units will be governed by the Avenir LP Agreement, as it will be amended and restated on or before the Closing Date. The Trust will indirectly invest in Avenir LP through the Trust's investment of the Net Subscription Proceeds in Investment LP, which in turn will invest in CZBK, which in turn will invest in CZRBK, which in turn will invest in Avenir LP. Following the Acquisition, and assuming the Maximum Offering is achieved, the Trust will have an indirect 67.35% interest in Avenir LP (inclusive of a deemed capital contribution by CZRBK equal to the amount of the Agent's Fee).

Capital in Avenir LP

The capital of Avenir LP consists of an unlimited number of Avenir Class A Units, an unlimited number of Avenir Class B Units, an unlimited number of Cost Overrun Units, an unlimited number of Avenir Special LP Units, plus the general partner interest held by Avenir GP as general partner. The Avenir Class A Units and Avenir Special LP Units will be held by the Current Owners, either directly or indirectly, and the Avenir Class B Units will be held by CZRBK directly, representing the Trust's indirect interest in Avenir LP. Cost Overrun Units will be authorized for issuance in connection with any cost overruns.

Allocation of Income and Losses for Tax and Accounting Purposes

For tax and accounting purposes, losses for each fiscal year of Avenir LP will be allocated to the holders of Avenir Class A Units, Avenir Class B Units and Cost Overrun Units. For tax and accounting purposes, net income for each fiscal year of Avenir LP will be allocated to the holders of Avenir LP Units and Avenir GP, as general partner of Avenir LP, in the same manner and in the same priorities in which income received from Avenir LP is ultimately distributed to such partners (or that would have been distributed in the year if there were sufficient distributions), provided for greater certainty that, to the extent possible, the amount of income allocated to Avenir GP as general partner of Avenir LP for each fiscal year is intended to be equal to the amount of the distributions, if any, paid to Avenir GP for such fiscal year; subject to adjustments for prior loss allocations and such other adjustments as necessary to be made on a cumulative basis and subject to adjustments necessary to meet the Canadian or U.S. federal income tax standards, as applicable.

Cash Flow Distributions

To the extent cash flow permits, and subject to any restrictions imposed on Avenir LP by any lenders under any Construction Loans, Avenir LP is expected to pay and distribute from time to time, all cash flow from its investment in the Avenir LP Units. Cash flow will be distributed on a quarterly basis, 0.1% to Avenir GP, to a maximum of US\$1,000 in a single fiscal year, with the balance distributed to the limited partners of Avenir LP as follows, in each case without duplication and to the extent not previously distributed:

- (a) as to that portion of each dollar of Distributable Cash as is equal to the proportionate interest in Avenir LP of the Avenir Class B Units:
 - (i) first, to the holder of Avenir Class B Units until such holder (in its capacity as such and without regard to any distributions made on any other class of Avenir LP Units held by it, if any) has received, in the aggregate, an amount equal to its Minimum Return, such distribution to be made as a reduction of capital to the extent of the capital contributed to Avenir LP by such holder;
 - (ii) second:
 - (A) 20% to the holders of Avenir Special LP Units, on a pro rata basis in accordance with their respective proportion of Avenir Special LP Units; and
 - (B) 80% to the holder of Avenir Class B Units,until such holder of the Avenir Class B Units (in its capacity as such and without regard to any distributions made on any other class of Avenir LP Units held by it, if any) has received, in the aggregate, an amount equal to the Secondary Minimum Return; and
 - (iii) thereafter:
 - (A) 30% to the holders of Special LP Units, on a pro rata basis in accordance with their respective proportion of Avenir Special LP Units; and
 - (B) 70% to the holder of Class B LP Units; and
- (b) as to that portion of each dollar of Distributable Cash as is equal to the proportionate interest in Avenir LP of the Avenir Class A Units:
 - (i) first, to the holders of Avenir Class A Units, as a reduction of capital (to the extent of the capital contributed by each such holder to Avenir LP), on a pro rata basis in accordance with their respective proportion of Avenir Class A Units, until the holders of the Avenir Class A Units (in their capacity as such and without regard to any distributions made on any other class or classes of Avenir LP Units held by them, if any) have received, in the aggregate, an amount equal to their respective minimum return (being equivalent to the Minimum Return, *mutatis mutandis*);
 - (ii) second:

(A) 20% to the holders of Avenir Special LP Units, on a pro rata basis in accordance with their respective proportion of Avenir Special LP Units; and

(B) 80% to the holders of Avenir Class A Units on a pro rata basis in accordance with their respective proportion of Avenir Class A Units,

until the holders of the Avenir Class A Units (in their capacity as such and without regard to any distributions made on any other class of Avenir LP Units held by them, if any) have received, in the aggregate, an amount equal to their respective secondary minimum return (being equivalent to the Secondary Minimum Return, *mutatis mutandis*); and

(iii) thereafter:

(A) 30% to the holders of Avenir Special LP Units, on a pro rata basis in accordance with their respective proportion of Avenir Special LP Units; and

(B) 70% to the holders of Avenir Class A Units on a pro rata basis in accordance with their respective proportion of Avenir Class A Units.

(c) as to that portion of each dollar of Distributable Cash as is equal to the proportionate interest in Avenir LP of the Cost Overrun Units:

(i) first, to the holders of Cost Overrun Units, as a reduction of capital (to the extent of the capital contributed by each such holder to Avenir LP), on a pro rata basis in accordance with their respective proportion of Cost Overrun Units, until the holders of the Cost Overrun Units (in their capacity as such and without regard to any distributions made on any other class or classes of Avenir LP Units held by them, if any) have received, in the aggregate, an amount equal to their respective minimum return (being equivalent to the Minimum Return, *mutatis mutandis*);

(ii) second:

(A) 20% to the holders of Avenir Special LP Units, on a pro rata basis in accordance with their respective proportion of Avenir Special LP Units; and

(B) 80% to the holders of Cost Overrun Units on a pro rata basis in accordance with their respective proportion of Cost Overrun Units,

until the holders of the Cost Overrun Units (in their capacity as such and without regard to any distributions made on any other class of Avenir LP Units held by them, if any) have received, in the aggregate, an amount equal to their respective secondary minimum return (being equivalent to the Secondary Minimum Return, *mutatis mutandis*); and

(iii) thereafter:

(A) 30% to the holders of Avenir Special LP Units, on a pro rata basis in accordance with their respective proportion of Avenir Special LP Units; and

(B) 70% to the holders of Cost Overrun Units on a pro rata basis in accordance with their respective proportion of Cost Overrun Units.

(d) For greater certainty, the foregoing calculations shall be made:

(i) on a cumulative basis taking into account distributions for all prior periods; and

(ii) in respect of the determination of the amounts to be distributed pursuant to the holder of Avenir Class B Units, on a look-through basis, with reference to the entitlements of the Units of the Trust on a class-by-class basis (and, to the extent applicable, the entitlements of holders of the Investment

LP Units other than the Trust), such that, in the event that Avenir LP has made distributions of Distributable Cash pursuant to the foregoing that are sufficient to allow the Trust to satisfy the Minimum Return or Secondary Minimum Return in respect of any class of Units of the Trust (and, to the extent applicable, the entitlements of holders of the Investment LP Units other than the Fund) (the “**Satisfied Trust Units**”), then that portion the cash otherwise distributable to the holder of Avenir Class B Units that is equal to the respective proportionate interest of the class of Units of the Trust of the Satisfied Trust Units shall, in the case of the Minimum Return and/or the Secondary Minimum Return having been satisfied, be distributed to the holders of Avenir Special LP Units in the manner described above.

- (e) Notwithstanding anything to the contrary above, if, from time to time, distributions (or any portion thereof) to be made to the holders of Cost Overrun Units would result in such holders receiving aggregate distributions in an amount exceeding the pre-tax investor gross compounded annualized return to the Class C Units (whether issued or deemed to be issued), the entitlement of the holders of Cost Overrun Units to receive further distributions shall be suspended to the extent of such overage, unless and until (and to the extent that) such additional distributions would not result in the holders of Cost Overrun Units receiving aggregate distributions in an amount exceeding the pre-tax investor gross compounded annualized return to the Class C Units (whether issued or deemed to be issued). During the occurrence of such a suspension, proportionate interests of the limited partners of Avenir LP shall be determined without regard to the Cost Overrun Units and the provisions described above relating to distributions shall, for such period, be deemed to have been amended *mutatis mutandis*.

Notwithstanding the above, Avenir GP may in its sole and unfettered discretion elect to not distribute cash flow in any period or to reduce the amount of any distribution of cash flow in whole or in part.

Distributions upon Wind-up, etc.

Upon the liquidation, dissolution or wind-up of Avenir LP, the assets of Avenir LP will be liquidated and the proceeds thereof will be distributed as follows:

- (a) first, to pay all unpaid expenses which are required to be paid under the Avenir LP Agreement and all expenses incurred in the winding-up of Avenir LP;
- (b) second, to pay all of the liabilities of Avenir LP, including any loans or advances made by its limited partners and any amounts owing to Avenir GP in respect of costs and expenses owing to it as general partner;
- (c) third, to establish such reserves as Avenir GP as general partner considers necessary; and
- (d) fourth, to pay to the partners of Avenir LP any unpaid portion of the distributions noted in (a) and (b) under “Description of Securities– Avenir LP – Cash Flow Distributions”.

Alternatively, the holders of Avenir LP Units may approve by a resolution of 66²/₃% of each voting class of Avenir LP Units distributions of all assets of Avenir LP, in which event Avenir GP and each holder of Avenir LP Units shall, subject to the provisions of the Avenir LP Agreement, be entitled to receive an undivided interest in each and every asset of Avenir LP in accordance the proportionate amounts that would have been received if property were liquidated and distributed as described above.

Cost Overruns and Additional Capital Contributions

Except as set out below, no limited partner of Avenir LP will be required to make additional capital contributions to Avenir LP over and above the purchase price paid for such limited partner’s units.

In the event of a cost overrun for the Project requiring additional equity capital, pursuant to the Cost Overrun Funding and Guarantee Agreement, the Current Owners have agreed, among other things, to subscribe for Cost Overrun Units in order to fund such cost overrun. Each Current Owner has irrevocably committed to subscribe for its proportionate share of the Cost Overrun Units, and to pay the full subscription price in respect thereof, as and when required. In the event that Current Owner

defaults on its obligations, among other remedies that include buy-out rights in favor of the performing Current Owners, the remaining Current Owners (or any of them) may fund such amount on their behalf. Such funding will be deemed to be a demand loan made by the funding Current Owners to the non-funding Current Owners and shall earn and accrue interest at a rate of 18%, calculated daily and compounded monthly, not in advance, until paid in full.

The Trust is not and will not be obligated to fund any cost overruns. In the event of a cost overrun, the subscription for Cost Overrun Units will result in indirect dilution of the Trust's interest in the Project. See "Risk Factors".

Liquidity Provisions

At any time during the 30 days following the 120th day before the expiry of the Term, and provided a Liquidity Event is not completed within four years of the Closing Date, subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders), the Trust (as the ultimate indirect holder of the Avenir Class B Units) will be permitted to initiate the Liquidity Option described above under "Description of Securities – The Trust – Termination of the Trust". In such circumstances, the Trust (acting through CZRBK) will be permitted to initiate a process whereupon the Trust and the Avenir Limited Partners (together as a group) shall each appoint an independent, third party appraiser to obtain an appraisal of the Project. Following receipt of the appraisals, the Avenir Limited Partners will have 30 days to agree to acquire the Avenir Class B Units (the "**Liquidity Option**") at a purchase price for the Avenir Class B Units (the "**Liquidity Option Price**") equal to the pre-tax amount that would be distributed (or be available for distribution) in respect of the Avenir Class B Units if the Project was sold for the higher of: (A) the value of the Liquidity Event modelled in the pro forma of the Project (being approximately US\$307.6 million); and (B) either (i) the mid-point of the two appraisals, or (ii) if the higher appraisal is more than 110% of the lower appraisal, a third appraisal shall be obtained and the price shall be the mid-point of the two closest appraisals.

If the Avenir Limited Partners do not exercise the Liquidity Option within such 30-day period, the Trust will have the right for a 60-day period following the expiry of the 30 day exercise period for the Liquidity Option (the "**Shop Period**") to cause CZRBK initiate a sale of the Avenir Class B Units (or, where the Trust intends to exercise its drag along rights, either the sale of all but not less than all of the limited partner interests in Avenir LP or a direct sale of the whole of the Project by Avenir LP) to one or more third parties at not less than the Liquidity Option Price. If the Trust is able to identify such an acquiror, the Trust shall have the right to require that the Avenir Limited Partners sell their respective limited partner interests in Avenir LP, at the applicable proportion that such interests represent of the Liquidity Option Price.

In the event the Trust is unable to identify such an acquiror during the Shop Period, the Trust will restart the Liquidity Option at a new price for the Avenir Class B Units selected by the Trust among the following three (3) formula (the "**Revised Liquidity Option Price**"): (i) a purchase price for the Avenir Class B Units, as applicable, equal to the pre-tax amount that would be distributed (or be available for distribution) in respect of the Avenir Class B Units if the Project or the Avenir Class B Units were sold for the highest offer price received by the Trust during the Shop Period pursuant to a binding and unconditional offer by an arms length third party, (ii) a purchase price for the Avenir Class B Units, as applicable, equal to the pre-tax amount that would be distributed (or be available for distribution) in respect of the Avenir Class B Units if the Project was sold for 95% of the mid-point of the original two appraisals or if the higher appraisal is more than 110% of the lower appraisal and a third appraisal was obtained, then 95% of the mid-point of the two closest original appraisals, or (iii) a purchase price for the Avenir Class B Units, as applicable, equal to the pre-tax amount that would be distributed (or be available for distribution) in respect of the Avenir Class B Units if the Project was sold for (A) the mid-point of two new appraisals or (B) if the higher appraisal is more than 110% of the lower appraisal, then the mid-point of the two closest new appraisals out of the three new appraisals. In the event that the Avenir Limited Partners do not exercise the Liquidity Option at the Revised Liquidity Option Price within 30 days from the date the Revised Liquidity Option Price is determined, the Trust will have the right to during the next 30-day period to direct Avenir LP to initiate the Sale Process. Any transaction to be completed pursuant to the Liquidity Option, the Shop Period or the Sale Process will be subject to approval by the Unitholders by Special Resolution.

Management of Avenir LP

Avenir GP, as general partner of Avenir LP, will have exclusive authority over the management of Avenir LP, the conduct of its affairs, and the management and disposition of the property of Avenir LP, except for certain limited matters being subject to votes of the holders of Avenir LP Units and certain Investment Restrictions and Operating Policies contained in the Declaration of Trust, as described under "Investment Restrictions and Operating Policies". Avenir GP will not have any rights to vote.

Removal of Avenir GP

Holders of Avenir Class B Units may, by Ordinary Resolution and upon not less than 30 days' written notice to Avenir GP, remove Avenir GP as general partner of Avenir LP without cause, and may immediately remove Avenir GP for cause, if such cause is not remedied after reasonable notice from the holders of Avenir LP Units. In either such case, the holders of Avenir Class B Units will appoint, by Ordinary Resolution, concurrently with the removal, a replacement general partner to assume all of the responsibilities and obligations of the removed general partner, and the removed general partner will be released of its liabilities under the Avenir LP Agreement and indemnified for any damages and expenses with respect to events which occur in relation to Avenir LP after the appointment of the new general partner.

Transfer of Avenir LP Units

The transfer of Avenir LP Units will be subject to a number of restrictions, including: (i) the Avenir LP Units may not be transferred except to an affiliate in accordance with the terms of the Avenir LP Agreement or pursuant to the Liquidity Option described above under "Description of Securities – The Trust – Termination of the Trust", in connection with the exercise of certain rights of Current Owners against non-funding Current Owners pursuant to the Cost Overrun Funding and Guarantee Agreement; and (ii) no transfer of Avenir LP Units will be accepted by Avenir GP unless a transfer form and power of attorney, duly completed and signed by the registered holder of such Avenir LP Units, as applicable, has been remitted to Avenir GP. In addition, a transferee of Avenir LP Units must provide to Avenir GP such other instruments and documents as Avenir GP may require, in appropriate form, completed and executed in a manner acceptable to Avenir GP and must pay the administration fee, if any, required thereby. No transfer of Avenir LP Units may be made if it: (i) would result in Avenir LP becoming a "SIFT partnership" for purposes of the Tax Act; (ii) in the opinion of legal counsel, such transfer would result in Avenir LP being treated as a corporation for purposes of the Code; (iii) such transfer is effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code; (iv) in the opinion of legal counsel for the Partnership, such Transfer is reasonably likely to cause the Partnership to fail to satisfy the 90% qualifying income test described in Section 7704(c) of the Code; or (v) in the opinion of legal counsel for the Partnership, such transfer would require the registration of the Avenir LP Units under the United States Securities Act of 1933, as amended, or would otherwise violate any applicable federal or state securities or blue sky law (including investment suitability standards). A transferee of an Avenir LP Unit will not become a partner or be admitted to Avenir and will not be subject to the obligations and entitled to the rights of a partner under the Avenir LP Agreement until the foregoing conditions are satisfied and such transferee is recorded on the Avenir's register of partners.

Amendments to Avenir LP Agreement

The Avenir LP Agreement may be amended by a resolution of 66²/₃% of each voting class of Avenir LP Units, except for certain amendments which require unanimous approval of holders of Avenir LP Units and certain other amendments which require (only and not in addition) the approval of 50% of the Avenir Class B LP Units. Matters requiring unanimous approval of holders of Avenir LP Units include: (i) changing the liability of any limited partner; (ii) changing the right of a limited partner to vote at any meeting of holders of Avenir LP Units; and (iii) changing Avenir LP from a limited partnership to a general partnership. Matters requiring approval of 50% of the Avenir LP Units include: (i) any removal of or change to Avenir GP, (ii) any amendment to the terms and conditions of the Avenir Class B Units, (iii) the issuance of any additional Avenir Class B Units, (iv) the creation of any class of Avenir LP Units having rights equal to or greater than those attaching to the Avenir Class B Units, (v) an amendment to the amending clause in respect of the Avenir Class B Units, and (vi) to consent to any action that would adversely affect the Avenir Class B Units, as applicable, and any interests therein.

Avenir GP may also make amendments to the Avenir LP Agreement without the approval or consent of the limited partners to reflect, among other things: (i) a change in the name of Avenir LP or the location of the principal place of business or registered office of Avenir LP; (ii) the admission, substitution, withdrawal or removal of limited partners in accordance with the Avenir LP Agreement (iii) a change that, as determined by Avenir GP, is reasonable and necessary or appropriate to qualify or continue the qualification of Avenir LP as a limited partnership in which the limited partners have limited liability under Applicable Laws; (iv) a change that, as determined by Avenir GP, is reasonable and necessary or appropriate to enable Avenir LP to take advantage of, or not be detrimentally affected by, changes in Applicable Laws relating to taxation; (v) creating or issuing one or more new classes or series of additional limited partnership interests; or (vi) a change to amend or add any provision, or to cure any ambiguity or to correct or supplement any provisions contained in the Avenir LP Agreement which may be defective or inconsistent with any other provision contained in the Avenir LP Agreement or which should be made to make the Avenir LP Agreement consistent with the disclosure set out in this Prospectus.

Notwithstanding the foregoing: (i) no amendment which would adversely affect the rights and obligations of Avenir GP, as a general partner, may be made without the consent of Avenir GP; and (ii) no amendment which would adversely affect the rights and obligations of any other holders of limited partnership units or any class of limited partner differently than any other class of limited partner may be made without the consent of such holder or class.

8. CAPITALIZATION

8.1 Existing and Proposed Capitalization

The following table summarizes information about the outstanding securities of the Trust:

Description of Security	Number Authorized to be Issued	Number Outstanding and Carrying Value as at September 6, 2023	Number Outstanding and Carrying Value after Offering	
			(Assuming Minimum Offering)	(Assuming Maximum Offering)
Initial contribution by the Manager, as settlor	unlimited	US\$10.00	US\$10.00	US\$10.00
Class A Units, Class C Units, Class E Units, Class F Units and Class U Units	unlimited	Nil	US\$50,000,000 ⁽¹⁾	US\$50,000,000 ⁽¹⁾

Note:

- (1) The number of Class A Units, Class C Units, Class E Units, Class F Units and Class U Units outstanding after the Offering and any concurrent private placement will be the number of Class A Units, Class C Units, Class E Units, Class F Units and Class U Units purchased which equals US\$50,000,000 (which assumes exercise in full of the Equity Commitment and the issuance of US\$25,000,000 of Class C Units) in the case of the Minimum Offering and US\$50,000,000 in the case of the Maximum Offering.

8.2 Long-Term Debt

The Project will target a maximum overall loan-to-cost ratio of 68% of the cost to develop the Project, which is expected to be comprised of Construction Loans. However, the maximum loan-to-cost ratio for the Project will be limited to 75% of the cost to develop the Project based on the Declaration of Trust. The Construction Loans will be secured by mortgages registered on the Project. Upon the Initial Occupancy Date, the Project is intended to be refinanced based on a debt-service-coverage-ratio (DSCR) of 1.25x applied to stabilized net operating income.

9. PRIOR SALES

There have been no prior sales of securities of the Trust, other than the initial Class C Unit issued to the Manager, as the settlor of the Trust in return for the initial contribution of US\$10.00, which will be automatically redeemed upon closing of the Offering.

10. TRUSTEES AND EXECUTIVE OFFICERS

10.1 Name, Address, Occupation and Security Holdings

The following are the names, ages and city, province or state and country of residence of each of the individuals who are the Trustees and executive officers of the Trust and their principal occupations during the last five years.

Name, Province or State and Country of Residence	Position/Title⁽¹⁾	Principal Occupation	Term as Trustee
Mandy Abramsohn ⁽²⁾ Age: 47 Toronto, Ontario, Canada	Independent Trustee	President, Wand Advisory & Investments Inc.	September 6, 2023 to present
John Brown ⁽²⁾ Age: 62 Toronto, Ontario, Canada	Independent Trustee	Co-Chairman, Govan Brown Construction	September 6, 2023 to present
Anthony Melman ⁽²⁾ Age: 76 Toronto, Ontario, Canada	Independent Trustee, Chair of the Board of Trustees	Chairman and Chief Executive Officer, Nevele Inc.	September 6, 2023 to present
Mark Mandelbaum Age: 69 Toronto, Ontario, Canada	Trustee	Chairman of Lanterra Developments Inc.	September 6, 2023 to present
Mitchell Cohen Age: 66 Toronto, Ontario, Canada	Trustee	Chief Operating Officer, Westdale Construction Co. Limited, President and Chief Executive Officer of Urbanfund Corp.	September 6, 2023 to present
Zev Mandelbaum ⁽¹⁾ Age: 35 Toronto, Ontario, Canada	Chief Executive Officer	Principal and Chief Executive Officer, Atree Developments Inc.	N/A
Natalie Leibowitz ⁽¹⁾ Age: 30 Toronto, Ontario, Canada	Chief Financial Officer	Senior Manager, Finance and Investments, Atree Developments Inc.	N/A
Raphael Mandelbaum ⁽¹⁾ Age: 43 Lakewood, New Jersey, United States	Chief Operating Officer	Principal and Chief Executive Officer, LanTree Developments LP	N/A
Jordan DeBrincat ⁽¹⁾ Age: 32 Toronto, Ontario, Canada	Chief Development Officer	Vice President, Atree Developments Inc.	N/A

Notes:

(1) The individuals acting in the capacity of the Trust's executive officers are not employed by the Trust or any of its Subsidiaries, but rather are employees of an affiliate of the Manager (in the case of the Chief Executive Officer, Chief Financial Officer and Chief Development Officer) and provide services to the Trust, on behalf of the Manager, pursuant to the Management Agreement.

(2) Member of the audit committee.

Personal Profiles

Set out below is a biography of each of the Trustees and executive officers of the Trust, as applicable, for the past five years or more.

Mandy Abramsohn, Independent Trustee

Mandy Abramsohn has a depth of industry expertise with 25 years of real estate, finance, capital markets, governance, and investments experience. Ms. Abramsohn is currently the President of Wand Advisory & Investments Inc., an advisory and investments company since 2020, and prior thereto, SVP, Real Estate at DBRS from 2017 to 2019. Prior roles include leading real estate capital markets at EY Canada where she led over C\$2 billion in high profile M&A advisory mandates and completed billions of dollars in valuation and other real estate advisory engagements; leading Canadian real estate equity research at Raymond James Ltd where she was consistently recognised by global institutional investors in the Brendan Woods Survey;

and as an investment manager of a top-performing C\$2 billion Canadian equity dividend fund at Great West Life. Throughout her career, Ms. Abramsohn has been involved in raising, financing, or managing billions of dollars of both equity and debt, as well as initial public offerings and M&A transactions. Ms. Abramsohn is currently a member of the board of trustees of Boardwalk REIT (TSX: BEL.UN), Seasons Retirement Communities, and is also a member of the External Investment Committee for Starlight Capital's private pool funds. She was previously a member of the board of trustees of Northwest Healthcare Properties REIT (TSX: NWH.UN) and Starlight Western Canada Multi-Family (No. 2) Fund. Ms. Abramsohn holds a Bachelor of Commerce degree from the University of Toronto where she graduated with distinction. In addition, she holds the CA, CBV, CFA and CPA (Illinois) professional designations. She is a member of the Chartered Professional Accountants of Canada & Ontario, Canadian Institute of Chartered Business Valuators, CFA Institute and the Toronto CFA Society, the Institute of Corporate Directors, and Women Get on Board. Mandy is registered as a CPA in the State of Illinois.

John Brown, Independent Trustee

As co-founder of Govan Brown Construction, one of Canada's largest construction firms, John Brown has a long-tenured history in the construction industry with close to 40 years of experience. Mr. Brown founded Govan Brown Construction in 1994 and supported its expansion to six offices across the country. Mr. Brown was also instrumental in Govan Brown Construction joining the STO Building Group, a family of companies with over 4,500 employees across the United States, Canada, the United Kingdom, and Ireland. Currently serving as Govan Brown Construction's co-chairman, Mr. Brown continues to support the sustainable growth strategy for the organization. Mr. Brown holds a Bachelor of Science in Architecture from Toronto Metropolitan University (formerly Ryerson University). Mr. Brown previously served on the Board of Directors for The York School in Toronto for over a decade.

Anthony Melman, Independent Trustee

Anthony Melman has an extensive background as a senior executive, entrepreneur, advisor, and board member with more than 35 years of experience in financial services, healthcare, technology, transportation, and gaming. Mr. Melman is currently the Chairman and Chief Executive Officer of Nevele Inc., a private consulting firm focused on strategic initiatives, including M&A and financing strategies. Mr. Melman is also the Chairman of NuMiner Global, Inc. and previously served as the Chief Executive Officer of Acasta Capital. Prior to his role with Acasta, Mr. Melman served for over 22 years as Managing Director and Partner of Onex Corporation where he led many of its major acquisitions. During his tenure, Onex Corporation grew from C\$50 million to more than C\$15 billion in assets under management, becoming one of Canada's largest companies. Prior to joining Onex Corporation, Mr. Melman was the Head of Global Project and Acquisition Financing for the Canadian Imperial Bank of Commerce where he was in charge of worldwide merchant banking, project financing, acquisitions, and other specialized financing activities. He previously served on the board of directors and as chair of the finance committee for CP Rail, the board of directors of the Ontario Lottery and Gaming Corporation, and the board of directors of the University of Toronto Asset Management Corporation. Mr. Melman obtained a Bachelor of Science degree in Chemical Engineering from the University of the Witwatersrand, a Master of Business Administration degree (Gold Medalist) from the University of Cape Town, and a Ph.D. in Finance from the University of the Witwatersrand.

Mark Mandelbaum, Trustee

Mark Mandelbaum is the Chairman and co-founder of Lanterra and has over 40 years of real estate development experience focusing on land acquisitions, investment strategy, high-rise development and construction, commercial and retail development and real estate financing. Under Mr. Mandelbaum's leadership, Lanterra has become one of Toronto's largest real estate developers focusing on the development of numerous Greater Toronto Area high-rise condominium development, having completed over 17,000 residential condominium units since its inception, most notably Maple Leaf Square, ICE, 1 Bedford, The Britt, 11 Wellesley and Waterpark City. Previously, Mr. Mandelbaum was Vice President of Development and Corporate Counsel at H&R Developments for over 25 years and continues to sit on the executive committee of H&R Developments. Prior thereto, Mr. Mandelbaum practiced corporate law for several years in a Toronto downtown law firm, specializing in real estate law. Mr. Mandelbaum attended undergraduate studies at the University of Toronto and went on to attend the University of Toronto Law School where he graduated in 1981. Mr. Mandelbaum was called to the Ontario Bar in 1983 and is a member of the Law Society of Upper Canada. Mr. Mandelbaum is also the President of Almond Tree Enterprises, the umbrella entity and family office representing the Mandelbaum family in varied real estate, private equity, capital markets and philanthropic interests. Mr. Mandelbaum also sits on the board of directors of the Lighthouse Credit Union and is a member of the Mount Sinai Hospital Foundation.

Mitchell Cohen, Trustee

Mitchell Cohen is the Chief Operating Officer of Westdale Construction Co. Limited and President and Chief Executive Officer of Urbanfund Corp. (TSXV:UFC). During his career spanning more than 40 years, he has acquired extensive expertise in real estate development, transportation planning, construction and real estate financing, as well as years of business leadership and corporate executive experience. Mr. Cohen previously worked in management roles with Woodcliffe Corporation, Revenue Properties Company Limited, Canadian Pacific Properties, Marathon Realty Company Limited and the Government of Canada – Airports Authority Group. Mr. Cohen was also a member of the Cominar Real Estate Investment Trust Board of Trustees from May 2019 to February 2022. Mr. Cohen holds a Bachelor's degree in Urban and Regional Planning from Metropolitan Toronto University (formerly Ryerson University) as well as certificates in economics and public administration. Mr. Cohen has served as a Director of Urbanfund Corp. (TSXV:UFC) since 2004. Mr. Cohen has on the Union Station Public Advisory Board and the board of directors of the Baycrest 100th Anniversary Campaign.

Zev Mandelbaum, Chief Executive Officer

Zev Mandelbaum is the Principal and Chief Executive Officer of Atree Developments Inc. and has over 10 years of real estate development experience with extensive experience in rezoning and development. Under Mr. Mandelbaum's leadership, since its establishment in 2018, Atree has amassed over 17 projects under development in various stages, with an estimated completion value of the current projects at over C\$5 billion. These projects consist of more than 6,000 residential units and over 5 million square feet under development. Notable projects include Thirty Six Zorra, Forest Hill Private Residences, Highland Commons and Kingside Residences. Prior to founding Atree Developments, Mr. Mandelbaum was one of the co-founders behind Marlin Spring Investments along with his two brothers-in-law. Prior thereto, Mr. Mandelbaum began his career in 2012 and led Lanterra's commercial division, with a strong focus on street retail, helping to establish and manage premier retail in the heart of Downtown Toronto. Mr. Mandelbaum holds an international degree in finance and founded the Atree Charitable Trust, which is focused on supporting causes that impact the communities that surround Atree and its developments such as the Scarborough Health Network, Sick Kids and the Daily Bread Food Bank.

Natalie Leibowitz, Chief Financial Officer

Natalie Leibowitz is the Senior Manager, Finance and Investments at Atree Developments Inc. and oversees all aspects of finance, capital structuring, treasury, investor relations and legal matters at the firm. Prior to joining Atree, Ms. Leibowitz worked at a prominent multinational retailer, primarily focusing on expanding its supply chain and e-commerce distribution and fulfillment networks through strategic real estate acquisitions throughout the Greater Toronto Area. Prior thereto, Ms. Leibowitz held positions on the financial planning and analysis team at a prominent North American retailer, primarily focusing on both internal and external financial reporting and advising on the sale of its various real estate assets across Canada and the United States. Throughout her career, Ms. Leibowitz has overseen, led, or advised on over C\$1 billion in transactions. Ms. Leibowitz began her career in capital markets in quantitative equity research at a well-known independent and globally diverse asset management firm in downtown Toronto. Ms. Leibowitz holds an Honours Bachelor's degree in economics from York University as well as a joint Master's of Financial Economics from the Richard Ivey School of Business and the University of Western Ontario.

Raphael Mandelbaum, Chief Operating Officer

Raphael Mandelbaum is the President and Chief Operating Officer of LanTree Developments LP, a full-service real estate development and advisory firm based in Lakewood, New Jersey, United States offering providing a wide range of services from site identification, purchasing, financing, planning and zoning to design, engineering, construction, residency, and final asset positioning. Mr. Mandelbaum has over 10 years of extensive real estate experience, having began his career in real estate in 2010 with the founding of Lantower Realty and Property Management, which has since rebranded as LanTree Developments LP in 2017. Initially focused on the acquisition of revenue-producing multifamily assets in New York, the company accumulated a portfolio of distressed residential and retail assets, which, under Mr. Mandelbaum's leadership, have successfully been repositioned to deliver attainably priced housing to the New York Metropolitan Area. In recent years, Mr. Mandelbaum has expanded Lantree's scope of services to include the acquisition and management of development projects, amassing a project pipeline of more than a million square feet across key metropolitan markets in New York and New Jersey. Mr. Mandelbaum holds a Master's of Accounting from Farleigh Dickinson University in New Jersey.

Jordan DeBrincat, Chief Development Officer

Jordan DeBrincat is the Vice President of Atree Developments Inc. and oversees all departments at Atree both on a corporate and project level, with a primary focus on all operational aspects of the business. With over 10 years of real estate experience, Ms. DeBrincat has overseen and led all aspects of the development cycle, from acquisition, through entitlement, sales, marketing, construction, occupancy, customer care and ultimately registration. Throughout her tenure at Atree Developments, Ms. DeBrincat has worked extensively on bringing significant projects to market, including Thirty Six Zorra, Forest Hill Private Residences, Highland Commons and Kingside Residences, among others. Prior to joining Atree, Ms. DeBrincat held the position of Director of Marketing at Marlin Spring Investments, where she oversaw the end-to-end sales and marketing strategy of numerous high-rise and low-rise projects throughout the Greater Toronto Area. Ms. DeBrincat began her career at Lanterra and holds an Honours Bachelor's degree in Business and Investment Banking from Brock University.

Security Holdings of Trustees and Executive Officers

Assuming the Maximum Offering is achieved, following completion of the Offering, the Trustees and executive officers of the Trust, as a group, are not expected to beneficially own, control or direct, directly or indirectly, any of the Trust's issued and outstanding Units, but will, collectively, have a 14.69% indirect equity interest in the Project.

If only the Minimum Offering is achieved, following completion of the Offering (after giving effect to the subscription for Class C Units pursuant to the Equity Commitment), the Trustees and executive officers of the Trust, as a group, are expected to beneficially own, control or direct, directly or indirectly, US\$11,250,000 of the issued and outstanding Units, and will, collectively, have a 29.85% indirect equity interest in the Project.

Insurance Coverage for Trustees and Officers and Indemnification

The Trust and its Subsidiaries will obtain or cause to be obtained a policy or policies of insurance for the Trustees and executive officers of the Trust and each of its corporate Subsidiaries. Under such policy or policies, each Entity will have reimbursement coverage to the extent that it has indemnified the trustees, directors and officers, as applicable. The policy or policies will include securities claims coverage, insuring against any legal obligation to pay on account of any securities claims brought against the Trust and its Subsidiaries, and their trustees, directors and officers, as applicable. In addition, the Trust and its Subsidiaries will each indemnify its trustees, directors and officers, as applicable, from and against liability and costs in respect of any action or suit brought against them in connection with the execution of their duties of office.

10.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

At the date of this Prospectus, no Trustee or executive officer of the Trust or promoter of the Trust is, or was within 10 years prior to the date of this Prospectus, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director, executive officer or promoter was acting in the capacity as director, chief executive officer or chief financial officer of the relevant company; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director, executive officer or promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Penalties or Sanctions

At the date of this Prospectus, no Trustee or executive officer of the Trust or promoter of the Trust or any Unitholder holding a sufficient number of securities to affect materially the control of the Trust, is or had been, within 10 years prior to the date of this Prospectus, subject to:

- (a) 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
- (b) 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.

Bankruptcies

No director or executive officer of the Trust or promoter of the Trust, or a Unitholder holding a sufficient number of securities to affect materially the control of the Trust:

- (a) is, at the date of this Prospectus, or has been within 10 years prior to the date of this Prospectus, a director or executive officer of any company (including the Trust) that, while that person was acting in that capacity, or within a year of that person 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; or
- (b) has, within 10 years prior to the date of this Prospectus 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 the director, executive officer, promoter or Unitholder.

11. ALTREE AND THE MANAGEMENT AGREEMENT

11.1 Altree

The Trust will be managed by the Manager, a subsidiary of Altree, which will be engaged by the Trust in the development and construction of the Project. Altree was founded by Zev Mandelbaum in 2018, one of the co-founders behind Marlin Spring Investments Limited and a third-generation real estate developer. Mr. Mandelbaum's family has deep roots in the real estate industry that date back to the 1950s through H&R Developments and Lanterra. Altree stems from a long lineage of multi-generational expertise in major development projects.

Mr. Mandelbaum, through his involvement with several real estate development firms such as H&R Developments, Lanterra, and Marlin Spring Investments Limited, has extensive experience in developing projects throughout Canada and the United States comprised of both residential condominium and rental projects since he began his career in 2012.

As of June 30, 2023, Altree has over 17 projects under development in various stages, with an estimated completion value of the current projects at over C\$5 billion. These projects consist of more than 6,000 residential units and over 5 million square feet under development. Notable projects include Thirty Six Zorra, Forest Hill Private Residences, Highland Commons and Kingside Residences, among others.

In addition to developing residential condominium apartment buildings, Altree invests in retail commercial space including three retail plazas. Further, to bring additional value to the overall portfolio, Altree integrates income-generating rental units to select communities under development.

Altree has a dedicated team of individuals focused on the acquisition, financing, municipal development planning, construction and project management, accounting, and marketing and sales functions for its projects under development.

11.2 The Management Agreement

The following is a summary of certain material provisions of the Management Agreement. This summary does not purport to be complete and reference should be made to the agreement itself, a copy of which will be made available promptly and in any event within ten days after its execution on the Trust's issuer profile on SEDAR+ at www.sedarplus.com.

Pursuant to the terms of the Management Agreement to be entered into among the Trust, Avenir LP and the Manager, the Manager will be appointed as the sole and exclusive manager of the affairs of the Trust. The Manager will provide the Trust and Avenir LP with the strategic, advisory, asset management, administrative, property management, leasing, construction management and administrative services necessary to manage the day-to-day operations of the Trust and the Project. In carrying out its obligations under the Management Agreement, the Manager will be required to exercise its powers and discharge its duties diligently, honestly, in good faith and in the best interests of the Trust, including exercising the standard of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. For greater certainty, the Manager will provide all such services related to the Project.

The services to be provided by the Manager under the terms of the Management Agreement include, without limitation: (a) the structuring of the Offering, the Trust, the Investment LP, CZBK, CZRBK, and Avenir LP, (b) liaising with legal and tax counsel, (c) maintaining ongoing relationships with real estate brokers and Lenders in respect of the Construction Loans for the Project, (d) conducting continuous analysis of market conditions to monitor the Trust's indirect investment in the Project, (e) advising the Trust with respect to the disposition of the Project, (f) providing investor communication and reporting services to the Trust, and (g) doing all such other acts or things and entering into agreements or documents on behalf of the Trust to seek to achieve the investment objectives of the Trust.

Notwithstanding the above, it may at times be prudent for the Manager to delegate certain of its responsibilities under the Management Agreement to third party providers. In the event that the Manager was to outsource any of its obligations under the Management Agreement, such delegation will be done at the expense of the Manager and will not relieve the Manager of its obligations under the Management Agreement.

The personnel engaged by the Manager will not be employees of the Trust. The Manager will provide such administrative, executive and management personnel as may be reasonably necessary to perform its obligations by using its own employees or leased employees and will therefore be responsible for all employment matters with respect to such employees. Pursuant to the terms of the Management Agreement, the Manager will bear all costs and expenses incurred by the Manager in connection with all salaries, employee expenses, office rent and equipment, and other expenses customarily considered to be overhead expenses. The Manager will provide the services of each of Zev Mandelbaum, as Chief Executive Officer, Natalie Leibowitz, as Chief Financial Officer and Jordan DeBrincat, as Chief Development Officer to the Trust.

The term of the Management Agreement will continue, subject to earlier termination in certain circumstances, until the winding-up or dissolution of the Trust. 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) in the event that Zev Mandelbaum is no longer associated with the Manager; and (iii) breach of the Manager's standard of care, which breach may be disputed by the Manager acting in good faith by referring the matter to arbitration, the decision resulting from such arbitration to be final. The Management Agreement shall not terminate until the arbitrator renders a decision.

The Management Agreement contains indemnification provisions whereby the Trust indemnifies 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 wilful misconduct, bad faith, fraud, gross negligence or breach of its standard of care owed under the Management Agreement. In addition, under the Management Agreement, the Manager indemnifies the Trust against any loss, expense, damage or injury suffered as a result of the Manager's wilful misconduct, bad faith, fraud, gross negligence or breach of its standard of care owed under the Management Agreement.

In consideration for the Manager's services, Avenir LP will pay the Manager an asset management fee (the "**Asset Management Fee**") equal to 1% per annum of the Gross Subscription Proceeds. The Asset Management Fee will accrue on a monthly basis until the earlier of a Liquidity Event and the fourth anniversary of the Closing Date but will only be payable following a Liquidity Event and provided that the Minimum Return is achieved. The Manager will not receive payment of the Asset Management Fee during the development phase of the Project.

11.3 Potential Conflicts of Interest (Manager, Trustees and Officers)

The Manager is owned indirectly and controlled by Zev Mandelbaum. Pursuant to the Management Agreement, the Manager will be receiving various fees and payments from the Trust in respect of the asset management and other services provided thereunder. Mr. Mandelbaum, through Altree's indirect investment in the Project, will be entitled to a portion of the Carried Interest. In addition, each of: (i) Mitchell Cohen, a representative of Westdale, and Mark Mandelbaum, a representative of AJDL (a company owned by associates of Lanterra), are Trustees of the Trust; (ii) Zev Mandelbaum, Natalie Leibowitz and Jordan DeBrincat, each of whom are executive officers of Altree and the Manager, are officers of the Trust; and (iii) Raphael Mandelbaum, the President and Chief Operating Officer of LanTree Developments LP, is an officer of the Trust. Westdale, Altree and AJDL are each among the Current Owners of the Project and entitled as Current Owners to a portion of the Carried Interest.

Mr. Mandelbaum is not in any way limited by the Trust or affected in his ability to carry on other business ventures for his own account and for the accounts of others, other than pursuant to any duties he owes to the Trust, in his capacity as an officer of the Trust, and is now, and intends in the future to be, engaged in the development of, investment in and management of other real estate properties. Mr. Mandelbaum will not have any obligation to account to the Trust or the Unitholders for profits made in such other activities.

The Manager's continuing businesses, including its role in providing asset management services to other issuers other than the Trust, may lead to conflicts of interest between the Manager and the Trust. The Trust may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the Trust than if it were dealing with a party that was not a significant holder of an interest in the Trust. The agreements that the Trust enters into with the Manager may be amended upon agreement between the parties, subject to Applicable Laws and approval in certain cases of the independent Trustees. Because of the proposed significant holdings of the principal of the Manager in the Trust, the Trust may not have the leverage to negotiate any required amendments to these agreements on terms as favourable to the Trust as those the Trust would negotiate with a party that was not a significant holder of an interest in the Trust.

In addition, the Trustees and executive officers of the Trust and the Manager may be involved in other ventures in the U.S. real estate sector with similar investment objectives to the Trust that may lead to conflicts of interest between such Trustees, executive officers of the Trust, the Manager and the Trust. As a result, the Trust may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the Trust than if it were dealing with an arm's length third party. See "Risk Factors – Risks Related to Real Estate Industry, the Project and the Trust's Business – Potential Conflicts of Interest with Respect to the Trustees and Executive Officers of the Trust". The Declaration of Trust contains provisions respecting potential conflicts of interest that may arise with Trustees. See "Description of Securities – The Trust – Distributions". Additionally, the Board will comprise a majority of independent Trustees.

The Management Agreement contains conflict of interest provisions requiring the Manager to deal in good faith and in a fair, equitable and even handed manner in respect of any conflict of interest that may exist between the interests of the Trust and the interests of the Manager, its employees or any of its affiliates. However, there can be no assurance that the provisions of the Management Agreement will adequately address potential conflicts of interest or that such actual or potential conflicts of interest will be resolved in favour of the Trust. See "Risk Factors – Risks Related to Real Estate Industry, the Project and the Trust's Business – Potential Conflicts of Interest with Respect to the Manager and the Project General Partners".

12. PRINCIPAL SECURITYHOLDERS

After giving effect to the Offering, and assuming no exercise of the Equity Commitment, to the best of the knowledge of the Trust, no persons are expected to own, directly or indirectly, or exercise control or direction over Units carrying at least 10% of the votes attached to the issued and outstanding Units.

13. EXECUTIVE COMPENSATION

Executive and Trustee Compensation

The Trust is newly formed and has not completed a financial year. For the period from formation on September 6, 2023 to the date of this Prospectus, no compensation was paid by the Trust to the Trustees or to the executive officers of the

Trust. The Trust intends to pay Anthony Melman, Mandy Abramssohn and John Brown annual compensation in the amount of US\$12,500. Mitchell Cohen and Mark Mandelbaum will not be compensated for serving as Trustees. No compensation will be paid by the Trust to the executive officers of the Trust. The Manager has not yet determined what proportion of the compensation or fees it pays to the individual performing the functions of executive officers of the Trust will be attributable to the services provided by such individuals to the Trust.

Long Term Incentive Plan, Stock Appreciation Rights and Stock Option Grants

The Trust does not and will not have a long-term incentive plan pursuant to which cash or non-cash compensation has been or will be paid or distributed to any Trustee or executive officer of the Trust. The Trust does not and will not have any stock appreciation rights or incentive plans. The Trust has not issued and will not issue any stock options to any executive officer of the Trust or Trustee.

Pension Plan Benefits

The Trust does not have and will not implement a pension plan for its executive officers or Trustees.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Trust has not entered into and will not enter into any employment contracts or arrangements with its executive officers or Trustees.

13.1 Compensation Committee

The Board does not have a compensation committee.

14. INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

There is not, and there has not been within 30 days before the date of this Prospectus, any indebtedness owing to the Trust from any of the Trustees or executive officers of the Trust or its former executive officers or trustees or any of its subsidiaries or any associate of such person, including indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Trust or any of its subsidiaries.

15. AUDIT COMMITTEE AND CORPORATE GOVERNANCE

15.1 Audit Committee

The audit committee of the Trust is comprised of Anthony Melman, Mandy Abramssohn and John Brown. Anthony Melman, Mandy Abramssohn and John Brown are “independent” and “financially literate” within the meanings of sections 1.4 and 1.6 of NI 52-110, respectively. See the biographies of Anthony Melman, Mandy Abramssohn and John Brown above under “Trustees and Executive Officers – Name, Address, Occupation and Security Holdings – Personal Profiles” for a description of the experience that is relevant to the performance of their responsibilities as audit committee members.

The audit committee will assist the Trust in fulfilling its responsibilities of oversight and supervision of its accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, and the quality and integrity of its financial statements. In addition, the audit committee will be responsible for directing the auditors’ examination of specific areas, for the selection of the Trust’s independent auditors and for the approval of all non-audit services for which its auditors may be engaged. The audit committee is also responsible for determining the Net Asset Value. The audit committee shall determine the Net Asset Value no less frequently than quarterly based on such information as the audit committee deems appropriate, including, but not limited to, appraisals, valuations, market comparables, any notional Carried Interest and other data available to the Trust. The Net Asset Value and Net Asset Value per Unit of a class or series may or may not be equal to the fair market value of the Trust or such class, or the fair market value per Unit or such class or series, as applicable, and may or may not be equal to any net asset value or net asset value per unit determined in accordance with IFRS.

The Board has adopted a written charter for the audit committee which sets out the audit committee's responsibility in reviewing the financial statements of the Trust and public disclosure documents containing financial information and reporting on such review to the Board, review of the Trust's public disclosure documents that contain financial information, oversight of the work and review of the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management. A copy of the audit committee charter is attached to this Prospectus as "Schedule A".

At no time since the establishment of the Trust has a recommendation of the audit committee to nominate or compensate an external auditor not been adopted by the Trustees. The audit committee has not yet adopted specific policies and procedures for the engagement of non-audit services.

The Trust is newly established and has not yet had a fiscal year end. As a result, there have been no fees billed to the Trust by its auditors, KPMG LLP, in respect of the Trust's last two fiscal years.

15.2 Corporate Governance

Anthony Melman, Mandy Abramsohn, Mark Mandelbaum, Mitchell Cohen and John Brown are the Trustees. Anthony Melman is the Chair of the Board. Anthony Melman, Mandy Abramsohn and John Brown are independent. Mark Mandelbaum and Mitchell Cohen are non-independent. A majority of the Trustees are independent within the meaning of applicable securities laws.

The Declaration of Trust provides that, subject to certain conditions, the Trustees will have absolute and exclusive power, control and authority over the Trust's assets and operations, as if the Trustees were the sole absolute legal and beneficial owners of the Trust's assets.

At each of the regularly scheduled meetings of the Board, there will be an in-camera meeting at which any non-independent Trustees and management are not present. The Board has not held any meetings since the establishment of the Trust.

The mandate of the Board is one of stewardship and oversight of the Trust and its business. In fulfilling its mandate, the Board will adopt a written charter setting out its responsibility, among other things, for (i) supervising the activities and managing the investments and affairs of the Trust, (ii) approving major decisions regarding the Trust, (iii) overseeing the Manager and the fulfillment of its responsibilities under the Management Agreement, (iv) identifying and managing risk exposure, (v) ensuring the integrity and adequacy of the Trust's internal controls and management information systems, (vi) succession planning, (vii) maintaining records and providing reports to Unitholders, (viii) ensuring effective and adequate communication with Unitholders, other stakeholders and the public, (ix) determining the amount and timing of distributions to Unitholders, and (x) acting for, voting on behalf of and representing the Trust as a holder of Investment LP Units.

All newly appointed Trustees will be provided with a comprehensive orientation as to the nature and operation of the business and affairs of the Trust and as to the role of the Board and its committees. The orientation program will be designed to assist the Trustees in fully understanding the nature and operation of the Trust's business, the role of the Board and its committees and the contributions that individual Trustees are expected to make.

The Board has not developed written position descriptions for any committee chairs or the Chief Executive Officer. The Board will delineate the roles and responsibilities of any chair of the Board or of committee chairs by consensus among the Trustees from time to time.

The Trust will adopt 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 Trust and its Subsidiaries. The Code of Conduct will address honest and ethical conduct, conflicts of interest, confidentiality, protection and proper use of the Trust'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 will be required to avoid or fully disclose interests or relationships that are harmful or detrimental to the Trust's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Code of Conduct will also address matters concerning public disclosure and ensure that communications with the public concerning the Trust are timely,

consistent and credible, and in accordance with the disclosure requirements under applicable securities laws. The Board will have the ultimate responsibility for the stewardship of the Code of Conduct. The Code of Conduct will also be filed with the Canadian securities regulatory authorities on SEDAR+ at www.sedarplus.com.

The Trust will also adopt an insider trading policy (the “**Insider Trading Policy**”) which will apply to, among others, all Trustees, officers, and the Manager and its employees. The objective of the Insider Trading Policy is to ensure that any purchase or sale of securities occurs without actual or perceived violation of applicable securities laws. The Insider Trading Policy will provide for “blackout” periods during which insiders and other persons who are subject to the policy are prohibited from trading in securities of the Trust. The Insider Trading Policy will also prohibit insiders and other persons who are subject to the policy from trading in securities of the Trust during the period commencing on the first day following the last month of each fiscal quarter and ending 24 hours following the issue of a press release in respect of the Trust’s interim or annual financial statements. Additional black-out periods may also be prescribed from time to time by the Trust’s administrators of the Insider Trading Policy at any time at which it is determined there may be undisclosed inside information concerning the Trust that makes it inappropriate for personnel to be trading. In such circumstances, the administrators of the Insider Trading Policy will issue a notice instructing these individuals not to trade in securities of the Trust until further notice. This notice will contain a reminder that the fact there is a restriction on trading may itself constitute inside information or information that may lead to rumours and must be kept confidential.

The standard of care and duties of the Trustees provided in the Declaration of Trust are similar to those imposed on directors of a corporation governed by the CBCA. Accordingly, each Trustee is required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the Trust and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent director would exercise in comparable circumstances. The Declaration of Trust provides that each Trustee is entitled to indemnification from the Trust in respect of the exercise of the Trustee’s powers and the discharge of the Trustee’s duties, provided that the Trustee acted honestly and in good faith with a view to the best interests of the Trust or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the Trustee had reasonable grounds for believing that his or her conduct was lawful.

If and when a Trustee resigns, the remaining Trustees will identify potential candidates for nomination to the Board, with a view to ensuring overall diversity of experience and skill. A vacancy occurring among the Trustees may be filled by resolution of the remaining Trustees, as long as they constitute a quorum and a majority of the Trustees constituting quorum are resident in Canada for purposes of the Tax Act (or if they are not, then a new Trustee may be appointed by the Manager). In the event that an independent Trustee ceases to be a Trustee, such vacancy shall be filled by a person that would qualify as an independent Trustee, and a quorum of independent Trustees shall be necessary to fill such vacancy.

The Board does not have a compensation committee. The Board has no committees other than the audit committee. The Trustees will be regularly assessed with respect to their effectiveness and contribution.

15.3 Environmental, Social and Governance (ESG)

As large real estate entities in Canada and the U.S., the Pre-Development Majority Owners are focused on Environmental, Social and Corporate Governance (ESG) initiatives which align with their broader purpose of investing with impact and driving social and economic growth through real estate. This concept is embedded in each of the Pre-Development Majority Owner’s core values.

The Project will aim to reduce its environmental footprint through several initiatives aimed at reducing electricity consumption, including LED lights installed in suites and common areas, energy efficient boilers and low-flow toilets and sink/shower heads. ENERGY STAR appliances are intended to be used in-suite and units will be sub-metered for gas and electrical. Overall, this is expected to promote a stronger energy management program that reduces operating costs, increases energy efficiency and reduces carbon emissions. Further, the Manager intends to include sustainable and healthy material selection for materials used in connection with the Project. Avenir LP intends to ask suppliers for environmental product declarations (EPDs). As well, as the Project is located near the New Jersey PATH with a transit score of 74 and a walk score of 94, the location of the development is accessible to relatively greener methods of transit.⁶³ In addition, the Trust intends to contribute to low-carbon infrastructure by having six electric vehicle charging stations and 269 bike storage spaces included in the Project.

⁶³ https://www.walkscore.com/NJ/Jersey_City/Journal_Square

Enhancing resident well-being and experience by creating an inclusive and complete community is important to the Trust. At the community level, the Pre-Development Majority Owners and the Manager regularly support and encourage events that are designed to improve the neighbourhoods in which they operate. Community initiatives supported by the Pre-Development Majority Owners and Manager include The Scarborough Health Network, CIBC Run for the Cure, Sick Kids, Baycrest, Daily Bread Food Bank, Love Foundation Canada, Lighthouse Credit Union and Mount Sinai Hospital Foundation. Celebrating the Trust's diverse future tenant base and cultures by creating an inclusive and supportive environment will be at the forefront of the Manager's objectives. The Manager intends to engage with residents and commercial tenants to enhance well-being and experience. Additionally, the development will be located adjacent to Mana Contemporary, an expansive arts center featuring contemporary visual and performing arts programming and exhibitions. Mana Contemporary's mission statement includes "reversing inequity by embracing an ethics of inclusion. Centering the voices and experiences of BIPOC, LGBTQIA+, women, and artists with disabilities". The Manager has collaborated with Mana Contemporary in discussion of the future of the neighbourhood and is aligned with this mission.

Prioritizing transparency in the Trust's governance practices and proactively mitigating risk is also important to the Trust. A majority of the Board is independent (60%) and the Audit Committee is 100% independent. Additionally, the Manager believes that diversity and inclusion are fundamental to the culture of collaboration and its diverse employees allow it to take on opportunities from different perspectives and create a greater impact. Women make up 50% of the executive officers of the Trust (2 of 4) and 20% of the Trustees (1 of 5).

16. PLAN OF DISTRIBUTION

16.1 Maximum and Minimum Offering

The Agent, by this Prospectus, is offering to sell to the public in each of the provinces of Canada up to a maximum of US\$50,000,000 (less the amount of any concurrent private placements) of Class A Units and/or Class E Units and/or Class F Units and/or Class U Units at a price of C\$10.00 per Class A Unit and Class F Unit and US\$10.00 per Class U Unit and Class E Unit. The Trust may issue additional Units by way of private placement concurrent with the closing of the Offering at a price of C\$10.00 or US\$10.00, as the case may be, provided that the proceeds of any such private placements, together with the proceeds of the Offering, do not exceed the Maximum Offering amount. The terms of the Offering were determined by negotiation between the Agent and the Manager, on behalf of the Trust.

There is currently no market through which the Units may be sold, such a market may not develop and Purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing and liquidity of the securities in the secondary market, if one should develop, the transparency and availability of trading prices, and the extent of issuer regulation. See "Risk Factors". As at the date of this Prospectus, the Trust does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Cboe Canada, any other Canadian marketplace, a U.S. marketplace, or any marketplace outside Canada and the U.S. See "Plan of Distribution".

There will be no closing of the Offering unless the Minimum Offering is achieved. The minimum subscription amount is C\$10,000 in respect of the Class A Units and Class F Units; and US\$10,000 in respect of the Class E Units and Class U Units. The Closing Date will not proceed unless all preconditions to the closing of the Trust's indirect interest in CZBK have been satisfied or waived. The Agent will hold in trust all funds received from subscriptions until the Minimum Offering has been raised. If the Minimum Offering is not achieved within the 90-day distribution period, the Agent will return the funds to the Purchasers without any deductions, unless the subscribers have otherwise instructed the Agent.

The Units have not been and will not be registered under the U.S. Securities Act or the securities laws of any state in the U.S. and, subject to certain exceptions, may not be offered or sold in the U.S. The Agent has agreed that they will not offer or sell the Units within the U.S. except to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) or to a limited number of institutional accredited investors (as defined in the U.S. Securities Act). In addition, until 40 days after the Closing Date, an offer or sale of Units within the U.S. by any dealer (whether or not participating in the Offering) may violate the registration provisions of the U.S. Securities Act unless made in compliance with Rule 144A or another exemption under the U.S. Securities Act.

The Trust and the Manager have agreed to indemnify the Agent and its directors, officers, employees and agents against certain liabilities, including, without restriction, civil liabilities under Canadian securities legislation, and to contribute to any payments the Agent may be required to make in respect thereof.

16.2 Timing of Distribution

The Closing Date is expected to be on or about November 9, 2023 or such later date as the Trust and the Agent may agree, but in any event not later than December 31, 2023. There will be no closing of the Offering unless the Minimum Offering is achieved, inclusive of the aggregate subscription amount for Units sold pursuant to any private placement concurrent with the closing of the Offering. The distribution under the Offering will not continue for a period of more than 90 days after the date of the receipt obtained from the principal securities regulatory authority for this Prospectus. If one or more amendments to this Prospectus are filed and the principal securities regulatory authority has issued a receipt for any such amendment, the distribution under this Offering will not continue for a period of more than 90 days after the latest date of a receipt for any such amendment. In any case, the total period of distribution under the Offering will not continue for a period of more than 180 days from the date of the receipt for this Prospectus. If the Minimum Offering is not achieved during the 90-day period, subscription funds received by the Agent will be returned to subscribers without any deductions, unless the subscribers have otherwise instructed the Agent.

16.3 Agency Agreement

Pursuant to an Agency Agreement made as of October 26, 2023, the Agent has agreed to conditionally offer the Units on a best efforts basis, subject to prior sale, if, as and when issued by the Trust and accepted by the Agent in accordance with the conditions contained in the Agency Agreement, in consideration of the Agent's Fee equal to the aggregate of 6% of the aggregate purchase price of Class A Units, Class E Units, Class F Units and/or Class U Units. The Agent's Fee for the Class A Units and Class U Units includes a selling concession of 3%. No Agent's Fee or other commissions are payable in connection with the issuance of Class C Units.

The obligations of the Agent under the Agency Agreement may be terminated at any time at the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated at any time on the occurrence of certain stated events.

Currently, the Agent does not beneficially own, directly or indirectly, any securities of the Trust. Other than as disclosed in this section, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder, or any other person or company in connection with this Offering.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Offering will be conducted under the NCI system. Units registered in the name of CDS or its nominee will be deposited electronically with CDS on an NCI basis at the Closing Date. A subscriber who purchases Units will receive only a customer confirmation from the registered dealer from or through whom Units are purchased and who is a CDS participant.

Registration and transfers of Units will be effected by TSX Trust Company, as registrar and transfer agent of the Trust.

16.4 Private Placement

The Trust may issue additional Class A Units or Class F Units at a price of C\$10.00 or additional Class U Units or Class E Units at a price of US\$10.00 by way of private placement concurrent with the closing of the Offering provided that the proceeds of any such private placement together with the proceeds of the Offering do not exceed the Maximum Offering.

17. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Trust, and Stikeman Elliott LLP, counsel to the Agent, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires, as beneficial owner, Units pursuant to this Offering and who, for purposes of the Tax Act and at all relevant times, (i) is or is deemed to be resident in Canada, (ii) deals at arm's length with the Trust and the Agent and is not affiliated with the Trust or the Agent, and (iii)

acquires and holds their Units as capital property (a “**Holder**”). Generally, Units will be considered to be capital property of a Holder provided that the Holder does not hold such Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. A Holder 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) of the Tax Act to have such Units, and every 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 does not apply to a Holder who holds Units of more than one class at any particular time. Holders who intend to hold Units of more than one class should consult their own tax advisors.

This summary is not applicable to a Holder (i) that is a “financial institution” for purposes of the mark-to-market rules in the Tax Act, (ii) an interest in which is a “tax shelter investment”, (iii) that has elected to report its “Canadian tax results” in a currency other than Canadian dollars, or (iv) that has entered or will enter into a “derivative forward agreement” with respect to the Units (in each case within the meaning of the Tax Act). Such Holders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Units. In addition, this summary does not address the deductibility of interest by a Holder who has borrowed money to acquire Units under the Offering.

The characterization of gains and losses from disposition of properties, including on a Liquidity Event, as being on capital or income account will depend on the specific facts and circumstances relating to each such property. Counsel has been advised that the Trust will generally take the position, and this summary assumes, that all the relevant properties of the Trust and its Subsidiaries (including interests in the Partnerships), except for the direct interest in the Project held by Avenir LP, will be held on capital account. The Trust will, as required, consider the characterization of a direct interest in the Project held by Avenir LP as being on capital or income account. No assurances can be given in this regard.

This summary is based on the facts set out in this Prospectus, certificates as to certain factual matters from an officer of the Trust and from the Agent (collectively, the “**Certificates**” and each a “**Certificate**”), 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 CRA made publicly available in writing prior to the date hereof. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental, administrative or judicial action, or changes in the CRA’s administrative policies and assessing practices, nor does it take into account or consider any other federal tax considerations or any provincial, territorial or foreign tax considerations, which may differ materially from those discussed herein. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given that the Tax Proposals will be enacted as currently proposed, or at all.

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

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Units must be expressed in Canadian dollars. Amounts denominated in another currency must be converted into Canadian dollars using the exchange rate quoted by the Bank of Canada on the date such amounts first arose, or such other rate of exchange as is acceptable to the CRA. Investments in Class E Units or Class U Units will be denominated in U.S. dollars and distributions made on Class E Units and Class U Units will be made in U.S. dollars. Accordingly, Holders of Class E Units or Class U Units must convert such amounts to Canadian dollars for purposes of the Tax Act.

For the purposes of this summary and the section “Eligibility for Investment”, above, a reference to the Trust is a reference to West Side Square Development Fund only and is not a reference to any of its subsidiaries (including any of the Partnerships) or predecessors and a reference to “Units” does not include Class C Units.

Status of the Trust

This summary assumes the Trust will qualify at all relevant times as a “mutual fund trust” within the meaning of the Tax Act and that the Trust will validly elect under the Tax Act to be a “mutual fund trust” from the date it was established. Counsel has been advised that the Trust intends to ensure that it will meet the requirements necessary for it to qualify as a “mutual fund trust” for the purposes of the Tax Act no later than the closing of the Offering and at all times thereafter, and to file the necessary election pursuant to subsection 132(6.1) of the Tax Act so that the Trust will qualify as a “mutual fund trust” throughout its first taxation year. If the Trust were not to qualify as a “mutual fund trust” at all times, the income tax considerations for the Trust and Unitholders may be materially and adversely different from those described below.

This summary also assumes that none of the Entities will be a “SIFT trust” or a “SIFT partnership” (each as defined in the Tax Act), as applicable. Provided that (i) the Entities do not hold at any relevant time any “non-portfolio property” (as defined in the Tax Act), or (ii) “investments” (as defined in subsection 122.1(1) of the Tax Act) in the Entities are not listed or traded on a stock exchange or other “public market” (as defined in subsection 122.1(1) of the Tax Act), they will not be SIFT trusts or SIFT partnerships, as applicable. Each of the Declaration of Trust, the Investment LP Agreement, the CZBK LP Agreement, the CZRBK LP Agreement and the Avenir LP Agreement prohibit or will prohibit the relevant Entity from owning any non-portfolio property.

If any of the Entities were to become a SIFT trust or a SIFT partnership, as applicable, the income tax considerations described below would, in some respects, be materially and adversely different.

Taxation of the Trust

The Trust will be subject to tax under Part I of the Tax Act on its income for each taxation year, including net realized taxable capital gains in the year and its allocated share of income of the Investment LP for the Investment LP’s fiscal period ending on or before the Trust’s taxation year-end, less the portion thereof that it deducts in respect of amounts paid or payable, or deemed to be paid or payable, to Unitholders in the year. An amount will be considered to be payable to a Unitholder in a taxation year if the Unitholder is entitled in that year to enforce payment of the amount. The taxation year of the Trust is the calendar year.

Generally, distributions to the Trust from the Investment LP in excess of its allocated share of the income (including the full amount of any capital gain) of the Investment LP for a fiscal period will result in a reduction in the adjusted cost base to the Trust of its Investment LP Units by the amount of such excess. If, as a result, the adjusted cost base to the Trust of its Investment LP Units at the end of a fiscal period of the Investment LP would otherwise be a negative amount, the Trust would be deemed to realize a capital gain at the Investment LP’s fiscal period end equal to the absolute value of such negative amount, and the adjusted cost base to the Trust of its Investment LP Units would then be increased to nil.

On the sale by the Trust of its Investment LP Units, the Trust will generally realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition received by the Trust exceed (or are less than) the adjusted cost base of its Investment LP Units (which will be increased by the amount of any income of the Investment LP allocated to it for the Investment LP’s fiscal period in which the sale occurs) and any reasonable costs of disposition. In the event the purchaser is a “non-resident” of Canada (for purposes of the Tax Act), a tax-exempt person, a partnership or trust in which a non-resident or tax-exempt person has an interest, or certain other persons, partnerships or trusts, then any capital gain realized by the Trust on the disposition of its Investment LP Units which is attributable to increases in the value of property (other than capital property that is not depreciable property) that is directly or indirectly owned by the Investment LP may be subject to a 100% inclusion rate (as a taxable capital gain) to the extent that the interest is acquired by such persons or partnerships. As a result, all or a portion of a capital gain realized by the Trust on the sale of Investment LP Units may, depending on the circumstances, be taxable at a 100% inclusion rate. The remaining capital gain, if any, will be subject to the 50% inclusion rate generally applicable to taxable capital gains under the Tax Act.

A distribution by the Trust of its property *in specie* upon a redemption of Units will be treated as a disposition by the Trust of such property for proceeds of disposition equal to the fair market value thereof. The Trust will realize a capital gain (or a capital loss) to the extent that the proceeds from the disposition of the property exceed (or are less than) the adjusted cost base of the relevant property and any reasonable costs of disposition.

In computing its income or loss for purposes of the Tax Act, the Trust may generally deduct reasonable administrative costs, interest and other expenses of a current nature that it incurs for the purpose of earning income. Generally, the Trust may also deduct, on a five-year straight-line basis (subject to pro-ration for short taxation years), reasonable expenses incurred by it in the course of issuing Units.

The Minister of Finance (Canada) has released Tax Proposals (the “**EIFEL Proposals**”) that are intended, where applicable, to limit the deductibility of interest and financing expenses in certain circumstances, including the computation of income or loss by a trust for purposes of the Tax Act. If the EIFEL Proposals are enacted as proposed, the amount of interest and financing expenses otherwise deductible by the Trust may be reduced and the taxable component of distributions to Holders may be increased accordingly.

For the purposes of the foreign tax credit and foreign tax deduction rules in the Tax Act, the income of the Trust (including income derived through the Partnerships) should generally be considered to be income from a source in the U.S., except to the extent that such income arises as a result of a deemed capital gain from the adjusted cost base of Investment LP being a negative amount (or an equivalent capital gain as a result of the adjusted cost base of another Partnership being a negative amount as discussed below). To the extent that U.S. tax is payable by the Investment LP, a portion of such U.S. tax will generally be attributed to the Trust as a foreign income or profits tax, in a manner consistent with the allocation of income under the Investment LP Agreement. The amount of foreign “non-business-income taxes” (as defined in the Tax Act) considered to be paid by the Trust may generally be deducted by the Trust in computing its income for the purposes of the Tax Act (a “**foreign tax deduction**”). Foreign income or profits taxes considered to be paid by the Trust in respect of capital gains realized by or allocated to the Trust will generally not be deductible by the Trust in computing its income for purposes of the Tax Act. Provided the Trust makes the appropriate designations, certain foreign income or profits taxes considered to be paid by the Trust that are not deducted by the Trust in computing its income may be deemed to have been paid by Unitholders for purposes of the foreign tax credit rules in the Tax Act. See “Certain Canadian Federal Income Tax Considerations – Taxation of Holders – Foreign Tax Credits and Foreign Tax Deductions” below.

The Trust and the other Entities will enter into transactions denominated in currencies other than the Canadian dollar, including the Trust’s investment in Investment LP Units, the Investment LP’s acquisition of an interest in CZBK, CZBK’s acquisition of a greater interest in CZRBK and CZRBK’s acquisition of a greater interest in Avenir LP. The cost and proceeds of disposition of such investments, the amount of any distributions received thereon and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates in accordance with the detailed rules in the Tax Act. The amount of income, gains and losses realized by the Trust (whether directly or indirectly through the Partnerships) may accordingly be affected by fluctuations in the value of foreign currencies, including the U.S. dollar, relative to the Canadian dollar.

Gains or losses of the Trust in respect of derivatives will generally be on income account except where such derivatives are used to hedge investments or other transactions on capital account and there is sufficient linkage, in which case such gains or losses will be treated as capital gains or capital losses, subject to the DFA Rules discussed below. The CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital or income and no advance income tax ruling has been applied for or received from the CRA. Any such gains or losses will be recognized by the Trust when realized. An election to realize gains and losses on “eligible derivatives” (as defined in the Tax Act) of the Trust on a mark-to-market basis may be available. The Trust will consider whether such election, if available, would be advisable for the Trust.

The Tax Act contains rules (the “**DFA Rules**”) that target certain financial arrangements (defined in the DFA Rules as “derivative forward agreements”) that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would have the character of ordinary income to capital gains. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of derivative contracts entered into by the Trust or by a Partnership, gains realized in respect of the property underlying such derivatives could be treated as ordinary income.

Generally, under the Declaration of Trust, unless the Trustees otherwise determine, an amount equal to the amount necessary to eliminate the Trust’s liability for non-refundable tax under Part I of the Tax Act (after taking into account all available deductions, credits and refunds), together with the non-taxable portion of any net capital gains realized by the Trust but excluding capital gains arising in connection with a distribution *in specie* on the redemption of Units which are designated by the Trust to redeeming Unitholders, will be payable in the year to Unitholders by way of cash distributions. Where such income of the Trust in a taxation year exceeds the total cash distributions for that year, such excess income may be distributed

to Unitholders in the form of additional Units. Income of the Trust payable to Unitholders, whether in cash, additional Units or otherwise, will generally be deductible by the Trust in computing its income.

Losses incurred by the Trust (including losses allocated to the Trust by the Investment LP and capable of being deducted by the Trust) cannot be allocated to Unitholders, but may be carried forward and deducted by the Trust in computing its taxable income in future years in accordance with the detailed rules and limitations in the Tax Act.

The Trust will be entitled in each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Units during the year (the “**capital gains refund**”). The capital gains refund in a particular taxation year may not completely offset the Trust’s tax liability for the taxation year arising in connection with the transfer of property *in specie* to redeeming Unitholders on the redemption of Units.

The Declaration of Trust provides that all or a portion of any taxable capital gains realized by the Trust as a result of a redemption of Units may, at the discretion of the Trustees, be treated as income paid or made payable to the redeeming Unitholder in the applicable year, but only to the extent that the Trust will not be denied a deduction in computing its income under the Tax Act, which generally denies a deduction in respect of an amount allocated to a redeeming Unitholder in respect of taxable capital gains to the extent that such amount is greater than the taxable capital gain that would otherwise have been realized by the redeeming Unitholder on the redemption (as determined by the Trustees using reasonable efforts to obtain the information required to determine the Unitholder’s cost amount) (the “**Allocation to Redeemers Rule**”). As a result, the taxable component of distributions by the Trust to non-redeeming Unitholders may be adversely affected.

Counsel has been advised that the Trust intends to make sufficient distributions in each year of its net income for tax purposes and net realized capital gains so that the Trust will not be liable in the year for any tax under Part I of the Tax Act (after taking into account all available deductions, credits and refunds, including the capital gains refund and non-capital losses or net capital losses, if any, that may be carried forward from prior years).

Taxation of the Partnerships

The Partnerships are generally not subject to tax under the Tax Act. Each partner of a Partnership is required to include (or entitled to deduct) in computing its income for a particular taxation year, its share of the income (or loss) of such Partnership (subject, in the case of a loss, to the application of the “at-risk rules” described below) for the fiscal period of the Partnership ending in, or coincidentally with, such taxation year, whether or not such partner has received any distributions from the Partnership in the year. For this purpose, the income or loss of each Partnership from any source will be computed for each fiscal period as if the Partnership were a person resident in Canada and will be allocated to its partners on the basis of their respective shares of that income or loss as provided for in the partnership agreement governing such Partnership. The fiscal period of each Partnership ends on December 31 of each year. In computing the income or loss of the Partnerships, the Partnerships are entitled to deduct their reasonable administrative costs and other expenses incurred by them to earn income.

In computing its income or loss for purposes of the Tax Act, a Partnership may generally deduct reasonable administrative costs, interest and other expenses of a current nature that it incurs for the purpose of earning income. Generally, the Partnership may also deduct, on a five-year straight-line basis (subject to pro-ration for short taxation years), reasonable expenses incurred by it in the course of issuing interests in the Partnership.

The income (or loss) of a Partnership from any source will include its share of the income (or loss, subject to the “at-risk” rules described below) from that source of another Partnership of which it is a partner (a “**Lower Tier Partnership**”), as determined in accordance with the Lower Tier Partnership’s limited partnership agreement. The source and character of amounts included in (or deducted from) the income of a Partnership on account of income (or loss) of a Lower Tier Partnership from a particular source generally will be determined by reference to the source and character of such amounts when earned (or incurred) by such Lower Tier Partnership. The income of each Partnership should generally be considered as income from a source in the U.S., except to the extent that such income arises as a result of a deemed capital gain from the adjusted cost base of the Lower Tier Partnership being a negative amount (or an equivalent capital gain as a result of the adjusted cost base of another Partnership being a negative amount as discussed below).

On the sale by a Partnership (such as CZRBK) of its interest in a Lower Tier Partnership (such as Avenir Class B Units in the case of CZRBK), such selling Partnership will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition received by the Partnership exceed (or are less than) the aggregate of the adjusted cost base of its interest in the Lower Tier Partnership (which will be increased by the amount of any income of the Lower Tier Partnership allocated to it for the Lower Tier Partnership's fiscal period in which the sale occurs) and any reasonable costs of disposition. In the event that the purchaser is a "non-resident" of Canada (for purposes of the Tax Act), a tax-exempt person, a partnership or trust in which a non-resident or tax-exempt person has an interest, or certain other persons, partnerships or trusts, then any capital gain realized by the Partnership on the disposition of its interest in the Lower Tier Partnership which is attributable to increases in the value of property (other than capital property that is not depreciable property) that is directly or indirectly owned by the Lower Tier Partnership, may be subject to a 100% inclusion rate (as a taxable capital gain) to the extent that the interest is acquired by such persons or partnerships. As a result, all or a portion of a capital gain realized by the Partnership on the sale of a Lower Tier Partnership may, depending on the circumstances, be taxable at a 100% inclusion rate. The remaining capital gain, if any, will be subject to the 50% inclusion rate generally applicable to taxable capital gains under the Tax Act.

Generally, distributions to a partner in excess of its allocated share of the income (including the full amount of any capital gains) of a Partnership for a fiscal period will result in a reduction of the adjusted cost base of the partner's interest (including any interest represented by units) in the Partnership by the amount of such excess, as described above. If at the end of any fiscal period of a Partnership, the adjusted cost base of the interest (including any interest represented by units) of such Partnership held by a partner would otherwise be a negative amount, the partner will be deemed to have realized a capital gain at the fiscal period's end equal to the absolute value of such negative amount and the adjusted cost base of the partnership interest (including any interest represented by units) held by such partner will be increased by the amount of such deemed capital gain.

If the EIFEL Proposals are enacted as proposed, the Trust may be required to include an amount in computing its income in respect of its allocated share of interest and financing expenses deducted by the Partnerships, and the taxable component of distributions by the Trust to Holders may be increased accordingly.

The Tax Act contains rules (the "**at-risk rules**") which, in general, will limit the ability of a limited partner of a Partnership to deduct in a taxation year its share of any loss of the Partnership (other than a capital loss) for a fiscal period ending in that taxation year to its "at-risk amount" in respect of such Partnership at the end of that fiscal period. In general, the "at-risk amount" of a limited partner in respect of a limited partnership at the end of any fiscal period will be the adjusted cost base of the limited partner's partnership interest at the end of the fiscal period, plus any income (including the full amount of any capital gain) allocated to the limited partner for the fiscal period, less any amount owing by the limited partner (or by a person or partnership that does not deal at arm's length with the limited partner for purposes of the Tax Act) to the partnership (or to a person or partnership not dealing at arm's length with the partnership for purposes of the Tax Act) and less the amount of the limited partner's investment in the partnership that may reasonably be regarded as protected against loss.

Where a limited partner is not itself a partnership, such partner's share of any loss of a partnership that is not deductible by the partner as a result of the application of the at-risk rules is considered to be a "limited partnership loss" in respect of the partnership for that year. Such limited partnership loss may generally be carried forward and deducted by the partner in a subsequent taxation year against income for that year to the extent that the partner's at-risk amount at the end of the partnership's last fiscal period ending in that year exceeds the partner's share of any loss of the limited partnership for that fiscal period, subject to and in accordance with the provisions of the Tax Act. Where the partner is itself a partnership (as will be the case for the Investment LP with respect to its interest in CZBK, CZBK with respect to its interest in CZRBK and CZRBK with respect to its interest in Avenir LP), such partner's share of any loss of a partnership that is not deductible by the partner as a result of the application of the at-risk rules generally may not be carried forward and deducted in future years but will, reduce the partner's share of any loss of the partnership.

Taxation of Holders

Trust Distributions

A Holder will generally be required to include in computing income for a particular taxation year the portion of the Trust's net income for a taxation year ending on or before the taxation year-end of the Holder, including net realized taxable capital gains, that the Trust pays or makes payable to the Holder in the taxation year of the Trust, whether the Holder receives

such portion in cash, additional Units or otherwise. Distributions that are made through the issuance of additional Units may give rise to a taxable income inclusion for the Holder even though no cash has been distributed to such Holder.

Provided that the Trust makes appropriate designations under the Tax Act, net taxable capital gains realized by the Trust that are paid or payable, or deemed to be paid or payable, by the Trust to a Holder will effectively retain their character and be treated as such in the hands of the Holder for purposes of the Tax Act.

Any amount in excess of the net income and net taxable capital gains of the Trust that is paid or payable, or deemed to be paid or payable, by the Trust to a Holder in that year will generally not be included in the Holder's income for the taxation year. However, where such an amount is paid or payable to a Holder that exceeds an amount equal to the amount of the Trust's net taxable capital gains that have been designated to the Holder for that year (other than as proceeds of disposition of Units or any part thereof), the Holder will generally be required to reduce the adjusted cost base of the Holder's Units by that amount. To the extent that the adjusted cost base of a Unit would otherwise be a negative amount, the absolute value of such negative amount will be deemed to be a capital gain realized by the Holder and the adjusted cost base of the Unit to the Holder will immediately thereafter be increased to nil. Holders should consult their own tax advisors in this regard. See the discussion under "Taxation of Capital Gains and Capital Losses" below.

Provided the Trust makes appropriate designations under the Tax Act in respect of its income from foreign sources, such income as is paid or payable to a Holder will be treated as foreign source income in the hands of the Holder, to the extent permitted by the Tax Act. See "Foreign Tax Credits and Foreign Tax Deductions" below.

Foreign Tax Credits and Foreign Tax Deductions

Provided the Trust makes appropriate designations in respect of foreign source income made payable to a Holder for a year, such Holder will be deemed to have paid its pro rata share of the foreign "business-income tax" and "non-business-income tax" (each as defined for purposes of the foreign tax credit rules in the Tax Act) considered to be paid by the Trust for the year in respect of its foreign source income. The amount of such tax deemed to be paid by a Holder may be deductible as a foreign tax credit from the Holder's Canadian federal income tax otherwise payable for the year (a "**foreign tax credit**"). To the extent that U.S. tax is payable by the Investment LP, a portion of such U.S. tax will generally be attributed to the Trust in a manner consistent with the allocation of income under the Investment LP Agreement. In order for such U.S. tax to be eligible for a foreign tax credit or foreign tax deduction, in the event that the amount of U.S. tax paid does not represent the final U.S. income tax liability for the year, the Investment LP must file a U.S. federal income tax return to establish the final U.S. income tax liability in respect of such amount. If the amount of U.S. tax paid by the Investment LP exceeds the ultimate U.S. tax liability of Investment LP, the excess will not be eligible for a foreign tax credit or foreign tax deduction regardless of whether such excess is refunded to the applicable Partnership. In the Certificate, an officer of the Trust has advised that it intends to cause the Investment LP to file any such U.S. federal income tax returns as may be required to permit the Trust and the Holders to claim foreign tax credits and to permit the Trust to claim foreign tax deductions in respect of U.S. taxes paid by the Investment LP to the extent permitted under the Tax Act.

Notwithstanding the foregoing, the Trust's "non-business-income tax" will not include (a) U.S. tax that may reasonably be regarded as having been paid by the Trust in respect of income from property other than real or immovable property (including income from property other than real or immovable property earned by the Trust through its interest in the Partnerships) to the extent that the amount of such U.S. tax exceeds 15% of the amount of such income, or (b) U.S. tax that was deducted by the Trust as a foreign tax deduction, as described above.

A Holder's ability to claim a foreign tax credit in respect of its pro rata share of such U.S. taxes deemed to be paid by the Holder may be affected where the Holder does not have sufficient taxes otherwise payable under Part I of the Tax Act or sufficient U.S. source income in the taxation year in which the U.S. taxes are paid, or has other U.S. source income or losses, or has paid other U.S. taxes. Although the foreign tax credit provisions are designed to avoid double taxation, the maximum credit is limited. Because of this, and because of timing differences in recognition of expenses and income and other factors, there is a risk of double taxation. Prospective Purchasers should consult their own tax advisors regarding their ability to claim foreign tax credits.

A Holder will not be entitled to claim a foreign tax deduction in respect of foreign taxes of the Trust deemed to have been paid by such Holder in respect of which a foreign tax credit is not available.

The Tax Act contains rules that address certain foreign tax credit generator transactions (the “**Foreign Tax Credit Generator Rules**”). Under the Foreign Tax Credit Generator Rules, the foreign “business income tax” or “non-business-income tax”, each as defined in the Tax Act, for any taxation year may be limited in certain circumstances, including where a partner’s share of the partnership’s income under the income tax laws of any country (other than Canada) under whose laws the income of the partnership is subject to income taxation, is less than the partner’s share of such income for purposes of the Tax Act. No assurances can be given that the Foreign Tax Credit Generator Rules will not apply to any Unitholder. If the Foreign Tax Credit Generator Rules apply, a Unitholder’s foreign tax credits will be limited.

Disposition of Units

In general, a disposition of a Unit will give rise to a capital gain (or a capital loss) equal to the amount by which the Holder’s proceeds of disposition of the Unit exceed (or are exceeded by) the aggregate of the adjusted cost base of the Unit to the Holder and any reasonable costs of disposition. The Holder’s proceeds of disposition will not include an amount payable by the Trust that the Holder is otherwise required to include in income, including any capital gain realized by the Trust in connection with a redemption which the Trust has allocated to the redeeming Holder. See the discussion under “Taxation of Capital Gains and Capital Losses” below.

The adjusted cost base of a Unit to a Holder will include all amounts paid by the Holder for the Unit, subject to certain adjustments. The cost to a Holder of additional Units received in lieu of a cash distribution of income (including net capital gains) will generally be equal to the amount of the distribution. For the purpose of determining the adjusted cost base to a Holder, when a Unit is acquired as capital property, the cost of the newly acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Holder as capital property immediately before the acquisition.

Where the Trust redeems Units by distributing property of the Trust to a Holder, the Holder will also be required to include in income any taxable capital gains that the Trust realizes on or in connection with such *in specie* distribution of property and designates to such Holder. The proceeds of disposition to the redeeming Holder will be equal to the fair market value of the notes issued or property distributed by the Trust less any income or capital gain realized by the Trust in connection with such redemption and designated to such Holder. The cost of notes issued or property distributed *in specie* by the Trust to a Holder upon a redemption of Units will be equal to the fair market value of those notes or that property, as applicable, at the time of distribution. The Holder will thereafter be required to include in income interest or other income derived from the notes or property in accordance with the provisions of the Tax Act. Notes issued or property (other than cash) distributed by the Trust to a Holder on a redemption of Units, including Investment LP Units, generally will not be “qualified investments” under the Tax Act for trusts governed by Plans. See “Eligibility for Investment”.

The consolidation of Units of the Trust will not result in a disposition of Units by Holders. The aggregate adjusted cost base to a Holder of all of the Holder’s Units will not change as a result of a consolidation of Units; however, the adjusted cost base of the Holder per Unit will increase.

Taxation of Capital Gains and Capital Losses

A Holder must include in income for a taxation year one-half of any capital gain (a “**taxable capital gain**”) realized by the Holder on a disposition of a Unit in the year, and the amount of any net taxable capital gains designated by the Trust to the Holder in the year. The Holder generally must deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized by the Holder in a taxation year against the Holder’s taxable capital gains for the year. Allowable capital losses in excess of taxable capital gains realized by the Holder in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted against net taxable capital gains in any subsequent taxation year, subject to the detailed provisions of the Tax Act.

Refundable CCPC Tax

A Holder that is throughout its taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) or a “substantive CCPC” (as proposed to be defined in the Tax Act pursuant to Tax Proposals released by the Department of Finance (Canada) on August 9, 2022) at any time in the year will be subject to an additional tax (refundable in certain circumstances) in respect of its “aggregate investment income” for the year, which is generally defined to include income that is from a source that is property and amounts in respect of net taxable capital gains (including taxable capital gains realized on

a disposition of Units and net taxable capital gains designated by the Trust to the Holder). Holders are advised to consult their own tax advisors.

Alternative Minimum Tax

A Holder that is an individual or trust (other than certain specified types of trusts) may have an increased liability for alternative minimum tax as a result of capital gains realized on a disposition of Units and net income of the Trust paid or payable, or deemed to be paid or payable, to the Holder and that is designated as net taxable capital gains.

18. CERTAIN U.S. FEDERAL TAX CONSIDERATIONS

In the view of KPMG LLP, in its capacity as U.S. tax advisor to the Trust, the following is a general summary of the principal U.S. federal income tax considerations applicable to Non-U.S. Unitholders (defined below) of the purchase, ownership and disposition of the Units offered by this Prospectus.

This summary is generally directed to prospective Unitholders who purchase the Units offered by this Prospectus and who are not U.S. persons pursuant to the U.S. Internal Revenue Code (“Code”) (“**Non-U.S. Unitholders**”). However, the summary does not deal with all aspects of U.S. federal income taxation that may be relevant to the specific circumstances of certain Non-U.S. Unitholders. For example, the summary does not address the U.S. federal income tax consequences to Non-U.S. Unitholders that are in special tax situations such as U.S. expatriates.

The U.S. federal income tax treatment of a partner in a partnership or other entity treated as a partnership that holds Units depends on the status of the partner and the activities of the partnership. Partners in a partnership that owns Units should consult their own tax advisors as to the particular U.S. federal income tax considerations applicable to them.

“Non-U.S. Unitholder” Defined

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

Limitations

This summary is of a general nature only and does not consider all possible U.S. federal income tax considerations of an investment in Units by a Non-U.S. Unitholder. This summary also does not consider state, local or non-U.S. tax consequences. This summary does not constitute an opinion to prospective Non-U.S. Unitholders and is not intended to be legal or tax advice to prospective Unitholder purchasers of Units.

No ruling has been sought from the U.S. Internal Revenue Service (“IRS”) on any aspect of the Offering.

This summary is based on the facts set out in this Prospectus. This summary is also based upon KPMG’s understanding of the relevant provisions of the Code, the regulations under the Code (the “U.S. Regulations”), the Canada-United States Convention with Respect to Taxes on Income and on Capital (“Treaty”) and the judicial and administrative interpretations and pronouncements thereof as currently in effect. There can be no assurance that the IRS will not successfully challenge the conclusions reached in this summary and no ruling from the IRS has been or will be sought on any of the items discussed below. These authorities are subject to change retroactively and/or prospectively and any such changes could affect the U.S. federal income tax consequences described in the summary below.

This summary does not constitute, and should not be construed to constitute, tax advice to any particular Non-U.S. Unitholder and/or any other investor. Each Non-U.S. Unitholder and/or any other investor is, therefore, advised to consult his, her or its own tax advisor as to the U.S. federal, state, and local income and other tax consequences to

such Non-U.S. Unitholder and/or any other investor of the purchase, ownership and disposition of the Units taking into consideration his, her or its own particular circumstances.

U.S. Federal Income Taxation of the Trust

The U.S. entity classification rules prescribe the classification of various entities for U.S. federal income tax purposes. Generally, a non-U.S. business entity is, by default, treated as a corporation for U.S. federal income tax purposes under the entity classification rules if all members have limited liability. Pursuant to the *Trust Beneficiaries' Liability Act, 2004* (Ontario), all of the Unitholders of the Trust will have limited liability. Since all of the Trust's Unitholders will have limited liability, the Trust should be treated as a corporation for U.S. federal income tax purposes.

The remainder of this discussion is based on the Trust being classified as a corporation and that the Units will be treated as shares of a non-U.S. corporation for U.S. federal income tax purposes. In addition, the remainder of this discussion is based on the Investment LP being classified as a corporation (see *U.S. Federal Income Taxation of the Investment LP* discussion below).

It is anticipated that the Trust's only asset will be interests in the Investment LP and that the Trust's only income will be distributions out of the current and accumulated earnings and profits of the Investment LP, which distributions should be treated as dividends for U.S. federal income tax purposes. The Trust is not expected to earn any other income that would be treated as income effectively connected with the conduct of a U.S. trade or business ("USTB") ("ECI"), and that would be attributable to a permanent establishment (typically a fixed place of business) maintained by the Trust in the U.S. within the meaning of the Treaty.

Since the Trust should be treated as a non-U.S. corporation for U.S. federal income tax purposes, and the Trust is not expected to earn any ECI attributable to a U.S. permanent establishment, the Trust would not likely be subject to U.S. federal income tax on a net basis.

If the Trust disposes of its units in Investment LP, the Trust would likely not be subject to U.S. federal income tax on the gain realized because: (1) the gain is not expected to be attributable to a U.S. permanent establishment of the Trust; and (2) the units of Investment LP, treated as shares of a non-U.S. Corporation for U.S. federal income tax purposes (see discussion below), should not be treated as USRPIs (see discussion below) because, in general, only shares of a U.S. corporation that is treated as a USRPHC (as defined below) would be treated as USRPIs such that the disposition of such shares by a non-U.S. person would be subject to U.S. federal income tax (see discussion below).

Disposition of Units by Non-U.S. Unitholders

In general, since the Trust would be treated as a non-U.S. corporation, Non-U.S. Unitholders would not be subject to U.S. federal income tax upon a disposition of the Units unless: (i) the Non-U.S. Unitholder is an individual who is present in the U.S. for 183 days or more in the taxable year of the disposition and certain other conditions are met, or (ii) the gain is effectively connected with the conduct by the Non-U.S. Unitholder of a USTB within the U.S. and, if the Non-U.S. Unitholder is eligible for benefits under the Treaty, attributable to a permanent establishment of the Non-U.S. Unitholder within the meaning of the Treaty.

Non-U.S. Unitholders in either of these situations should consult their own tax advisors on the U.S. federal income tax consequences of the disposition of the Units.

In Specie Distributions in Redemption of Units Held by Non-U.S. Unitholders

In general, the distribution of cash of the Trust, the *in specie* distribution of property of the Trust, including, for example, the Investment LP units, and the issuance of unsecured subordinated notes of the Trust and/or other property of the Trust, in redemption of Units held by Non-U.S. Unitholders, should not be subject to U.S. federal income tax unless: (i) the Non-U.S. Unitholder is an individual who is present in the U.S. for 183 days or more in the taxable year of the disposition and certain other conditions are met, or (ii) the gain is effectively connected with the conduct by the Non-U.S. Unitholder of a USTB within the U.S. and, if the Non-U.S. Unitholder is eligible for benefits under the Treaty, attributable to a permanent establishment of the Non-U.S. Unitholder within the meaning of the Treaty.

Non-U.S. Unitholders in either of these situations should consult their own tax advisors on the U.S. federal income tax consequences of *in specie* distributions in redemption of the Units.

In the event that the Trust makes an *in specie* distribution of property other than the Investment LP units or unsecured subordinated notes of the Trust, Non-U.S. Unitholders should consult their own tax advisors on the U.S. federal income tax consequences of owning property other than the Investment LP units or unsecured subordinated notes of the Trust.

U.S. Federal Income Taxation of the Investment LP

Taxation of the Investment LP's Allocable Share of ECI

The Investment LP should be an eligible entity that will elect to be classified as a corporation for U.S. federal income tax purposes, effective on the date of its formation. Consequently, the Investment LP should be considered a “foreign corporation” for U.S. federal income tax purposes.

In general, a non-U.S. corporation, that is tax resident in a jurisdiction with an income tax treaty with the U.S. would, annually be subject to U.S. federal income tax at the rate of 21% on net income, including capital gains, that is effectively connected with a USTB, i.e., ECI, and that would be attributable to a permanent establishment in the U.S. A partner of a partnership is generally attributed the USTB of the partnership and would be allocated any profits attributable to ECI generated by such USTB through a permanent establishment in the U.S.

In general, a partnership that has ECI allocable to non-U.S. partners must withhold and remit U.S. withholding tax (“**Section 1446 Withholdings**”) on any ECI allocable to such non-U.S. partners and must file annually with the IRS certain U.S. tax returns to report this withholding. Section 1446 Withholdings must be made at the highest rate of U.S. federal income tax applicable to such non-U.S. partners, without regard to any preferential rates of tax. For example, non-U.S. corporations are subject to Section 1446 Withholdings at the rate of 21% on their allocable share of ECI from a partnership. In the case of tiered partnerships, the Section 1446 Withholdings of a lower tier partnership attributable to an upper-tier partnership (“**UTP**”) that is a non-U.S. person, should be treated as a credit against any Section 1446 Withholdings on any ECI attributable to non-U.S. partners of the UTP. A non-U.S. partner may claim the Section 1446 Withholdings as a credit against its final U.S. federal income tax liability for the year by attaching proof of withholding to its U.S. federal income tax return.

Each of CZBK, CZRBK and Avenir LP is treated as a partnership for U.S. federal income tax purposes (see discussion below). The development of the Project by Avenir LP should be treated as a USTB of Avenir LP. Since the USTB of Avenir LP should be attributed to the Investment LP (indirectly through Avenir LP, CZRBK and CZBK), on an annual basis, the ECI, if any, of Avenir LP (as attributable to the Project which would be a permanent establishment of the Investment LP), should not be subject to Section 1446 Withholdings on the portion of the ECI allocable to CZRBK as CZRBK is not a non-U.S. person. CZRBK, however, would be subject to Section 1446 Withholdings at the rate of 21% on the portion of the ECI allocable to CZBK, and ultimately attributable to the Investment LP. CZBK would also be subject to Section 1446 Withholdings on the portion of the ECI allocable to the Investment LP at a withholding tax rate of 21%. However, CZBK would be able to claim a credit against its Section 1446 Withholdings liability for any Section 1446 Withholdings made by CZRBK including the portion of such withholdings attributable to the Investment LP.

The Investment LP will, on an annual basis, be subject to U.S. federal income tax at the rate of 21% with respect to its allocable share of ECI, if any, attributable to its indirect investment in Avenir LP. The Investment LP may claim the Section 1446 Withholdings as a credit against its final U.S. federal income tax liability for the tax year by attaching proof of withholding to its U.S. federal income tax return.

*Taxation of the Investment LP's Dispositions of United States Real Property Interests (“**USRPIs**”)*

A non-U.S. corporation’s gain from the disposition of a USRPI is generally subject to U.S. federal income tax on a net basis, withholding and filing requirements and is not exempt under the Treaty. A USRPI generally includes real property (such as land and buildings) located in the U.S. Shares of a U.S. corporation (but generally not of a non-U.S. corporation) would also be treated as a USRPI if such U.S. corporation is a “U.S. real property holding corporation” (a “**USRPHC**”) (in general, a corporation in which the fair market value of such corporation’s USRPIs comprised 50% or more of the sum of the

fair market value of such corporation's worldwide real property interests plus its other assets used or held for use in a trade or business). The gain on the disposition of a USRPI recognized by a non-U.S. corporation would be taxed at the rate of 21%. The amount of money and the fair market value of any property received by a non-U.S. corporation from the disposition of a partnership interest, to the extent attributable to USRPIs, would be considered to be an amount received from the disposition of such underlying USRPIs and any gain from such deemed disposition of USRPIs would also be subject to U.S. federal income taxation as if it was ECI at the rate of 21%.

Dispositions of USRPIs by non-U.S. persons, including non-U.S. corporations, may also be subject to U.S. withholding on the part of the purchaser under the U.S. Foreign Investment in Real Property Tax Act ("**FIRPTA**") rules ("**Section 1445 Withholdings**"). In general, Section 1445 Withholdings are generally required at a rate of 15% on the gross amount realized from the disposition of a USRPI, including the disposition of partnership interests in certain partnerships in which 50% or more of the fair value of the gross assets consist of USRPIs and 90% or more of the fair value of the gross assets consist of USRPIs and cash and cash equivalents ("**50/90 Partnership**"). The Section 1445 Withholdings may be reduced or eliminated (in certain circumstances) if an application for a withholding certificate is timely filed with the IRS requesting a reduction in withholding and a withholding certificate is received from the IRS. A withholding certificate might be issued by the IRS if a non-U.S. person establishes that the actual U.S. federal income tax on the disposition of the USRPI is expected to be less than the required Section 1445 Withholdings because, for example, the non-U.S. person suffers a loss on the sale. However, no assurance can be given that the IRS will approve a withholding certificate application to reduce the amount of Section 1445 Withholdings.

In general, the disposition of USRPIs by a U.S. person should not be subject to Section 1445 Withholdings provided that the U.S. person timely provides to the purchaser a certification of its non-foreign status. However, there are special Section 1445 Withholdings rules that would apply to a U.S. partnership that disposes of a USRPI and the gain realized is allocable to a non-U.S. partner of such partnership. In such case, the Section 1445 Withholdings would be required at the non-U.S. partner's highest rate of tax effective for the taxable year of the disposition multiplied by the gain realized. For example, the Section 1445 Withholdings for a non-U.S. corporate partner of a U.S. partnership would be equal to 21% of such partner's allocable share of the gain realized.

If a U.S. partnership is subject to both Section 1445 Withholdings and Section 1446 Withholdings, U.S. Regulations provide that such partnership will only be subject to the payment and reporting requirements of Section 1446 with respect to partnership gain from the disposition of USRPIs ("**Overlap Rule**").

A non-U.S. person may claim the Section 1446 Withholdings and the Section 1445 Withholdings withheld, if any, as a credit against its final U.S. federal income tax liability for the year by attaching proof of withholding to its U.S. federal income tax return.

If Avenir LP, a U.S. partnership, disposes of the Project, Avenir LP should not be subject to Section 1445 Withholdings with respect to the USRPIs disposed of on the portion of such gain allocable to U.S. partners such as CZRBK. Avenir LP should also not be subject to Section 1446 Withholdings on the portion of the gain allocable to CZRBK as CZRBK is not a non-U.S. person. CZRBK, however, would be subject to Section 1446 Withholdings at the rate of 21% on the portion of the gain allocable to CZBK, and ultimately attributable to the Investment LP, which would include the portion of the gain attributable to the disposition of the Project's USRPIs which would be subject to U.S. federal income taxation as if it was ECI. CZBK would also be subject to Section 1446 Withholdings on the portion of the gain allocable to the Investment LP at a withholding tax rate of 21%. However, CZBK would be able to claim a credit against its Section 1446 Withholdings liability for any Section 1446 Withholdings made by CZRBK including the portion of such withholdings attributable to the Investment LP.

If CZRBK disposes of its interest in Avenir LP, then CZRBK will be subject to both Section 1445 Withholdings and Section 1446 Withholdings. However, by operation of the Overlap Rule (discussed above), CZRBK would only be subject to the Section 1446 Withholdings rules and would be required to withhold U.S. federal income tax at the rate of 21% on the realized gain that would be allocable to CZBK, and ultimately attributable to the Investment LP. CZBK would also be subject to Section 1446 Withholdings on the portion of the gain allocable to the Investment LP at a withholding tax rate of 21%. However, CZBK would be able to claim a credit against its Section 1446 Withholdings liability for any Section 1446 Withholdings made by CZRBK including the portion of such withholdings attributable to the Investment LP.

If CZBK disposes of its interest in CZRBK or the Investment LP disposes of its interest in CZBK, then CZBK or the Investment LP, as applicable, will be subject to Section 1445 Withholdings at that rate of 15% of the gross amount realized

since the CZRBK interests and the CZBK interests, as applicable, would likely be interests in a 50/90 Partnership. CZBK or the Investment LP, as applicable, could timely apply to the IRS for a withholding certificate if it is anticipated that the Investment LP's U.S. federal income tax on the gain from the disposition is expected to be less than the required Section 1445 Withholdings. However, it may take the IRS significant time to process the withholding certificate application and no assurance can be given that the IRS will approve a withholding certificate application to reduce the amount of Section 1445 Withholdings.

If the Trust indirectly disposes of the Project or of its indirect interest in any of the entities in the structure, and the expected U.S. federal income tax required to be withheld on such disposition is higher than the expected U.S. federal income tax liability of the Investment LP on the gain realized from such disposition, then the Trust, on behalf of the Investment LP, intends to take steps, if available, to mitigate the amount of U.S. federal income tax required to be withheld.

Withholding Tax on Dispositions of Partnership Interests in Partnerships that are Engaged Directly or Indirectly in a USTB

In general, if a non-U.S. partner, including a non-U.S. corporation, disposes of a partnership interest in a partnership that is directly or indirectly engaged in a USTB, and all or a portion of the gain from such disposition would be treated as ECI, then the transferee would be required to withhold U.S. federal income tax at the rate of 10% of the amount realized (“**Section 1446(f) Withholdings**”). A non-U.S. partner may claim the Section 1446(f) Withholdings as a credit against its final U.S. federal income tax liability for the year by attaching proof of withholding to its U.S. federal income tax return.

The disposition of a partnership interest in a partnership that is directly or indirectly engaged in a USTB by a U.S. partner (such as a U.S. partnership) should not be subject to Section 1446(f) Withholdings provided that the U.S. partner timely provides to the purchaser a certification of its non-foreign status.

The disposition of a 50/90 Partnership (as defined above) by a non-U.S. partner would only be subject to Section 1445 Withholdings at the rate of 15% on the gross amount realized and would not also be subject to Section 1446(f) Withholdings.

If CZRBK disposes of its interest in Avenir LP, then CZRBK should not be subject to Section 1446(f) Withholdings since CZRBK is a U.S. person provided that CZRBK timely provides to the purchaser a certification of its non-foreign status.

If either CZBK disposes of its interest in CZRBK or the Investment LP disposes of its interest in CZBK, then CZBK or the Investment LP, as applicable, should not be subject to Section 1446(f) Withholdings since the interests in CZRBK or CZBK, as applicable, would likely be interests in a 50/90 Partnership provided that the disposition of such 50/90 Partnership interests would also be subject to Section 1445 Withholdings.

The Investment LP U.S. Federal Income Tax Compliance Requirements

The Investment LP will be required to annually file a U.S. federal income tax return (i.e. Form 1120-F for non-U.S. corporations) including for the year in which a disposition occurs and may claim the Section 1446 Withholdings withheld and the Section 1445 Withholdings withheld, if any, as a credit against the Investment LP's final U.S. federal income tax liability for the year by attaching proof of withholding to its U.S. federal income tax return.

In addition, the Investment LP may also be subject to U.S. branch profits tax (paid with its U.S. federal income tax return) on its allocable share of annual taxable income from Avenir LP and/or from a disposition. U.S. branch profits tax is imposed at the rate of 30% on a calculated profits amount. Should the U.S. branch profits tax be applicable, it may be possible to take the position that the profits subject to branch profits tax would be eligible under the Treaty for a reduced rate of 5% with respect to profits in excess of a C\$500,000 cumulative exemption. If applicable, the Investment LP intends to take the position that the reduced branch profits tax rate of 5% under the Treaty applies to any profits subject to the branch profits tax. However, no assurances may be given that the IRS will not challenge this position and assert that a higher branch profits tax rate should apply.

U.S. Federal Income Taxation of CZBK, CZRBK and Avenir LP

Each of CZBK, CZRBK and Avenir LP are limited partnerships classified as partnerships for U.S. federal income tax purposes. Each such limited partnership does not intend to make an election to be treated as a corporation for U.S. federal income tax purposes. As such, each such limited partnership is not a taxable entity and does not incur any entity level U.S.

federal income tax liability. Instead, the partners of such limited partnerships that are not treated as partnerships or disregarded entities for U.S. federal income tax purposes, including the Investment LP, are required to take into account their allocable shares of items of income, gain, loss and deduction and which may result in U.S. federal income tax reporting and/or paying obligations.

CZBK and CZRBK, as applicable (and as described above), will withhold and remit Section 1446 Withholdings and Section 1445 Withholdings, as applicable, on certain income ultimately allocable to the Investment LP and will be required to file with the IRS certain U.S. tax returns to report this withholding.

19. INTERNATIONAL INFORMATION REPORTING

Part XVIII of the Tax Act, which was enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement (the “**IGA**”), imposes due diligence and reporting obligations on “reporting Canadian financial institutions” in respect of their “U.S. reportable accounts”. The Trust, and/or dealers through which Unitholders hold their Units, may be subject to due diligence and reporting obligations. If a Unitholder is a U.S. person (including a U.S. citizen), Units are otherwise “US reportable accounts” or if a Unitholder does not provide the requested information, Part XVIII of the Tax Act will generally require information about the Unitholder’s investment in the Trust to be reported to the CRA, unless the investments are held within a Plan (other than a FHSA). The CRA is expected to provide that information to the IRS. The Tax Act does not currently address whether FHSAs would be treated in the same way as other Plans for these purposes, although the CRA has indicated this matter is under consideration and that these accounts do not currently need to be reviewed, identified or reported. No assurances can be given that such reporting will not be required for FHSAs in the future.

Reporting obligations in the Tax Act have been enacted to implement the Organization for Economic Cooperation and Development Common Reporting Standard (the “**CRS Rules**”). Pursuant to the CRS Rules, “reporting financial institutions” (as defined the CRS Rules) are required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities any of whose “controlling persons” are resident in a foreign country (other than the U.S.) and to report the required information to the CRA. Such information is exchanged on a reciprocal, bilateral basis with countries that have agreed to a bilateral information exchange with Canada under the Common Reporting Standard and in which the account holders or such controlling persons are resident. Under the CRS Rules, Unitholders are required to provide certain information, including information as to their residence status for the purpose of such information exchange, unless the investment is held within a Plan (other than a FHSA). Certain Tax Proposals would, if enacted, also exempt FHSAs from the CRS Rules.

20. RISK FACTORS

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

Risks Related to Real Estate Industry, the Project and the Trust’s Business

An investment in Units is an investment in U.S. real estate through the Trust’s indirect interest in the Project. Investment in real estate is subject to numerous risks, including the factors listed below and other events and factors which are beyond the control of the Trust:

Real Property Ownership and Revenue Risks

All real property investments are subject to a degree of risk and uncertainty. There can be no assurance that the Project will be operated successfully, that the operations of the Trust will be profitable or that cash from refinancing of the Project or from operations will be available to make distributions to Unitholders. Because real estate, like many other types of long-term investments, experiences significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of the Project that even the combination of experience and knowledge may not be able to avoid. By specializing in a particular type of real estate, the Trust is exposed to adverse effects on that segment of the real estate market and does not benefit from a diversification of its portfolio by property type. The Trust’s revenues as well as the

marketability and value of the portfolio will depend on many factors beyond the control of the Trust, including, without limitation: (i) changes in general economic conditions (such as the availability, terms and cost of mortgage financing and other types of credit); (ii) local economic conditions (such as business layoffs, industry slowdowns, changing demographics, neighbourhood characteristics and other factors); (iii) local real estate conditions (such as an oversupply of properties or a reduction in demand for real estate in the area); (iv) changes in occupancy rates; (v) competition from other available properties; (vi) the ability of the Trust to provide adequate maintenance at competitive costs; (vii) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (viii) changes in governmental rules and fiscal policies; (ix) various uninsured or uninsurable risks; (x) civil unrest; (xi) acts of God and natural disasters; and (xii) acts of war or terrorism. In the event that the Project experiences any of the foregoing events or occurrences, the value of, and return on, the Project would be negatively impacted.

There can be no assurance of profitable operations once development of the Project is complete because the costs of operating the Project, including debt service, may exceed gross rental income therefrom, particularly since certain expenses related to real estate, such as property taxes, utility costs, maintenance costs, insurance, certain professional services and all related charges, must be made regardless of whether the Project is producing sufficient income to service such expenses, and such costs even tend to increase even if there is a decrease in the Trust's income from its investment in the Project. Any financing procured for the Project, including, but not limited to, in turn, the Construction Loans, could or will require debt service payments. There is also no assurance that there will be a ready market for the sale of the Project because, as outlined below, investments in real estate generally are not liquid. Future profits, if any, will depend upon various factors, including the growth of the metropolitan area of New Jersey and the regions around the Project, the success, if any, of the development and marketability of the Project, the receipt of applicable government approvals, the application of government regulations and enforcement of such regulations and general political and economic conditions.

In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the Trust's investment may be incurred. A prolonged deterioration in economic conditions could increase and exacerbate the foregoing risks. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the Trust's financial condition.

The likelihood of success of the Trust must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any real estate investment. If the Trust fails to address any of these risks or difficulties adequately, its investment performance likely will suffer. There is no assurance that the Trust can operate profitably or that the Trust will successfully implement its plans.

Construction and Development Risk

The Project will be subject to a number of risks inherent in the development, marketing, sale and construction of a mid-rise residential development project in Jersey City, including: (i) the potential that the Trust may fail to recover expenses already incurred if it abandons the development of the Property; (ii) construction or development costs may exceed original estimates, possibly making the Project less profitable than originally estimated, or unprofitable; (iii) the time required to complete the construction or development of the Project or to lease up the completed Project may be greater than anticipated, thereby adversely affecting the Trust's cash flow and liquidity projections; (iv) the cost and timely completion of construction (including risks beyond the Trust's control, such as weather, labour conditions or labour and material shortages); (v) contractor and subcontractor disputes, strikes, labour disputes or supply disruptions; (vi) the failure to achieve expected occupancy levels within the projected time frame, if at all; (vii) delays with respect to obtaining governmental permits and changes in zoning and land use laws; (viii) occupancy rates and rents of the completed Project may not be sufficient to make it profitable; (ix) the Trust's ability to dispose of the Project could be impacted by the ability of prospective buyers to obtain financing; (x) the potential for undisclosed liabilities relating to the Project; and (xi) the availability and pricing of financing to fund the Trust's development activities on favourable terms or at all.

The above risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent the initiation of development activities or the completion of development activities once undertaken. In addition, development projects entail risks that investments may not perform in accordance with expectations and can carry an increased risk of litigation (and its attendant risks) with contractors, subcontractors, suppliers, partners and others. Any of these risks could have an adverse effect on the Trust's cash flows, financial condition or results of operations and its ability to make distributions to Unitholders in the future.

Development Permit Risks

While the Project has obtained site plan approval and use, height and bulk variances, in order to commence construction on the Project, the Trust must obtain certain additional ministerial permits and approvals required for construction from the Jersey City Department of Buildings. Viability and/or profitability of the Project may be materially adversely affected if the Project cannot proceed as currently proposed. Until the necessary permits as may be required for the Project are secured, Project design and return on the Project may be subject to change.

The Project's viability and profitability are also dependent on a certain construction timeline being met. If there should be a significant delay in the provision of servicing, construction, or in obtaining any of the required construction permits, the Project's viability and/or profitability may be materially adversely affected. While the Manager anticipates that the aforementioned permits will be obtained from the Jersey City Department of Buildings to allow for construction to commence by November 2023, there can be no guarantee that any or all of the required permits will be obtained on a timely basis or at all.

Financing Risks

There is no assurance that Avenir LP will be able to obtain sufficient Construction Loans to finance the development of the Project, or, if available, that Avenir LP will be able to obtain Construction Loans on commercially acceptable terms. Further, there is no assurance or guarantee that any Construction Loans, if obtained, will be renewed when they mature or, if renewed, renewed on the same terms and conditions (including the rate of interest). In the absence of sufficient construction financing, the Project may not be able to be developed as described in this Prospectus, or at all. Even if Avenir LP is successful in obtaining adequate Construction Loans, Avenir LP may not be able to complete the construction of the Project or refinance such Construction Loans. If a default occurs under any Construction Loans, the applicable Lender could exercise its rights including, without limitation, foreclosure or sale of the Project.

The Project's access to third party sources of financing will depend on a number of factors, including the market's perception of its growth potential and its current and potential future earnings, and the ability to obtain adequate financing and to provide or procure guarantees in respect of same. If financing from third parties cannot be obtained or to advance the required funds in the form of a loan, the Project may not be completed or able to satisfy its debt obligations and the Trust may be unable to make distributions to the Unitholders.

The Project's viability and profitability are also dependent on a certain construction timeline being met. If there should be a significant delay in the provision of servicing, construction, or in obtaining any of the required construction permits, the Project's viability and/or profitability may be materially adversely affected. There can be no guarantee that any or all of the required permits will be obtained and implemented or obtained and implemented on a timely basis.

Rental Income Risks

The Project is expected to generate income primarily through rent payments made by the tenants thereof pursuant to standard form leases which are in place for each developed mixed-use unit. Upon expiry of any lease, there can be no assurance that it will be renewed or the tenant replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than the existing lease. If a significant number of tenants of the Project are unable to meet their obligations under their leases or if a significant amount of available space in the Project becomes vacant and cannot be re-leased out to tenants on economically favourable terms, the Project may not generate revenues sufficient to meet Operating Expenses, including debt service and capital expenditures, and Distributable Cash will be adversely affected.

Project

Following closing of the Offering, the Trust will indirectly acquire an interest in the Project. The Manager has estimated that the total cost necessary to carry out the proposed development of the Project will be US\$230,000,000. If the Project is unable to be developed, there could be a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to Unitholders in the future. The Trust does not expect to have cost overruns and the Manager has budgeted significant contingencies for the Project. However, in the event of a future incremental equity requirement or cost overrun requiring additional equity, pursuant to the Cost Overrun Funding and Guarantee Agreement, the Current Owners have agreed, among other things, to subscribe for Cost Overrun Units. However,

there can be no guarantee that the Current Owners will comply with this obligation or that such funds will be available, or that if available, that the cost overrun will be satisfied in full.

There is no assurance that the Project will be operated successfully. The potential return to investors depends on the revenues generated by the Project, expenses incurred, costs and time to construct the Project, as well as the price achieved through a Liquidity Event and/or the ability of the Trust to consummate a Liquidity Event. However, there can be no assurance that such business activities will generate revenues sufficient to meet the return objectives of the Trust.

The Project will be subject to the risks inherent in the marketing, leasing and construction of residential units in Jersey City, New Jersey, including, but not limited to, the inability to obtain construction or mortgage financing on reasonable terms or at all, the inability or failure or unwillingness, when and if required, to provide or procure guarantees, security and other credit support to secure Project financing, fluctuations in interest rates, fluctuations in or volatility of real estate markets (particularly the residential rental property market in New Jersey) and general economic conditions, failure to repay or refinance mortgages resulting in foreclosure or power of sale, construction delays due to force majeure, strikes, shortages of materials or labour, competition from other properties, limits on insurance coverage and increases in construction costs caused by general economic conditions.

Negative Cash Flow from Operating Activities

During the fiscal year ended December 31, 2022, the Project had negative cash flow from operating activities. To the extent the Project has negative cash flow from operating activities in future periods, the Project may be required to seek alternative forms of debt or equity financing, including the Current Owners acquiring Cost Overrun Units pursuant to the Cost Overrun Funding and Guarantee Agreement. There can be no assurance that debt or equity financing will be available to the Project or, if available, will be on terms acceptable to the Project. In addition, to the extent that the Project has negative cash flow from operating activities in future periods, it may be required to deploy a portion of its existing working capital to fund such negative cash flow from operating activities. The Trust does not anticipate that the Project will generate positive cash flows from operations until its completion.

Requirements Under Municipal Affordable Housing and Rent Control Policies

While the Manager believes the Project will not be subject to certain affordable housing contributions required under Jersey City Ordinance 23-048 (which, among other things, requires developers contribute to an affordable housing funds or otherwise fulfill this obligation by including affordable housing within their projects) because the Project was approved prior to the implementation of this policy, Jersey City Ordinance 23-048 is awaiting court approval, certain rules and regulations relating to Jersey City Ordinance 23-048 are still being determined, including being contested through litigation, and there is accordingly a lack of clarity regarding which specific stage of approval by Jersey City would qualify the Project as approved prior to the implementation of this policy (and, accordingly, not subject to the requirements of the policy). Accordingly, the profitability of the Project may be negatively impacted if the Project is determined to ultimately be subject to the affordable housing contributions required under Jersey City Ordinance 23-048.

While the Manager believes the Project will qualify for an exemption from any local rent control regulations for the lesser of the length of the Project's initial mortgage financing or 30 years, because it involves new construction of a multi-family development, there are certain procedural requirements that must be followed pursuant to New Jersey law, including, filing a statement of claim of exemption, providing exemption statements to prospective tenants, and identifying such exemption in all tenant leases. Accordingly, if any of the foregoing procedural requirements are not met, the Project will be subject to local rent control regulations and the profitability of the Project may be negatively impacted.

General Competition from Other Real Property Operators

The market for residential rental units in Jersey City is competitive, and the Project faces competition in Jersey City and in the broader New York Metropolitan Area, with numerous developers continuously undertaking and marketing projects. In the future, this level of competition may increase if and as existing operators become more successful and new operators enter the market. Competing developers may in the future develop and/or own developments that compete directly with the Project, or otherwise offer lower prices, better locations, better services or other attractive features in any given properties' catchment area, which may heighten competition for tenants. Local market conditions play a significant role in how competition

affects the Project, in particular on the prices the Project is able to set, and additional competition may lower occupancy levels and rental revenue of the Project from time to time.

Maintaining a competitive position may also require continued investment in the Project. In the face of competition, the Project may lose potential renters, and there may be pressure to discount rental rates below what would otherwise be charged in order to offer lease incentives to attract renters. As a result, the Project's revenues may decrease, which could impair Avenir LP's ability to satisfy debt service obligations and the Trust's ability to pay distributions. In addition, increased competition for buyers may require the Manager to make unbudgeted capital improvements to the Project, which may reduce the cash available for Avenir LP to satisfy debt service obligations and for the Trust to pay distributions. No assurance can be given that the Project will have sufficient resources to make the necessary investments, or that any such investments would lead to higher occupancy rates, allow the Trust to charge higher rent rates or otherwise generate incremental earnings. If competition intensifies and the Project's occupancy rates or rental revenues decline, this could result in a material adverse effect on the Trust's business, financial condition and results of operations.

Environmental Matters

Environmental legislation, policies and standards have become increasingly stringent in recent years. Under various environmental laws, Avenir LP could become liable for the costs of abatement, removal or remediation of certain hazardous substances that may have been or may in the future be located on, in, under or released from the Project, or may have liability for offsite migration of such substances. The failure to deal effectively with such substances may adversely affect the Manager's ability to sell the Project or to borrow using the Project as collateral, and could potentially also result in claims against Avenir LP by third parties. In addition, if hazardous substances are located on, in, under or released from the Project, Avenir LP could incur substantial liabilities through a private party personal injury claim, a claim by an adjacent property owner for property damage or a claim by a governmental entity, including fines and penalties. The costs of defending these claims, conducting environmental remediation, complying with orders by governmental authorities for Avenir LP to study, contain, stop and/or remedy any contamination, resolving liabilities caused by tenants or to third parties or responding to changed conditions, could have a material adverse effect on the Trust's business, financial condition and results of operations which may impact the Trust's ability to meet its investment objectives.

The Environmental Assessment is based solely on (i) data and information collected during the preparation of the Environmental Assessment, and (ii) site conditions encountered at the time of the site visits by the environmental consultants who prepared the Environmental Assessment. Despite the conclusions of the Environmental Assessment, there is a risk that unforeseen contamination requiring abatement, remediation or containment may be discovered. Additional material costs could also arise as a result of the discovery of unforeseen or unknown geotechnical or hydrogeological conditions.

The Jersey City Real Estate Market

The Project is subject to the risks associated with fluctuations in or the volatility of the Jersey City real estate market and, to a lesser extent, the real estate market of the New York Metropolitan Area, specifically, the market for residential condominium units, mixed-use real estate properties and residential rental properties in such areas. The demand for newly constructed residential rental units in Jersey City is affected by numerous factors, including, but not limited to, interest rates, mortgage rules, the supply of residential units, and general economic conditions. The Jersey City real estate market is subject to change, and there can be no assurance that demand for newly constructed residential rental properties in Jersey City will not decline. A decrease in the demand for, or increase in the supply of, residential units in Jersey City could materially adversely affect the Project's viability, and, as a result, the Project could be temporarily delayed or cancelled altogether. See "– Geographic Concentration and Local Economic Conditions" below for a summary of the potential impact of a deterioration of the local economic conditions in the local area of the Project.

Regulation and Changes in Applicable Laws

The Project is subject to laws and regulations governing the ownership and leasing of real property, zoning, building standards, landlord tenant relationships, employment standards, environmental matters, taxes and other matters. It is possible that future changes in Applicable Laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the Project (including with retroactive effect). Any changes in the laws to which the Project is subject could materially adversely affect the Project's rights and title to its assets. It is not possible to predict whether there will be any further changes in the regulatory regimes to which the Trust is subject or the effect of any such

changes on its investments in the Project. Lower revenue growth or significant unanticipated expenditures may result from the Project's need to comply with changes in Applicable Laws or the enactment of new laws, including: (i) laws imposing environmental remedial requirements and the potential liability for environmental conditions existing on the Property or the restrictions on discharges or other conditions; or (ii) other governmental rules and regulations or enforcement policies affecting the development, use and operation of the Project, including changes to building codes and fire and life-safety codes. As a result, the Project may, in the future, incur capital expenditures which may not be fully recoverable from tenants.

Property Encumbrances

The Project may be or may become subject to various easements and charges including, without limitation, gas, water, electricity and other utility easements and rights of access and conduits to and across the Project. Where such encumbrances exist, the Trust may be required to grant or obtain additional easement area and could be responsible for the cost of moving infrastructure. In the event that the owner of an easement damages an improvement while working within the easement, the Trust could be responsible for the cost of repairs. Further, in certain circumstances if an owner of an adjoining property were to take action to block certain rights of access, the Trust may be required to seek a court order to maintain access to and from the applicable property.

Capital Expenditures and Fixed Costs

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a property is producing any income to pay such expenses. Once developed, in order to retain desirable rentable space and to generate adequate revenue over the long-term, the Project must maintain or, in some cases, improve its condition to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs, which the Project may not be able to pass on to its tenants. The timing and amount of further capital expenditures required by the Project will indirectly affect the amount of cash available for distribution to Unitholders in the future. Distributions may be reduced, or even eliminated, at times when the Project deems it necessary to make significant capital or other expenditures.

If the actual costs of maintaining or upgrading the Project in the future exceed the Manager's estimates, the Project will incur additional and unexpected costs. If competing mixed-use properties are built in the area where the Project is located, the net operating income derived from and the value of such property could be reduced. Any failure by Avenir LP to undertake appropriate maintenance work in response to the factors described above could materially adversely affect the rental income that the Trust indirectly earns from the Project in the future and could have a material adverse effect on the financial condition and results of operations and the Trust's ability to make distributions to Unitholders.

Access to Capital

The real estate industry is highly capital intensive. Although the Project expects to have access to debt financing, there can be no assurances that the Project will otherwise have access to sufficient capital or access to capital on terms favourable to the Project to complete its development. Further, in certain circumstances, the Project may not be able to borrow additional funds. Market conditions and unexpected volatility or illiquidity in financial markets may inhibit the Project's access to long-term financing in the Canadian and U.S. capital markets. As a result, it is possible that financing which the Project may require in order to develop, may not be available or, if it is available, may not be available on favourable terms to Avenir LP. Failure by Avenir LP to access required capital could have a material adverse effect on the Trust's business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders.

Revenue Shortfalls

Revenues from the Project, once developed, may not increase sufficiently to meet increases in Operating Expenses or debt service payments under the Construction Loans or to fund changes in the variable rates of interest charged in respect of such loans.

Fluctuations in Interest Rates and Capitalization Rates

The Construction Loans may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in the Project's cost of borrowing.

As interest rates fluctuate in the lending market, generally capitalization rates will as well, which affects the underlying value of real estate. As such, when interest rates rise, generally capitalization rates should be expected to rise. Over the period of investment, capital gains and losses at the time of disposition can occur due to the increase or decrease of these capitalization rates.

Litigation at the Project Level

The acquisition, ownership and disposition of real property carries certain specific litigation risks. Litigation may be commenced with respect to Project in relation to activities that took place prior to the Trust's acquisition of an interest in the Project.

Liquidity

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. If the Project were required to be quickly liquidated, the proceeds to the Trust may be significantly less than the aggregate carrying or net asset value of the Project or less than what would be expected to be received under normal circumstances which could have an adverse effect on the Trust's financial condition and results of operations and decrease the amount of cash available for distribution. Illiquidity may result from the absence of an established market for real property investments, as well as from legal or contractual restrictions on their resale. In addition, in recessionary times, it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable, and during an economic recession the Project may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary for the Project to be disposed of at a lower price. There can be no assurance that the fair market value of the Project will not decrease in the future.

Economic Environment

The Trust is subject to risks involving the economy in general, including inflation, deflation or stagflation, unemployment, supply chain pressures and negative geopolitical issues. Poor economic conditions could adversely affect the development of the Project or the Project's ability to generate revenues, thereby reducing its operating income and earnings. Such conditions could also have an adverse impact on the ability of the Project to maintain occupancy rates in the future which could harm the Trust's financial condition. In weak economic environments, the Project's tenants may be unable to meet their rental payments and other obligations due to the Project, which could have a material and adverse effect on the Trust. In addition, fluctuation in interest rates or other financial market volatility may restrict the availability of financing for future prospective purchasers of the Project and could potentially reduce the value of the Project.

Geographic Concentration and Local Economic Conditions

The Project is located in Jersey City, New Jersey. As such, the Trust is susceptible to local economic conditions, which impact the supply of and demand for residential rental properties in this area. If there is a downturn in the local economy, the Project could be materially adversely affected to a greater extent than if the Trust owned a more geographically diversified real estate portfolio. An important part of the Trust's business plan is based on the belief that property values for residential rental properties in the market in which the Project operates will continue to improve over the next several years. There can be no assurance as to the extent property values in the market in which the Project operates will remain high or continue to grow. If this market experiences economic downturn in the future, the value of the Project could decline and the Trust's ability to execute its business plan may be adversely affected, which could adversely affect the Trust's financial condition and operating results.

Negative Geopolitical Events May Cause Increased Economic Volatility

Events such as war and occupation, terrorism and related geopolitical risks may lead to increased economic volatility and may have adverse short-term and long-term effects on world economies and securities markets generally, including Canadian, U.S., European and other economies and securities markets. For example, in response to the current conflict between Russia and Ukraine, certain countries have implemented economic sanctions against Russia and/or certain Russian individuals

or organizations, and may impose further sanctions or other restrictive actions against governmental or other individuals or organizations in Russia or elsewhere. The effects of disruptive geopolitical events could affect the economies and securities markets of countries in which Atree and/or its affiliates operate in ways that cannot necessarily be foreseen at the present time. These events could also exacerbate other pre-existing political, social and economic risks.

Public Health Crises

Public health crises relating to any virus, flu or any other similar disease or illness, including COVID-19 (each a “**Health Crisis**”) could adversely impact the Trust, including through: a general or acute decline in economic activity in the region in which the Project is located; increased unemployment; reduced immigration; closure of college and university campuses; household consolidation (young adults moving back in with their parents); supply shortages; temporary service disruptions due to illness; Trust or government-imposed isolation programs and restrictions on the movement of personnel; and other mobility restrictions and quarantine measures; increased government regulation; inability to access governmental programs or processes on a timely basis; efficacy of governmental relief efforts; and the quarantine or contamination of the Project. Contagion in the market in which the Project is located could negatively impact its occupancy, reputation or attractiveness of that market. Furthermore, increased government regulation relating to a Health Crisis could result in legislation or regulations that may restrict the ability of landlords to enforce material provisions under leases among other potential adverse impacts. All of these occurrences may have a material adverse effect on the business, cash flows, financial condition and results of operations of the Project, including the valuation of the Project in connection with a Liquidity Event.

Risks Related to the Trust

Holding Entity Structure

As a holding entity, the Trust’s ability to meet its obligations, including payment of Operating Expenses and distributions, depends on the receipt by the Trust of distributions from its Subsidiaries as the principal source of Cash Flow. As a result, the Cash Flow and ability to pay distributions on the Units are dependent upon the earnings of the Trust’s Subsidiaries and the distribution of those earnings and other funds to the Trust. The payment of distributions by certain of the Trust’s Subsidiaries may be subject to restrictions set out in relevant tax or corporate laws and regulations, constating or constitutional documents or other governing provisions, which may require that certain Subsidiaries remain solvent following payment of any such distributions. Substantially all of the Trust’s business will be conducted through its Subsidiaries.

Distributions may be Reduced or Suspended

Although the Trust intends to distribute its available cash to Unitholders following the Initial Occupancy Date, such cash distributions may be reduced or suspended.

The Minimum Return payable to holders of Class A Units, Class C Units, Class E Units, Class F Units and Class U Units, is not guaranteed and may not be paid on a current basis in each year or at all. The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a Unitholder’s original investment, are not guaranteed and the anticipated return on investment is based upon many performance assumptions. It is important for Purchasers to consider the particular risk factors that may affect the real estate investment markets generally and therefore the availability and stability of the distributions to Unitholders. Moreover, while the Minimum Return is 8% compounded per annum and the Secondary Minimum Return is 15% compounded per annum, it may not be equal to 8% or 15%, as applicable, and does not mean that Unitholders should expect to receive an 8% or 15%, as applicable, compounded return per annum and return of their Gross Subscription Proceeds before the Carried Interest becomes payable.

Capital Depletion Risk

The Trust expects that distributions to Unitholders (to the extent available) will commence on the Initial Occupancy Date. While the Trust expects that its cash flows will stabilize in the fourth year following the closing of the Offering, distributions to Unitholders may, in whole or in part, be comprised of returns of capital. A return of capital means all, or a portion of, the distributions provided to Unitholders is derived from funds that were invested in the Trust originally, as opposed to the returns or income generated by the investment in the Trust. Returns of capital will reduce the Net Asset Value of the particular class of Units, as applicable, and may reduce the total assets of the Trust.

Reliance on Assumptions

The Trust's investment objectives and the Manager's strategy have been formulated based on the Manager's analysis and expectations regarding recent economic developments in the U.S., the future of U.S. real estate markets generally, and the Canadian dollar to U.S. dollar exchange rate. Such analysis may be incorrect and such expectations may not be realized.

Currency Exchange Rate

Although investors in the Class A Units and Class F Units will be investing in Canadian dollars and will receive distributions, if any, in Canadian dollars, the distributions will be calculated based on the Canadian dollar equivalent of a given distribution in U.S. dollar (which calculation shall use the U.S. dollar spot exchange rate available to the Trust in respect of such distribution). The Canadian dollar is not maintained at a fixed exchange rate compared to U.S. dollar but rather the value of the Canadian dollar has a floating exchange rate in relation to the U.S. dollar. The Trust does not currently intend to enter into any hedging arrangements to limit the impact of changes in the U.S. dollar/Canadian exchange rate. Additionally, the business of the Trust's Subsidiaries and its affiliates will be conducted in the U.S. Consequently, as (i) holders of Class A Units and Class F Units will receive distributions, if any, in Canadian dollars, and (ii) any income and gains will be earned and any expenses and losses of the Trust will be incurred in U.S. dollars, investors who purchase Units will accordingly be subject to currency exchange rate risk as a result of fluctuations in the Canadian dollar/U.S. dollar exchange rate.

Payment of Minimum Return and Carried Interest

The amounts calculated as being distributable to Unitholders for purposes of determining the Carried Interest are not the same as the amounts that will be distributed to Unitholders pursuant to the Declaration of Trust. It is possible that the persons entitled to the Carried Interest will receive amounts even if one or more classes of Units have not received the Minimum Return, primarily as a result of fluctuations in currency exchange rates and the different impacts of such fluctuations on Canadian Dollar Units as compared to U.S. Dollar Units (and vice versa).

General Litigation

In the normal course of the Trust's operations, whether directly or indirectly, it may become involved in, named as a party to, or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions in relation to, among other things, personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Trust and, as a result, could have a material adverse effect of the Trust's assets, liabilities, business, financial condition and results of operations. Even if the Trust prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Trust's business operations, which could have a material adverse effect on the Trust's business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders.

Potential Conflicts of Interest with Respect to the Trustees and Executive Officers of the Trust

The Trustees will, from time to time, in their individual capacities, deal with parties with whom the Trust may be dealing, or may be seeking investments similar to those desired by the Trust. The interests of these persons could conflict with those of the Trust. Pursuant to the Declaration of Trust, all decisions to be made by the Board which involve the Trust are required to be made in accordance with the Trustee's duties and obligations to act honestly and in good faith with a view to the best interests of the Trust and its Unitholders. In addition, the Declaration of Trust contains provisions requiring the Trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. Conflicts may also exist as certain Trustees and executive officers of the Trust, namely, Zev Mandelbaum, Mark Mandelbaum, Raphael Mandelbaum, Mitchell Cohen, Natalie Leibowitz and Jordan DeBrincat, have interests in or are otherwise affiliated with one or more of the Pre-Development Majority Owners. While the executive officers of the Trust also owe fiduciary and legal duties to the Trust and its Unitholders, there can be no assurance that the provisions of the Declaration of Trust, the provisions of the Management Agreement or any internal corporate policies of the Trust, as applicable, will adequately address potential conflicts of interest or that such actual or potential conflicts of interest with respect to the Trustees or executive officers of the Trust will be resolved in favour of the Trust. See "Atree and the Management Agreement – Potential Conflicts of Interest (Manager, Trustees and Officers)".

Potential Conflicts of Interest with Respect to the Manager and the Project General Partners

The services of the Manager as manager of the Trust are not exclusive to the Trust. The Manager or any of its affiliates and associates may, at any time, engage in the development of, investment in and management of other real estate properties. The Manager will not have any obligation to account to the Trust or the Unitholders for profits made in such other activities. While the Manager owes fiduciary, legal and financial duties to the Trust and its Unitholders, the Manager's continuing businesses, including its role in providing asset management services to other issuers other than the Trust, may lead to conflicts of interest between the Manager and the Trust, including in connection with a Liquidity Event, Liquidity Option or Sale Process, or any other potential exit event with respect to the Project. The Trust may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the Trust than if it were dealing with a party that was not a significant holder of an interest in the Trust and was not a provider of asset management services to issuers other than the Trust. See "Atree and the Management Agreement – Potential Conflicts of Interest (Manager, Trustees and Officers)".

In addition, CZBK GP, CZRBK GP and Avenir GP are each general partners of CZBK, CZRBK and Avenir LP, limited partnerships which the Trust has an indirect interest in and through which the Trust has an indirect interest in the Project. These Project General Partners are controlled by one or more of the Pre-Development Majority Owners or shareholders, directors, officers, employees or affiliates of the Current Owners, each of whom are and/or may in the future be actively engaged in a wide range of real estate development, investment and management activities, some of which are or will be similar to and in competition with the business of the Trust. Accordingly, conflicts of interest may arise between the Trust, with direct or indirect interests in each of CZBK, CZRBK and Avenir LP, and the Project General Partners. There are no assurances that conflicts of interest will not arise which cannot be resolved in a manner most favourable to the Trust as a party with indirect interests in CZBK, CZRBK and Avenir LP.

Purchasers of Units pursuant to this Offering must rely on the judgement and good faith of the shareholders, directors, officers and employees of the Project General Partners and the Manager in resolving the aforementioned conflicts of interest as they may arise.

Insurance Coverage May be Inadequate

The Trust will attempt to obtain adequate insurance of the type and coverage customarily obtained for properties similar to that of the Project to cover significant areas of risk to it as an entity and to the Project. However, there are types of losses at the property level, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, floods, tornadoes, hurricanes, pollution or environmental matters, which are uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. The Trust may not have adequate coverage for such losses. If the Project incurs a casualty loss that is not fully insured or the insurer is unable to pay due to insolvency, the value of the Trust's assets will be reduced by any such uninsured loss. In addition, other than any working capital reserve or other reserves the Trust may establish, it has no source of funding to contribute to repairing or reconstructing any uninsured damaged property.

Reliance on the Manager and Avenir LP

Prospective Purchasers assessing the risks and rewards of this investment will, in large part, be relying on the good faith and expertise of the Manager and its senior executives, as well as that of Avenir LP and its general partner. Moreover, the historical performance of other projects managed by the Manager and Avenir LP is not intended to be, nor should be construed as, an indication as to future value, success or returns in respect of the Units, the Trust or the Project.

Reliance on Third-Party Property Management

The Manager may later on rely upon independent management companies to perform property management functions in respect of the Project. To the extent Manager relies upon such management companies, the employees of such management company will devote as much of their time to the management of the Project as in their judgement is reasonably required and may have conflicts of interest in allocating management time, services and functions among the Project and their other development, investment and/or management activities.

Limited Operating History

The Trust is a newly organized entity with no operating history. There is no assurance that the Trust will be able to successfully implement its business plans or operate profitably over the short term or an extended period.

Risks Related to the Offering

Limited Liquidity of Units

There is currently no market through which the Units may be sold, such a market may not develop, and Purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the Units in the secondary market, if one should develop, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. As at the date of this Prospectus, the Trust does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on any Canadian marketplace, U.S. marketplace, or any marketplace outside Canada and the U.S. Although the Trust intends to complete a Liquidity Event within four years of the Closing Date (subject to any applicable, permitted extensions), there can be no assurance that the Trust will be wound up or that Unitholders will receive a return of their Gross Subscription Proceeds by that time. Accordingly, an investment in Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

Less than Full Offering

There can be no assurance that more than the Minimum Offering will be sold. If less than all of the US\$50,000,000 of Class A Units, Class E Units, Class F Units and/or Class U Units are sold pursuant to this Offering and any concurrent private placements, the Current Owners will fund the rest of the required equity for development of the Project through the Equity Commitment by subscribing for Class C Units of the Trust. In such circumstances, an investor's proportionate interest in the Trust will be reduced accordingly.

Management has Limited Experience Managing a Reporting Issuer

The individuals who constitute the executive officers of the Trust have relatively limited experience managing a reporting issuer and limited experience complying with the increasingly complex laws pertaining to reporting issuers compared to senior management of other reporting issuers. The Trust's executive officers may not successfully or efficiently manage the Trust, which is subject to significant regulatory oversight and reporting obligations under Canadian securities laws. In particular, these new obligations will require substantial attention from management and could divert their attention away from the day-to-day management of the Trust and its business.

Unitholder Liability

The Declaration of Trust provides that no Unitholder will be subject to any liability whatsoever to any person in connection with the holding of a Unit. In addition, legislation has been enacted in the Province of Ontario and certain other provinces and territories that is intended to provide Unitholders in those provinces and territories with limited liability. However, there remains a risk, which is considered by the Trust to be remote in the circumstances, that a Unitholder could be held personally liable for the obligations of the Trust to the extent that claims are not satisfied out of the assets of the Trust. It is intended that the affairs of the Trust will be conducted to seek to minimize such risk wherever possible.

Nature of Investment

The Units represent a fractional interest in the Trust and do not represent a direct investment in the Trust's assets and should not be viewed by investors as direct securities of the Trust's assets. A Unitholder does not hold a share of a body corporate. Unitholders will not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The rights of Unitholders are based primarily on the Declaration of Trust. There is no statute governing the affairs of the Trust equivalent to the OBCA or the CBCA which sets out the rights and entitlements of shareholders of corporations in various circumstances. As well, the Trust may not be a recognized

entity under certain existing insolvency legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies Creditors' Arrangement Act* (Canada), and thus the treatment of Unitholders upon an insolvency is uncertain.

Enforceability of Judgments Against Foreign Subsidiaries

All of the assets of CZBK, CZRBK and Avenir LP, including the Project, are located outside of Canada. As a result, it may be difficult or impossible for investors to effect service within Canada upon such persons or entities, or to realize against them in Canada upon judgments of courts of Canada predicated upon the civil liability provisions of applicable Canadian provincial securities laws. There is some doubt as to the enforceability in the U.S. by a court in original actions, or in actions to enforce judgments of Canadian courts, of civil liabilities predicated upon such applicable Canadian provincial securities laws. A court in the United States may refuse to hear a claim based on a violation of Canadian provincial securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a court in the United States agrees to hear a claim, it may determine that the local law in the United States, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process.

Risks Related to Redemptions

Use of Available Cash

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

Limitation on Payment of Redemption Price in Cash

Unless the Trustees otherwise determine, the total cash amount payable on the redemption of Units by the Trust is limited to C\$50,000 in the aggregate in each calendar quarter and is also limited in any 12-month period to 1% of the aggregate Net Asset Value at the start of such 12-month period.

Payment of Redemption Price in Kind

The redemption price of Units may be paid and satisfied by way of an *in specie* distribution of property of the Trust (which may include Investment LP Units), and/or the issuance of unsecured subordinated promissory notes of the Trust, at its option, as determined by the Board in its sole discretion, to the redeeming Unitholder. Such property may be illiquid and generally will not be a qualified investment for Plans. Adverse tax consequences generally may apply to a trust governed by a Plan and/or the annuitant, holder, subscriber or beneficiary thereunder or thereof, as a result of the redemption of Units held in a trust governed by a Plan. Accordingly, investors that propose to invest in Units through Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Units.

Risks Related to Canadian Tax

Mutual Fund Trust Status

For the Trust to qualify as a “mutual fund trust” within the meaning of the Tax Act, it must comply on a continuous basis with certain requirements relating to the qualification of the Units for distribution to the public, the number of Unitholders and the dispersal of ownership of a particular class of its Units. The Trust intends to comply with the requirements under the Tax Act such that it will qualify at all times as a “mutual fund trust” for purposes of the Tax Act, however, no assurances can be given in this regard. Should the Trust cease to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading “Certain Canadian Federal Income Tax Considerations” would be materially and adversely different in certain respects.

Restrictions on Non-Resident Ownership

A trust will be deemed not to be a “mutual fund trust” for purposes of the Tax Act if it is established or maintained primarily for the benefit of “non-residents” of Canada (for purposes of the Tax Act), except in limited circumstances. Those circumstances include when all or substantially all of the mutual fund trust’s property is not “taxable Canadian property”, as defined by the Tax Act (if such definition were read without reference to paragraph (b) thereof). The law does not provide any means of rectifying a loss of mutual fund trust status if this requirement is not met.

In order to comply with the limitations on ownership by Non-Residents, the Declaration of Trust includes (i) restrictions on the ownership of Units intended to limit the number of Units held by Non-Residents, such that non-residents of Canada for purposes of the Tax Act, partnerships that are not “Canadian partnerships” (as defined in the Tax Act) or any combination of the foregoing will not be permitted to be the beneficial owners of more than 49% of the Units (on a number of Units or fair market value basis).

The restrictions on the issuance of Units by the Trust to Non-Residents may negatively affect the Trust’s ability to raise financing for future operations. In addition, the Non-Resident ownership restrictions could negatively impact the liquidity of the Units and the market price at which Units can be sold.

Investment Eligibility

There can be no assurance that the Units will continue to be “qualified investments” under the Tax Act for trusts governed by Plans. Promissory notes or other property (including Investment LP Units) which may be received in connection with an *in specie* redemption of Units generally will not be “qualified investments” under the Tax Act for trusts governed by Plans. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments by Plans or prohibited investments by RRSPs, RRIFs, RESPs, RDSPs, TFSAAs and FHSAAs.

The SIFT Rules

The SIFT Rules apply to a trust that is a “SIFT trust” or a partnership that is a “SIFT partnership”, each as defined in the Tax Act. Provided that a trust or partnership does not own “non-portfolio property” (as defined in the Tax Act) at any relevant time, it will not be subject to the SIFT Rules. Based on the Investment Restrictions of the Trust and the limitations imposed on the Partnerships under their respective Partnership Agreements, the Entities will not at any time hold any non-portfolio property and, therefore, should not be subject to the SIFT Rules. However, there can be no assurance that the SIFT Rules or the administrative policies and assessing practices of the CRA with respect thereto will not be changed in a manner that adversely affects the Entities or the Unitholders.

If the SIFT Rules were to apply to an Entity, they may have an adverse impact on the Trust and the Unitholders, on the value of the Units and on the ability of the Trust to undertake financing, and Distributable Cash Flow may be materially reduced. The effect of the SIFT Rules on the market for the Units is uncertain.

Taxable Income Exceeding Cash Distributions

Whether or not the Trust pays cash distributions in a particular year, it is expected that the Trust will make sufficient distributions (in the form of additional Units if cash distributions are not paid) to ensure that the Trust is not subject to non-refundable tax under Part I of the Tax Act for the year. Accordingly, Unitholders may be subject to tax under the Tax Act on their share of the Trust’s income regardless of whether cash distributions are paid.

Non-Resident Holders

The Tax Act may impose additional withholding or other taxes on distributions made by the Trust to Unitholders who are Non-Residents. Such taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time. **In addition, this Prospectus does not describe the tax consequences under the Tax Act to Non-Residents of acquiring, holding or disposing of Units, which may be worse than the consequences to Canadian resident Unitholders. Prospective Purchasers who are Non-Residents should consult their own tax advisors.**

Loss Restriction Event

Pursuant to rules in the Tax Act, if the Trust experiences a “loss restriction event”, (i) it will be deemed to have a year-end for tax purposes (which would generally result in an unscheduled distribution of undistributed net income and net realized capital gains, if any, at such time to Unitholders to the extent necessary so that the Trust is not liable for non-refundable tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the Trust will be subject to a loss restriction event if a person becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Trust, each as defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of a trust is a beneficiary of the trust whose beneficial interest in the income or capital of the trust, as the case may be, together with the beneficial interests in the income or capital of the trust, as the case may be, of all persons or partnerships with whom such beneficiary is affiliated for the purposes of the Tax Act, represents greater than 50% of the fair market value of all the beneficial interests in the income or capital of the Trust, as the case may be. A majority-interest group of beneficiaries of a trust is generally a group of beneficiaries of the trust where, if one person held all the beneficial interests held by such group, such person would be a majority-interest beneficiary of the trust.

Foreign Taxes

Foreign taxes paid or considered to have been paid by the Investment LP (or another Partnership) will be attributed to the Trust in accordance with the Investment LP Agreement (or such other Partnership Agreement) and, provided the Trust makes appropriate designations, will be deemed to have been paid by Unitholders for purposes of the foreign tax credit rules in the Tax Act, provided however that where such taxes are imposed in respect of income from property a foreign tax credit will generally not be available to the extent that the applicable foreign tax rate exceeds 15%.

The availability of a foreign tax credit in respect of creditable taxes deemed to be paid by Unitholders will be subject to the detailed rules contained in the Tax Act and each Unitholder’s particular circumstances. Although the foreign tax credit provisions of the Tax Act are designed to avoid double taxation, the maximum credit is limited as described in the preceding paragraph such that the full foreign tax credit may be unavailable. Because of this, and because of timing differences in recognition of expenses and income and other factors, double taxation may arise.

Under the Foreign Tax Credit Generator Rules, the foreign “business income tax” or “non-business-income tax”, each as defined in the Tax Act, for any taxation year may be limited in certain circumstances, including where a partner’s share of the partnership’s income under the income tax laws of any country (other than Canada) under whose laws the income of the partnership is subject to income taxation, is less than the partner’s share of such income for purposes of the Tax Act. No assurances can be given that the Foreign Tax Credit Generator Rules will not apply to any Unitholder. If the Foreign Tax Credit Generator Rules apply, a Unitholder’s foreign tax credits will be limited.

Differences in Canadian and U.S. Tax Laws

The Trust is required to compute its income in accordance with the provisions of the Tax Act, which may differ materially from the applicable provisions of the Code. In addition, the effective tax rate under the Tax Act and the Code (combined with any other applicable U.S. state or local tax law) may differ, in which case Unitholders generally will be subject to the higher effective tax rate.

Change of Law

There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, the terms of the Treaty or the administrative policies and assessing practices of the CRA will not be changed in a manner that adversely affects the Trust or the Unitholders. Any such change could increase the amount of tax payable by the Trust or the other Entities or could otherwise adversely affect Unitholders by reducing Distributable Cash Flow available for distribution to the Unitholders, or changing the tax treatment applicable to Unitholders in respect of distributions from the Trust or the sale of Units.

Foreign Currency

For purposes of the Tax Act, the Trust, the Partnerships and the Unitholders are generally required to compute their Canadian tax results using Canadian currency. Where an amount that is relevant in computing a taxpayer's Canadian tax results is expressed in a currency other than Canadian currency, such amount must be converted to Canadian currency using the rate of exchange quoted by the Bank of Canada on the day such amount first arose, or using such other rate of exchange as is acceptable to the CRA. As a result, the Trust, the Partnerships and the Unitholders may realize gains and losses for tax purposes by virtue of the fluctuation of the value of foreign currencies, including the U.S. dollar, relative to the Canadian dollar.

Risks Related to U.S. Tax

Dispositions of Real Property

In connection with a Liquidity Event, the Trust may effect a sale of its interest in the Project by indirectly disposing of the interests of an underlying Partnership (such as CZBK or CZRBK). In such circumstances, the required Section 1445 Withholdings (as defined above) may be higher than the estimated U.S. federal income tax payable by the Investment LP on the gain realized. There can be no assurance that: (1) the IRS would agree to a lower amount of Section 1445 Withholdings in the event that a withholding certificate application is made to reduce the amount of Section 1445 Withholdings; and/or (2) if (a) the IRS' determination with respect to a withholding certificate application does not result in the reduction of the Section 1445 Withholdings to the estimated amount of U.S. federal income tax payable by the Investment LP, or (b) if no withholding certificate application is made, the IRS would agree to refund to the Investment LP all of the overwithheld tax. In the event that a sale of the Project is structured in this manner, and the Investment LP does not receive a full refund of any overwithheld tax, the amount available to the Trust to pay distributions to Unitholders may be reduced.

If the Trust intends to dispose of its indirect interest in the Project or of its indirect interest in an underlying Partnership (such as CZBK or CZRBK), and the U.S. federal income tax expected to be required to be withheld on such disposition is higher than the expected U.S. federal income tax liability of the Investment LP on the gain which would be realized from such disposition, the Trust (on behalf of the Investment LP) may take available steps to reduce the amount of U.S. federal income tax required to be withheld. No assurances can be given that the Trust will be able to structure a transaction in a way that reduces such U.S. withholding taxes.

Change of Law

There can be no assurance that U.S. federal income tax laws, the terms of the Treaty, and the IRS and Department of the Treasury administrative and legislative policies respecting the U.S. federal income tax consequences described herein will not be changed, possibly on a retroactive basis, in a manner that adversely affects Unitholders. In particular, any such change could increase the amount of U.S. federal income tax or withholding tax payable by the Trust or its subsidiary entities, reducing the amount of distributions which the Trust would otherwise receive and thereby reducing the amount available to pay distributions to Unitholders.

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

21. PROMOTERS

Altree, AJDL (a company owned by associates of Lanterra) and Westdale are considered to be the promoters of the Trust by reason of their initiative in organizing the business of the Trust and taking the steps necessary for the public distribution of the Units, and as the Pre-Development Majority Owners. Prior to Closing, other than the Class C Unit issued to the Manager, as settlor of the Trust (which will be automatically redeemed upon closing of the Offering), Altree, AJDL and Westdale do not, and none of their shareholders or their directors or officers, beneficially own, control or direct, directly or indirectly, any Units. In connection with the Offering, none of the Current Owners (including the Pre-Development Majority Owners) are disposing of their interest in the Project and none of the Current Owners will receive any of the net proceeds of the Offering on closing of the Offering.

22. LEGAL PROCEEDINGS

To the Trust's knowledge, there are no legal proceedings or regulatory actions material to the Trust to which it is a party, or to which it has been made a party since its formation, and no such proceedings are known to the Trust to be contemplated. There have been no penalties or sanctions imposed against the Trust by a court relating to provincial securities legislation or by any securities regulatory authority, there have been no penalties or sanctions imposed by a court or regulatory body against the Trust and the Trust has not entered into any settlement agreements before a court relating to provincial securities legislation or with any securities regulatory authority since its formation.

23. INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Trust was only recently formed and has not carried on any business to date. None of (i) the Manager, or the directors, executive officers or principal shareholder of the Manager, (ii) the Trustees, executive officers or principal securityholders of the Trust, or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has a material interest in any transaction carried out by the Trust or its Subsidiaries within the three years before the date of this Prospectus that has materially affected or is reasonably expected to materially affect the Trust or any of its Subsidiaries, except that the Trust issued one Class C Unit to the Manager on the formation of the Trust. As disclosed herein:

- (a) the Trust will be managed by the Manager pursuant to the Management Agreement (see "Atree and the Management Agreement" and "Trustees and Executive Officers") and the Manager will be entitled to the Asset Management Fee from Avenir LP; and
- (b) the Current Owners will be entitled to the Carried Interest. See "Description of Securities – The Trust – Distributions" and the "Carried Interest" section of the Prospectus Summary.

24. AUDITOR

The auditors of the Trust are KPMG LLP, 333 Bay Street, Suite 4600, Toronto, Ontario.

25. REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Units is TSX Trust Company at its principal office in Toronto, Ontario. Registration and transfers of Units will be effected only through the NCI system administered by CDS. Beneficial owners of Units will not, except in certain limited circumstances, be entitled to receive certificates evidencing their ownership of Units that are purchased. See "Plan of Distribution" and "Description of Securities – The Trust".

26. MATERIAL CONTRACTS

The following are the only material agreements, other than contracts entered into in the ordinary course of business, which the Trust and/or its Subsidiaries have or expect to enter into on or before the Closing Date. **Copies of these agreements are, or will be, available for inspection during regular business hours at the offices of the Manager, located at 2828 Bathurst Street, Suite 300, Toronto, Ontario, Canada, M6B 3A7 during the period of distribution of the Units and will be available following the Closing Date at www.sedarplus.com.**

- (a) Declaration of Trust – described in "Description of Securities – The Trust".
- (b) Investment LP Agreement – described in "Description of Securities – The Investment LP".
- (c) CZBK LP Agreement – described in "Description of Securities – CZBK".
- (d) CZRBK LP Agreement – described in "Description of Securities – CZRBK".
- (e) Avenir LP Agreement – described in "Description of Securities – Avenir LP".

- (f) CZBK Interest Purchase Agreement – described in “Description of the Activities of the Trust –The Project – CZBK Interest Purchase Agreement”.
- (g) Management Agreement – described in “Atree and the Management Agreement – The Management Agreement”.
- (h) Agency Agreement – described in “Plan of Distribution – Agency Agreement”.

27. EXPERTS

No professional person providing an opinion in this Prospectus expects to be elected, appointed or employed as a Trustee, senior officer or employee of the Trust or of an associate of the Trust, or is a promoter of the Trust or of any associate of the Trust.

Certain information relating to the Independent Appraisal has been based upon reports by the Appraiser. As at the date of this Prospectus, the “designated professionals” of the Appraiser beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Trust, its associates or its affiliates and no interests in property of the Trust, its associates or its affiliates.

Certain legal matters in connection with this Offering will be passed upon by Blake, Cassels & Graydon LLP, on behalf of the Trust, by Stikeman Elliott LLP, on behalf of the Agent and by Aird & Berlis LLP, on behalf of the Pre-Development Majority Owners. As at the date of this Prospectus, partners and associates of Blake, Cassels & Graydon LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Trust, its associates or its affiliates and no interests in property of the Trust, its associates or its affiliates. As at the date of this Prospectus, partners and associates of Stikeman Elliott LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Trust, its associates or its affiliates and no interests in property of the Trust, its associates or its affiliates. As at the date of this Prospectus, partners and associates of Aird & Berlis LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Trust, its associates or its affiliates and no interests in property of the Trust, its associates or its affiliates.

KPMG LLP, U.S. tax advisor to the Trust, has advised on the summary of principal U.S. federal income tax considerations set out under the heading “Certain U.S. Federal Income Tax Considerations”. As at the date of this Prospectus, the “designated professionals” of KPMG LLP did not beneficially own, directly or indirectly, any of the outstanding securities of the Trust, its associates or its affiliates and no interests in property of the Trust, its associates or its affiliates.

KPMG LLP has prepared its audit report in respect of the Trust’s statement of financial position, statement of changes in Unitholder’s equity and statement of cash flows which are included in this Prospectus. KPMG LLP has confirmed 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 and regulations.

28. PURCHASERS’ STATUTORY RIGHTS AND OTHER CONTRACTUAL RIGHTS

Securities legislation in certain of the provinces of Canada provide Purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provide a Purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the Purchaser, provided that such remedies for rescission or damages are exercised by the Purchaser within the time limit prescribed by the securities legislation of the applicable province. The Purchaser should refer to the securities legislation in the province in which the Purchaser resides for the particulars of these rights or consult with a legal advisor.

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Financial Statements
(Expressed in United States dollars)

WEST SIDE SQUARE DEVELOPMENT FUND

And Independent Auditor's Report thereon

As at and for the one-day period ended September 6, 2023
(date of formation)



KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto ON M5H 2S5
Canada
Tel 416-777-8500
Fax 416-777-8818

INDEPENDENT AUDITOR'S REPORT

To the Trustees of West Side Square Development Fund

Opinion

We have audited the financial statements of West Side Square Development Fund (the Entity), which comprise:

- the statement of financial position as at September 6, 2023 (date of formation)
- the statement of changes in net assets for the one-day period ended September 6, 2023 (date of formation)
- the statement of cash flows for the one-day period ended September 6, 2023 (date of formation)
- and notes to the financial statements, including a summary of material accounting policy information

(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 September 6, 2023 (date of formation), and its financial performance and its cash flows for the one-day period ended September 6, 2023 (date of formation) in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

We are independent of the 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.



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

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

In preparing the financial statements, management is responsible for assessing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Page 3

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

October 26, 2023

WEST SIDE SQUARE DEVELOPMENT FUND

Statement of Financial Position
(Expressed in United States Dollars)

September 6, 2023 (date of formation)

Assets

Cash	\$ 10
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Net assets attributed to unitholders (note 3)	\$ 10
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See accompanying notes to financial statements.

WEST SIDE SQUARE DEVELOPMENT FUND

Statement of Changes in Net Assets
(Expressed in United States Dollars)

As at and for the one-day period ended September 6, 2023 (date of formation)

Net assets attributable to unitholders, beginning of period	\$ –
Contributions	10
<hr/> Net assets attributable to unitholders, end of period	<hr/> \$ 10

See accompanying notes to financial statements.

WEST SIDE SQUARE DEVELOPMENT FUND

Statement of Cash Flows
(Expressed in United States Dollars)

As at and for the one-day period ended September 6, 2023 (date of formation)

Cash flows from financing activities:	
Proceeds from issuance of unit, net of issue costs	\$ 10
<hr/>	
Increase in cash, being cash, end of period	<hr/> \$ 10

See accompanying notes to financial statements.

WEST SIDE SQUARE DEVELOPMENT FUND

Notes to Financial Statements
(Expressed in United States Dollars)

As at and for the one-day period ended September 6, 2023 (date of formation)

West Side Square Development Fund (the "Trust") is a newly created Trust pursuant to a Declaration of Trust dated September 6, 2023, and is governed by the laws of the Province of Ontario. The Trust was formed for the purpose of indirectly owning an interest in the West Side Square development project located in the Journal Square neighbourhood of Jersey City, New Jersey.

In accordance with the Declaration of Trust, the Trust has been established with a target four-year time horizon, subject to two one-year extensions. It is within management's discretion to use the two one-year extensions if based on the prevailing market conditions it is considered to be in best interest of the unitholders to defer the date of the Liquidity Event.

To date, there have been no operations and going forward, the Trust's financial reporting year end will be December 31.

The registered and head office of the Trust's is 2828 Bathurst St, Suite 300, Toronto, ON M6B 3A7, Canada.

1. Basis of presentation:

(a) Statement of compliance:

The Trust's financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and using accounting policies described herein.

The financial statements were approved by the Trustees on October 26, 2023.

As there have been no operations during the period, a statement of income and comprehensive income has not been prepared.

(b) Functional and presentation currency:

These financial statements are presented in United States dollars, which is the functional currency of the Trust. Management has made judgments to determine the functional currency of the Trust.

WEST SIDE SQUARE DEVELOPMENT FUND

Notes to Financial Statements (continued)
(Expressed in United States Dollars)

As at and for the one-day period ended September 6, 2023 (date of formation)

1. Basis of presentation (continued):

- (c) IFRS Accounting Standards and amendments issued but effective in future years:

Amendments to IAS 1, Presentation of financial statements ("IAS 1"):

On January 23, 2020, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* (the 2020 amendments), to clarify the classification of liabilities as current or non-current. On October 31, 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)* (the 2022 amendments), to improve the information a company provides about long-term debt with covenants.

The 2020 amendments and the 2022 amendments (collectively "the Amendments") are effective for annual periods beginning on or after January 1, 2024. Early adoption is permitted. An Entity that applies the 2020 amendments early is required to also apply the 2022 amendments.

The Trust intends to adopt the amendments in its financial statements when the standard becomes effective, on January 1, 2024. The Property is assessing the potential impact of the amendments, however, does not expect them to have a material impact on its consolidated financial statements.

2. Significant accounting policies:

- (a) Cash and cash equivalents:

Cash includes cash on hand and is measured at amortized cost.

- (b) Foreign currency translation:

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At the statement of financial position date, monetary assets and liabilities denominated in Canadian dollars are translated into the functional currency at the reporting date exchange rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at period-end exchange rates are recognized in net income.

Non-monetary items measured at historical cost are translated using the historical exchange rate. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

WEST SIDE SQUARE DEVELOPMENT FUND

Notes to Financial Statements (continued)
(Expressed in United States Dollars)

As at and for the one-day period ended September 6, 2023 (date of formation)

3. Units:

The Trust is authorized to issue various classes of Trust interests. Initially, an unlimited number of Class A Units, Class C Units, Class E Units, Class F Units and Class U Units have been authorized for issuance. The Class A Units and Class F Units shall be denominated in Canadian dollars. The Class C Units, Class E Units and Class U Units shall be denominated in United States dollars.

The Trust's units contain certain put rights and, therefore, are considered puttable instruments in accordance with International Accounting Standard ("IAS") 32, Financial Instruments - Presentation ("IAS 32"). Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32, in which case, the puttable instruments may be presented as equity.

4. Subsequent event:

The Trust entered into an agency agreement dated September 6, 2023, pursuant to which it filed a final prospectus dated October 26, 2023 in each of the provinces and territories of Canada in connection with its initial public offering to sell a minimum of USD \$25,000,000 and a maximum of USD \$50,000,000 of Class A Units, Class E Units, Class F Units and/or Class U Units at a price of CAD \$10 per Class A Unit and Class F Unit and a price of USD \$10 per Class E Unit and Class U Units (the "Offering"). Costs related to the Offering include agents' fees of CAD \$0.60 for each Class A Unit and Class F Unit, USD \$0.60 for each Class E Unit and Class U Unit.

The closing of the transactions contemplated by this prospectus is scheduled to occur no later than November 2023.

Concurrent with or immediately following Closing, the Trust has agreed to indirectly acquire an interest in the Avenir Property development project located in the Journal Square neighborhood of Jersey City, New Jersey, referred to as the West Side Square development project.

The Trust has agreed that on Closing, \$26,000,000 of the proceeds of the offering will be used to repay the amounts outstanding under the Goldman Sachs Bank USA credit facility secured by the Avenir Property.

Interim Condensed Carve-out Financial Statements
(In U.S. dollars)

THE AVENIR PROPERTY

June 30, 2023
(Unaudited)

THE AVENIR PROPERTY

Interim Condensed Carve-out Statements of Financial Position
(In U.S. dollars)
(Unaudited)

	June 30, 2023	December 31, 2022
Assets		
Non-current assets:		
Property under development (note 2)	\$ 54,500,000	\$ 54,500,000
Current assets:		
Financing deposits	107,542	107,542
Retainers	50,240	50,240
Prepaid expenses	327	3,842
	158,109	161,624
Total assets	\$ 54,658,109	\$ 54,661,624

Liabilities and Divisional Surplus

Current liabilities:		
Bank loan	\$ 26,000,000	\$ 26,000,000
Accounts payable and accrued liabilities	168,559	149,447
Due to related parties (note 3)	—	146,000
	26,168,559	26,295,447
Divisional surplus	28,489,550	28,366,177
Commitments and contingencies (note 4)		
Subsequent events (note 8)		
Total liabilities and divisional surplus	\$ 54,658,109	\$ 54,661,624

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

THE AVENIR PROPERTY

Interim Condensed Carve-out Statements of Income (Loss) and Comprehensive Income (Loss)
(In U.S. dollars)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Expenses:				
General and administrative	\$ (91,667)	\$ (1,719)	\$ (281,779)	\$ (98,082)
Interest	(482,119)	–	(928,722)	(53,794)
Management fees	–	–	–	(20,000)
Loss before the undernoted	(573,786)	(1,719)	(1,210,501)	(171,876)
Fair value gain on property under development (note 2)	–	6,211,697	–	5,752,925
Income (loss) for the period and comprehensive income (loss)	\$ (573,786)	\$ 6,209,978	\$ (1,210,501)	\$ 5,581,049

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

THE AVENIR PROPERTY

Interim Condensed Carve-out Statements of Changes in Divisional Surplus
(In U.S. dollars)
(Unaudited)

	Six months ended June 30,	
	2023	2022
Divisional surplus, beginning of period	\$ 28,366,177	\$ 21,245,929
Contributions	1,333,874	1,740,897
Income (loss) for the period and comprehensive income (loss)	(1,210,501)	5,581,049
Divisional surplus, end of period	\$ 28,489,550	\$ 28,567,875

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

THE AVENIR PROPERTY

Interim Condensed Carve-out Statements of Cash Flows

(In U.S. dollars)

(Unaudited)

	Six months ended June 30,	
	2023	2022
Cash provided by (used in):		
Operating activities:		
Income (loss) and comprehensive income (loss)	\$ (1,210,501)	\$ 5,581,049
Fair value gain on property under development	–	(5,752,925)
Change in non-cash operating working capital:		
Increase in financing deposits	–	(460,000)
Decrease in retainers	–	11,484
Decrease (increase) in prepaid expenses	3,515	(289)
Increase (decrease) in due to related parties	(146,000)	103,203
	(1,352,986)	(517,478)
Financing activities:		
Contributions from partners	1,333,874	1,740,897
Investing activities:		
Additions to property under development	19,112	(1,223,419)
Increase in cash, end of period cash	\$ –	\$ –

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

THE AVENIR PROPERTY

Notes to Interim Condensed Carve-Out Financial Statements
(In U.S. dollars)

As at and for the three months and six months ended June 30, 2023 and 2022
(Unaudited)

The Avenir Property (the "Property") as presented in these interim condensed carve-out financial statements is not a legal entity and represents a carve out of real estate development assets located at 66 Broadway in Jersey City, New Jersey, USA, held by The Avenir LP ("Avenir LP"). The Avenir LP was formed as a limited partnership under the laws of the New Jersey Uniform Limited Partnership Law on September 4, 2018. The Avenir LP's general partner, The Avenir GP LLC (the "Avenir GP"), has the authority to administer and carry out the day-to-day business and affairs of Avenir LP as set forth in the limited partnership agreement. Avenir LP's registered office is located at 101 Chase Avenue Suite 201, Lakewood, NJ 08701.

During all periods presented in these interim condensed carve-out financial statements, the Property was controlled by the Avenir GP. The Avenir GP has entered into an Initial Public Offering process through the Ontario Securities Commission. The transaction contemplates an offering of trust units of the West Side Square Development Fund (the "Trust"), a new created, unincorporated close-ended investment trust established under the laws of the Province of Ontario. Following the closing of the offering, the Trust has agreed to indirectly acquire an interest in the Property through the indirect acquisition of limited partnership units of CZBK I LP ("CZBK"), which currently indirectly owns an interest in the Property through CZRBK I LP ("CZRBK") and Avenir LP (the "IPO Transaction").

These interim condensed carve-out financial statements of the Property have been prepared for the specific purpose of reporting on the financial position, financial performance, changes in divisional surplus and cash flows of the Property for inclusion in a prospectus to be filed by the Trust.

These interim condensed carve-out financial statements have been prepared on a carve-out basis from the books and records of Avenir LP and present the financial position, financial performance, changes in divisional surplus and cash flows of the Property as of June 30, 2023 and June 30, 2022 and during the periods then ended as if the Property had been accounted for on a stand-alone basis.

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

These carve-out financial statements were authorized for issuance by the Avenir GP on October 26, 2023.

THE AVENIR PROPERTY

Notes to Interim Condensed Carve-Out Financial Statements (continued)
(In U.S. dollars)

As at and for the three months and six months ended June 30, 2023 and 2022
(Unaudited)

1. Basis of preparation:

(a) Going concern basis of accounting:

The carve-out financial statements have been prepared on a going concern basis, which contemplates that the Property will continue in operation for the foreseeable future and will be able to realize on its assets and discharge its liabilities in the normal course of business. At June 30, 2023, the Property had a working capital deficiency of \$26,010,450 (December 31, 2022 - \$26,133,823), primarily from the outstanding bank loan of \$26,000,000. The Property has no sources of operating cash inflows and its ability to continue as a going concern is dependent upon its ability to raise additional financing to repay the bank loan, continue to develop the Property, and meet ongoing requirements for general operations. As noted above, Management is proceeding with the IPO Transaction in which Management believes that the repayment of the bank loan and other liabilities, including its general operations, as they come due will be satisfied from either the IPO Transaction; or by further refinancing of the bank loan; or by additional contributions from its owners. The Property may also receive continued financial support from its owners or obtain additional financing to alleviate the financing concerns. Although the Property has been successful in the past of extending the bank loan and receiving the support of its owners, there can be no assurance that the Property will be able to obtain these in the future. These matters represent material uncertainties that may cast significant doubt on the Property's ability to continue as a going concern.

These carve-out financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities that might be necessary should the Property be unable to continue as a going concern. These adjustments may be material.

(b) Statement of compliance and basis of presentation:

These interim condensed carve-out financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in the annual financial statements prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed. These interim condensed carve-out financial statements should be read in conjunction with the Property's annual carve-out financial statements as at and for the year ended December 31, 2022 and the notes thereto.

THE AVENIR PROPERTY

Notes to Interim Condensed Carve-Out Financial Statements (continued)
(In U.S. dollars)

As at and for the three months and six months ended June 30, 2023 and 2022
(Unaudited)

1. Basis of preparation (continued):

These interim condensed carve-out financial statements follow the same accounting policies and methods of application as the Property's annual carve-out financial statements as at and for the year ended December 31, 2022.

2. Property under development:

Development was suspended from May 1, 2021 to January 31, 2022 and from August 1, 2022 to June 30, 2023. The changes in property under development during the six months ended June 30, 2023 and year ended December 31, 2022 consist of the following:

	June 30, 2023	December 31, 2022
Balance, beginning of period	\$ 54,500,000	\$ 47,300,000
Additions to property under development	–	1,679,666
IFRIC 21 real estate tax liability adjustment	(270,937)	–
IFRIC 21 fair value adjustment	270,937	–
Fair value gain on property under development	–	5,520,334
Balance, end of period	\$ 54,500,000	\$ 54,500,000

The fair value methodology for the property under development is considered to be level 3, as significant unobservable inputs are required to determine fair value. Management engaged an independent valuator to provide appraisals of the property under development for purposes of these carve-out financial statements. As of June 30, 2023 and December 31, 2022, the valuator appraised the property under development as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Property under development	\$ 54,500,000	\$ 54,500,000	\$ 47,300,000

The valutors utilized a comparable sales approach to arrive at a price per unit which was used to calculate the appraised values above.

THE AVENIR PROPERTY

Notes to Interim Condensed Carve-Out Financial Statements (continued)
(In U.S. dollars)

As at and for the three months and six months ended June 30, 2023 and 2022
(Unaudited)

2. Property under development (continued):

The value of the Property was determined by multiplying the price per unit by the number of units for the proposed construction. The price per unit were derived by the valutors in part from a combination of third-party information and the observation of industry trends (Level 3 inputs). Considerations used to derive the price per unit include development and use potential for the land and transactional adjustments including market conditions.

A significant increase (decrease) in the price per unit estimates in isolation would result in a significantly higher (lower) fair value.

The prices per unit calculated by the valutors are set out below:

	June 30, 2023	December 31, 2022	June 30, 2022
Price per unit	\$ 114,256	\$ 114,256	\$ 99,161

The fair values of property under development is most sensitive to changes in price per unit. As of June 30, 2022 a 5% increase (decrease) in the price per unit would result in a \$2,365,000 increase (decrease) in the fair value. As of June 30, 2023 and December 31, 2022 a 5% increase (decrease) in the price per unit would result in a \$2,725,000 increase (decrease) in the fair value.

THE AVENIR PROPERTY

Notes to Interim Condensed Carve-Out Financial Statements (continued)
(In U.S. dollars)

As at and for the three months and six months ended June 30, 2023 and 2022
(Unaudited)

3. Due to related parties and related party transactions:

For three months and six months ended June 30, 2023, the Property entered into various transactions with related parties and consist of the following:

Pursuant to development of the Property, related entity, Lantree Property Management LLC provided development management services to the Property.

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Development management fees	\$ –	\$ 60,000	\$ –	\$ 120,000
Accounting and project management fees	–	30,000	–	60,000
Construction administration Fees	–	48,000	–	96,500

The above transactions are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

4. Commitments and contingencies:

(a) Litigation and claims:

The Property may be subject to claims and legal actions that arise in the ordinary course of business. Management must use judgment, estimates, and assumptions in assessing the potential exposure of these claims and legal actions and in determining the provision to be recorded, if any. Management is unaware of any claims relevant to disclose.

(b) Commitments:

The Property operated under a development management agreement with Lantree Developments LP and Lanterra Developments Inc., entities related to owners of the Property. This management agreement entitles the development manager a fee equivalent to 4% of all actual hard and soft costs incurred in connection with the completion of the construction of the Property.

THE AVENIR PROPERTY

Notes to Interim Condensed Carve-Out Financial Statements (continued)
(In U.S. dollars)

As at and for the three months and six months ended June 30, 2023 and 2022
(Unaudited)

5. Risk management:

The Property's activities expose it to a variety of financial risks, including the risk associated with market risk and liquidity risk. The Property's overall risk management strategy seeks to minimize potential adverse effects on the Property's financial performance.

(a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as interest rates associated with debt obligations.

The Property's bank loan is subject to variable interest rates which can result in fluctuations in the cost of borrowing. As at June 30, 2023 a 25 basis-point change in interest rates, assuming all other variables are constant, would result in a \$65,903 change in the amount of interest incurred by the Property.

(b) Liquidity risk:

Liquidity risk is the risk that the Property will encounter difficulty in meeting obligations associated with its financial liabilities, such as bank loan, accounts payable and accrued liabilities and amounts due to related parties, that are settled by delivering cash or another financial asset.

The following were the contractual maturities of financial liabilities and other commitments as of June 30, 2023

	< 1 year	> 1 year	Total
Bank loan	\$ 26,000,000	\$ –	\$ 26,000,000
Accounts payable and accrued liabilities	168,559	–	168,559
Due to related parties	180,000	–	180,000
	\$ 26,348,559	\$ –	\$ 26,348,559

The Property manages its liquidity risk by preparing budgets and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations. The Property mitigates liquidity risk by maintaining relationships with various lenders, capital commitments by its owners to fund its liabilities as they become due.

THE AVENIR PROPERTY

Notes to Interim Condensed Carve-Out Financial Statements (continued)
(In U.S. dollars)

As at and for the three months and six months ended June 30, 2023 and 2022
(Unaudited)

5. Risk management (continued):

Management believes that the repayment of the bank loan which is due no later than November 2023 and future funding of operations will be satisfied from either the IPO Transaction, further refinancing of the bank loan or additional contributions from its owners. As disclosed in note 1(a), there is no assurance that these events will occur.

6. Fair value measurement:

The Property holds one bank loan which bears interest at a variable-rate. The bank loan's carrying value at each carve-out statement date approximates its fair value as the interest rate reacts to current market conditions. The Property estimates the fair value of the mortgage payable based on the rates that could be obtained for similar debt instruments with similar terms and maturities. The fair value of the mortgage payable qualifies as Level 2 in the fair value hierarchy above. There were no transfers of assets between fair value levels during the periods presented herein.

The fair values of the Property's other financial assets and accounts payable and accrued liabilities, approximate their recorded values due to their short-term nature.

7. Capital risk management:

The Property's capital consists of a bank loan and the divisional surplus.

As of June 30, 2023, the outstanding bank loan amounted to \$26,000,000. The Property's principal objective with respect to debt financing is to minimize its overall borrowing costs while ensuring sufficient liquidity and flexibility to meet the funding requirements of its development and carrying costs.

The Property considers its capital structure on an ongoing basis and adjusts its capital structure in response to cash flow considerations, potential business opportunities and general economic conditions. The actual level and type of future financings to fund the Property's capital obligations will be determined based on prevailing interest rates, various costs of debt, capital market conditions and management's general view of the appropriate leverage in the business.

THE AVENIR PROPERTY

Notes to Interim Condensed Carve-Out Financial Statements (continued)
(In U.S. dollars)

As at and for the three months and six months ended June 30, 2023 and 2022
(Unaudited)

8. Subsequent event:

On January 24, 2019, Avenir LP entered into a secured loan agreement with Goldman Sachs Bank USA, in the amount of \$24,000,000 to finance the purchase of the Property. The loan also contained an option to draw down \$2,000,000 as a pre-development loan. The additional \$2,000,000 loan was drawn down in five separate draws during 2019. The loan is repayable interest only and is secured by a first mortgage on the Property. The loan's initial maturity date was July 23, 2020, but it has since been extended in five separate amendments, with the final maturity date of December 31, 2023.

Carve-Out Financial Statements
(In U.S. dollars)

THE AVENIR PROPERTY

And Independent Auditor's Report thereon

Years ended December 31, 2022 and 2021



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INDEPENDENT AUDITOR'S REPORT

To The Avenir GP, LLC, General Partner of The Avenir LP

Opinion

We have audited the carve-out financial statements of the Avenir Property (the "Entity"), which comprise:

- the statements of financial position as at December 31, 2022, December 31, 2021 and January 1, 2021
- the statements of income (loss) and comprehensive income (loss) 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 carve-out 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 IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

We are independent of the 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.



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Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) in the financial statements, which indicates that in order for the Entity to fund its operations and meet its obligations, the Entity requires additional funding.

As stated in Note 1(a) in the financial statements, these events or conditions, along with other matters as set forth in Note 1(a) in the financial statements, indicate that material uncertainties exist that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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 IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.



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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 whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

October 26, 2023

THE AVENIR PROPERTY

Carve-out Statements of Financial Position
(In U.S. dollars)

December 31, 2022, December 31, 2021 and January 1, 2021

	December 31, 2022	December 31, 2021	January 1, 2021
Assets			
Non-current assets:			
Property under development (note 3)	\$ 54,500,000	\$ 47,300,000	\$ 47,300,000
Current assets:			
Financing deposits	107,542	—	—
Retainers	50,240	61,724	58,990
Prepaid expenses	3,842	3,869	3,869
	161,624	65,593	62,859
Total assets	\$ 54,661,624	\$ 47,365,593	\$ 47,362,859

Liabilities and Divisional Surplus

Current liabilities:			
Bank loan (note 4)	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000
Accounts payable and accrued liabilities	149,447	76,867	80,636
Due to related parties (note 5)	146,000	42,797	12,960,000
	26,295,447	26,119,664	39,040,636
Divisional surplus	28,366,177	21,245,929	8,322,223
Commitments and contingencies (note 7)			
Subsequent events (notes 4 and 5)			
Total liabilities and divisional surplus	\$ 54,661,624	\$ 47,365,593	\$ 47,362,859

See accompanying notes to carve-out financial statements.

THE AVENIR PROPERTY

Carve-out Statements of Income (Loss) and Comprehensive Income (loss)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

	2022	2021
Expenses:		
General and administrative	\$ (389,623)	\$ (595,488)
Interest	(660,614)	(821,602)
Management fees (note 5)	(120,000)	(180,000)
Financing Fees	(352,458)	-
Loss before the undernoted	(1,522,695)	(1,597,090)
Fair value gain (loss) on property under development (note 3)	5,520,334	(1,045,371)
Net income (loss) and comprehensive income (loss)	\$ 3,997,639	\$ (2,642,461)

See accompanying notes to carve-out financial statements.

THE AVENIR PROPERTY

Cave-out Statements of Changes in Divisional Surplus
(In U.S. dollars)

Years ended December 31, 2022 and 2021

	2022	2021
Divisional surplus, beginning of year	\$ 21,245,929	\$ 8,322,223
Contributions	3,122,609	1,935,839
Contributions related to repayment of related party loans	–	13,630,328
Net income (loss) and comprehensive income (loss)	3,997,639	(2,642,461)
Divisional surplus, end of year	\$ 28,366,177	\$ 21,245,929

See accompanying notes to carve-out financial statements.

THE AVENIR PROPERTY

Carve-out Statements of Cash Flows
(In U.S. dollars)

Years ended December 31, 2022 and 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Net income (loss)	\$ 3,997,639	\$ (2,642,461)
Fair value gain on property under development	(5,520,334)	1,045,371
Change in non-cash operating working capital:		
Increase in financing deposits	(107,542)	-
Decrease (increase) in retainers	11,484	(2,734)
Decrease in prepaid expenses	27	-
Increase in due to related parties	103,203	42,797
	<u>(1,515,523)</u>	<u>(1,557,027)</u>
Financing activities:		
Contributions from partners	3,122,609	1,935,839
Contributions related to repayment of related party loans	-	13,630,328
Repayment of related party loans	-	(12,960,000)
	<u>3,122,609</u>	<u>2,606,167</u>
Investing activities:		
Additions to property under development	(1,607,086)	(1,049,140)
Increase in cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to carve-out financial statements.

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements
(In U.S. dollars)

Years ended December 31, 2022 and 2021

The Avenir Property (the "Property") as presented in these carve-out financial statements is not a legal entity and represents a carve out of real estate development assets located at 66 Broadway in Jersey City, New Jersey, USA, owned by The Avenir LP ("Avenir LP" or "the Owner"). The Avenir LP was formed as a limited partnership under the laws of the New Jersey Uniform Limited Partnership Law on September 4, 2018. The Avenir LP's general partner, The Avenir GP LLC (the "Avenir GP"), has the authority to administer and carry out the day-to-day business and affairs of Avenir LP as set forth in the limited partnership agreement. Avenir LP's registered office is located at 101 Chase Avenue Suite 201, Lakewood, NJ 08701.

During all periods presented in these carve-out financial statements, the Property was controlled by the Avenir GP. The Avenir GP has entered into an Initial Public Offering process through the Ontario Securities Commission. The transaction contemplates an offering of trust units of the West Side Square Development Fund (the "Trust"), a newly created, unincorporated close-ended investment trust established under the laws of the Province of Ontario. Following the closing of the offering, the Trust has agreed to indirectly acquire an interest in the Property through the indirect acquisition of limited partnership units of CZBK I LP ("CZBK"), which currently indirectly owns an interest in the Property through CZRBK I LP ("CZRBK") and Avenir LP. (the "IPO Transaction").

These carve-out financial statements of the Property have been prepared for the specific purpose of reporting on the financial position, financial performance, changes in divisional surplus and cash flows of the Property for inclusion in, a prospectus to be filed by the Trust.

These carve-out financial statements have been prepared on a carve-out basis from the books and records of Avenir LP and present the financial position, financial performance, changes in divisional surplus and cash flows of the Property as of December 31, 2022, December 31, 2021, and January 1, 2021 and during the years ended December 31, 2022 and December 31, 2021 as if the Property had been accounted for on a stand-alone basis.

These carve-out financial statements are not necessarily indicative of the results that would have been attained had the Property been operated as a separate legal entity for the years presented and, therefore, are not necessarily indicative of future operating results.

These carve-out financial statements were authorized for issuance by the Avenir GP on October 26, 2023.

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

1. Basis of preparation:

(a) Going concern basis of accounting:

The carve-out financial statements have been prepared on a going concern basis, which contemplates that the Property will continue in operation for the foreseeable future and will be able to realize on its assets and discharge its liabilities in the normal course of business. At December 31, 2022, the Property had a working capital deficiency of \$26,133,823 (December 31, 2021 - \$26,054,071; January 1, 2021 - \$38,977,777), primarily from the outstanding bank loan of \$26,000,000 as disclosed in note 4. The Property has no sources of operating cash inflows and its ability to continue as a going concern is dependent upon its ability to raise additional financing to repay the bank loan, continue to develop the Property, and meet ongoing requirements for general operations. As noted above, Management is proceeding with the IPO Transaction in which Management believes that the repayment of the bank loan and other liabilities, including its general operations, as they come due will be satisfied from either the IPO Transaction; or by further refinancing of the bank loan; or by additional contributions from its owners. The Property may also receive continued financial support from its owners or obtain additional financing to alleviate the financing concerns. Although the Property has been successful in the past of extending the bank loan and receiving the support of its owners, there can be no assurance that the Property will be able to obtain these in the future. These matters represent material uncertainties that may cast significant doubt on the Property's ability to continue as a going concern.

These carve-out financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities that might be necessary should the Property be unable to continue as a going concern. These adjustments may be material.

(b) Statement of compliance and basis of presentation:

The carve-out financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and using accounting policies described herein. These are the Property's first carve-out financial statements prepared in accordance with IFRS and the Property adopted IFRS in accordance with IFRS 1, First-Time Adoption of International Reporting Standards. The Property's first annual IFRS financial statements are those for the year ended December 31, 2021 with a date of transition of January 1, 2021.

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

1. Basis of preparation (continued):

An explanation or reconciliation of how the transition to IFRS has affected the Property's carve-out financial position, financial performance, and cash flows has not been presented as the Property has not presented carve-out financial statements in previous years.

(c) Functional currency:

These carve-out financial statements are presented in U.S. dollars, which is the Property's functional currency.

(d) Basis of measurement:

The carve-out financial statements have been prepared on the historical cost basis, except for property under development, which are measured at fair value.

(e) Critical judgments and estimates:

The preparation of carve-out financial statements in conformity with IFRS requires management to make certain estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue 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 judgments used in determining the recorded amount for assets and liabilities in the carve-out financial statements include the following:

(i) Classification of property under development:

Management applied judgment in the classification of its property under development as investment property held for capital appreciation rather than for short-term sale in the ordinary course of business as defined by International Accounting Standard ("IAS") 40, Investment Property ("IAS 40").

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

1. Basis of preparation (continued):

(ii) Accounting for acquisitions:

Management assesses whether an acquisition transaction should be accounted for as an asset acquisition or a business combination under IFRS 3, Business Combinations ("IFRS 3"). This assessment requires management to make judgments on whether the assets acquired, and liabilities assumed constitute a business as defined in IFRS 3 and if the integrated set of activities, including inputs and processes acquired, is capable of being conducted and managed as a business. The acquisition of the Property has been accounted for as asset acquisitions as no core processes were acquired.

(iii) Preparation of carve-out financial statements:

The preparation of these carve-out financial statements entails certain critical judgments and estimates including the allocation of land, development costs and other expenses of doing business as if the Property was operated as a stand-alone reporting entity. Assets, liabilities, revenues, and expenses incurred that were specifically identified as relating to the Property, were included in the financial statements accordingly. Other common assets, liabilities, revenue, and expenses were allocated on a rational basis (e.g. square footage).

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(i) Property under development:

The critical assumptions and estimates used when determining the fair value of property under development using the comparable sales method. Management determines fair value using a third-party appraisal. The third-party appraiser evaluates external market data provided by independent industry experts to arrive at their determination of fair value. Further information on property under development estimates and assumptions is provided in note 3.

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

2. Significant accounting policies:

(a) Property under development:

The Property classifies its acquisitions as asset acquisitions when it acquires a property, and it has not acquired an operating platform. The initial cost of a property under development considered an asset purchase is comprised of its purchase price and any directly attributable expenditures including transaction costs such as due diligence costs and professional fees.

Property under development is held for capital appreciation and to earn rental income and thus qualifies as investment property under IAS 40. After initial recognition, property under development is recorded at fair value, determined based on an independent valuation using the comparable sales method, as of the carve-out statement date. The related gains or losses arising from the changes in fair value are recognized in the carve-out statements of income (loss) and comprehensive income (loss) in the year of the change.

Property under development is classified as such until the Property is substantially completed and available for occupancy. The initial cost of property under development includes the acquisition cost of the land, development costs, borrowing costs and indirect costs wholly attributable to development. Where borrowings are associated with specific construction or development, the amount capitalized is the gross borrowing cost incurred on such borrowings. The capitalization of borrowing costs is suspended if there are prolonged periods that construction or development activity is interrupted. Indirect costs such as realty taxes and insurance related to the homes under construction or land under development are also capitalized.

(b) Divisional surplus:

As these carve-out financial statements have been prepared on a carve-out basis, it is not meaningful to disclose share capital or provide an analysis of reserves. Therefore, amounts which reflect the carrying value of the Property's net assets and liabilities are disclosed as divisional surplus. Contributions on the carve-out statement of changes in divisional surplus represent contributions from Avenir LP. In addition, the carve-out entity has no historical capital structure since the Property was not an existing legal entity during the periods presented.

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

2. Significant accounting policies (continued):

(c) Income taxes:

The Property, 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. In certain instances, the Property may be subject to certain state and local taxes.

(d) Financial instruments:

Financial assets and financial liabilities are classified into three categories: amortized cost, fair value through other comprehensive income and fair value through profit and loss ("FVTPL"). The classification of financial assets is determined by their context in the Property's business model and by the characteristics of the financial asset's contractual cash flows.

The following summarizes the Property's classification and measurement of financial assets and financial liabilities:

Financial assets and liabilities	Classification
Cash	Amortized cost
Financing deposits	Amortized cost
Retainers	Amortized cost
Bank loan	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Bank loan are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Property becomes a party to the contractual provision of the instrument.

A financial asset that contains a significant financing component or a financial liability is initially measured at fair value plus transaction costs, except for those financial assets classified at FVTPL, for which transaction costs are expensed immediately. A financial asset without a significant financing component is initially measured at the transaction price.

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

2. Significant accounting policies (continued):

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- (i) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

The Property subsequently measures financial assets at amortized cost using the effective interest method. The amortized cost is reduced by loss allowances. Interest income, foreign exchange gains and losses and loss allowances are recognized in profit and loss.

Financial assets are derecognized if the Property's contractual rights to the cash flows from the financial assets expire, or if the Property transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Any gain or loss on derecognition is recognized in profit and loss. Financial assets measured at FVTPL are re-measured at each carve-out statement date with net gains and losses, including interest or dividend income, recognized in profit and loss.

Financial liabilities are classified as amortized cost or FVTPL. A financial liability is measured at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Financial liabilities are derecognized if the Property's obligations specified in the contract expire or are discharged or cancelled. Any gain or loss on derecognition is also recognized in profit and loss.

The Property does not hold derivative financial instruments for hedging purposes.

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

2. Significant accounting policies (continued):

Impairment of financial assets:

The Property recognizes loss allowances for expected credit losses ("ECLs") on financial assets measured at amortized cost and contract assets. Loss allowances for amounts receivable and contract assets are measured at an amount equal to lifetime ECLs and are deducted from the gross carrying amount of the financial asset on the carve-out statements of financial position. Impairment losses, if incurred, would be recorded in administrative expenses in the carve-out statements of income (loss) and comprehensive income (loss). In years 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 carve-out statements 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.

(e) Fair value measurements:

The Property measures financial instruments, such as derivatives, and non-financial assets, such as real estate investment properties, at fair value. 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 Property.

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.

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

2. Significant accounting policies (continued):

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 Property uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the carve-out 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 carve-out financial statements on a recurring basis, the Property determines 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.

(f) Levies:

In accordance with IFRS Interpretations Committee ("IFRIC") 21, Levies, the Property recognizes the full amount of annual property tax liabilities at the point in time when the realty tax obligation is imposed. This is the obligating event that gives rise to a liability to pay the property taxes. Additionally, as a pro rata property tax basis adjustment is most often included in the property price in the United States, this is included in the Property's assessment of the fair value of property under development.

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

2. Significant accounting policies (continued):

(g) IFRS Accounting Standards issued but not yet effective:

The following standards are not yet effective for the year ended December 31, 2023 and have not been applied in preparing these carve-out financial statements:

(i) Amendments to IAS 1, Presentation of financial statements ("IAS 1"):

On January 23, 2020, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* (the 2020 amendments), to clarify the classification of liabilities as current or non-current. On October 31, 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)* (the 2022 amendments), to improve the information a company provides about long-term debt with covenants.

The 2020 amendments and the 2022 amendments (collectively "the Amendments") are effective for annual periods beginning on or after January 1, 2024. Early adoption is permitted. An Entity that applies the 2020 amendments early is required to also apply the 2022 amendments.

The Property intends to adopt the amendments in its financial statements when the standard becomes effective, on January 1, 2024. The Property is assessing the potential impact of the amendments, however, does not expect them to have a material impact on its consolidated financial statements.

(ii) Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8"), regarding the definition of Accounting Estimates

On February 12, 2021, the 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.

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 a company develops an accounting estimate to achieve the objective set out by an accounting policy.

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

2. Significant accounting policies (continued):

The Property intends to adopt the amendments in its carve-out financial statements beginning on January 1, 2023, when the amendment becomes effective. The Property is assessing the potential impact of the amendments, however, does not expect them to have a material impact on its carve-out financial statements.

(iii) Amendments to IAS 1, Disclosure Initiative:

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 a company's financial statements.

The Property intends to adopt the amendments in its financial statements beginning on January 1, 2023, when the amendment becomes effective. The Property is assessing the potential impact of the amendments, however, does not expect them to have a material impact on its carve-out financial statements.

3. Property under development:

In 2019, Avenir LP acquired a tract of land. Included in this tract are two plots of land, one of which was the Property.

Development was suspended from May 1, 2021 to January 31, 2022 and from August 1, 2022 to December 31, 2022. The changes in property under development during the years ended December 31, 2022 and 2021 consist of the following:

	2022	2021
Balance, beginning of year	\$ 47,300,000	\$ 47,300,000
Additions to property under development	1,679,666	1,045,371
Fair value gain (loss)	5,520,334	(1,045,371)
Balance, end of year	\$ 54,500,000	\$ 47,300,000

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

3. Property under development (continued):

Included in the additions to property under development are interest amounts of \$303,068 for 2022 and \$481,095 for 2021.

Total interest paid for by the Property was \$963,682 for 2022 and \$1,302,698 for 2021.

The fair value methodology for the property under development is considered to be Level 3, as significant unobservable inputs are required to determine fair value. Management engaged an independent valuator, to provide appraisals of property under development for purposes of these carve-out financial statements. As at December 31, 2022, December 31, 2021 and January 1, 2021, the valuator appraised the property under development as follows:

	December 31, 2022	December 31, 2021	January 1, 2021
Property under development	\$ 54,500,000	\$ 47,300,000	\$ 47,300,000

The valutors utilized a comparable sales approach to arrive at a price per unit which was used to calculate the appraised values above. The value of the Property was determined by multiplying the price per unit by the number of units for the proposed construction. The price per unit were derived by the valutors in part from a combination of third-party information and the observation of industry trends (Level 3 inputs). Considerations used to derive the price per unit include development and use potential for the land and transactional adjustments including market conditions.

A significant increase (decrease) in the price per unit estimates in isolation would result in a significantly higher (lower) fair value.

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

3. Property under development (continued):

The prices per unit calculated by the valuers are set out below:

	December 31, 2022	December 31, 2021	January 1, 2021
Price per unit	\$ 114,256	\$ 99,161	\$ 99,161

The value of property under development is most sensitive to changes in price per unit. As of December 31, 2021 a 5% increase (decrease) in the price per unit would result in a \$2,365,000 increase (decrease) in the fair value. As of December 31, 2022 a 5% increase (decrease) in the price per unit would result in a \$2,725,000 increase (decrease) in the fair value.

4. Bank loan:

On January 24, 2019, Avenir LP entered into a secured loan agreement with Goldman Sachs Bank USA, in the amount of \$24,000,000 to finance the purchase of the Property. The loan also contained an option to draw down \$2,000,000 as a pre-development loan. The additional \$2,000,000 loan was drawn down in five separate draws during 2019. The loan is repayable interest only and is secured by a first mortgage on the Property. The loan's initial interest rate was the LIBOR rate plus a 2.25% margin. The loan's initial maturity date was July 23, 2020, but it has since been extended in five separate amendments, with the final maturity date of December 31, 2023. The second loan amendment, dated December 23, 2020, amended the interest rate to the SOFR rate plus a 2.25% margin. Additionally, beginning November 1, 2021, the 2.25% margin was adjusted to a 2.35% margin.

The Property's effective interest rates on the bank loan at December 31, 2022, December 31, 2021 and January 1, 2021 was approximately 3.39%, 3.10% and 2.88%, respectively.

The bank loan is guaranteed by Mark Mandelbaum, Almond Tree Investments Inc. and Landsbridge Realty Corp. jointly and severally for 100% of the principal, plus interest and collection costs. The bank loan contains financial and non-financial covenants. As of December 31, 2022, Avenir LP was in compliance with all financial covenants.

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

5. Due to related parties and related party transactions:

For the years ended December 31, 2022 and December 31, 2021, the Property entered into various transactions with related parties and consist of the following:

Pursuant to development of the Property, related entities, Lantree Property Management LLC and Altree Developments provided development management services to the Property.

	2022	2021
Development management fees	\$ 240,000	\$ 240,000
Accounting and project management fees	120,000	120,000
Construction administration fees	190,000	206,777

Additionally, upon the purchase of the Property a \$12,000,000 vendor take-back loan was initiated with Broadway West Associates LLC, an entity which is owned by an individual who is also an indirect owner of the Property. The vendor take-back loan was initiated on January 24, 2019. The vendor take-back loan's initial maturity date was the earlier of 18 months following the date of the execution of the agreement and construction commencement, but it has since been extended in five separate amendments, with the final maturity date of October 31, 2023. The vendor take-back loan interest rate ranged from 4% to 7% during this period. On October 3, 2019, Almond Tree Enterprise Inc., an entity which is owned by an individual who is also an indirect owner of the Property, assumed \$2,000,000 of the vendor take-back loan. On December 8, 2020, Lindifrim (US) Holdings Inc. an entity which is owned by an individual who is also an indirect owner of the Property., assumed a further \$2,500,000 of the vendor take-back loan. During 2021 \$5,500,000 of the vendor take-back loan was assumed by three different entities: Lindifrim (U.S.) Holdings Inc., Westdale Construction Company Limited and Landsbridge Jersey Corporation, all entities which are owned by individuals who are also indirect owners of the Property. The loan was subsequently repaid in full by the Property. Total interest paid to related parties in connection with these loans for the year ended December 31, 2022 amounted to nil (2021- \$1,630,328).

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

5. Due to related parties and related party transactions (continued):

On October 31, 2021 the remaining balance of the vendor take-back loan and all other related party loans were repaid, along with the accrued interest.

All the above transactions are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

The Property does not employ key management personnel. Management services, strategic oversight, accounting and administrative duties of managing the Property are managed through the development management agreement.

6. Segment reporting:

The Property is a single land development located in the United States. Management, when measuring the Property's performance, does not distinguish or group its operations on a geographical or any other basis. Accordingly, the Property has a single reportable segment for disclosure purposes in accordance with IFRS.

7. Commitments and contingencies:

(a) Litigation and claims:

The Property may be subject to claims and legal actions that arise in the ordinary course of business. Management must use judgment, estimates, and assumptions in assessing the potential exposure of these claims and legal actions and in determining the provision to be recorded, if any.

(b) Commitments:

The Property operated under a development management agreement with Lantree Developments LP and Lanterra Developments Inc., entities which are owned by individuals who are also indirect owners of the Property.. This management agreement entitles the development manager a fee equivalent to 4% of all actual hard and soft costs incurred in connection with the completion of the construction of the Property.

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

8. Risk management:

The Property's activities expose it to market risk, liquidity risk. Risk management is carried out by management of the Property. The Property's overall risk management strategy seeks to minimize potential adverse effects on the Property's financial performance.

(a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as interest rates associated with debt obligations.

The Property's bank loan is subject to variable interest rates which can result in fluctuations in the cost of borrowing. As at the years ended December 31, 2022 and 2021, a 25 basis-point change in interest rates, assuming all other variables are constant, would result in a \$65,903 change in the amount of interest incurred by the Property. Further, higher inflationary pressures are causing increases in the costs of financing, labour and materials. Sustained increases in costs may lead to adverse changes in cash flows, which may also have a direct impact on the results and financial position of the Property in the future.

The Property has no exposure to currency or other market price risk.

(b) Liquidity risk:

Liquidity risk is the risk that the Property will encounter difficulty in meeting obligations associated with its financial liabilities, such as bank loans, accounts payable and accrued liabilities and amounts due to related parties, that are settled by delivering cash or another financial asset.

The following were the contractual maturities of financial liabilities and other commitments as at December 31, 2022:

	< 1 year	> 1 year	Total
Bank loan	\$ 26,000,000	\$ –	\$ 26,000,000
Accounts payable and accrued liabilities	149,447	–	149,447
Due to related parties	146,000	–	146,000
	\$ 26,295,447	\$ –	\$ 26,295,447

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

8. Risk management (continued):

The Property manages its liquidity risk by preparing budgets and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations. The Property mitigates liquidity risk by maintaining relationships with various lenders, capital commitments by its owners to fund its liabilities as they become due.

Management believes that the repayment of the bank loan which is due no later than November 2023 and future funding of operations will be satisfied from either the IPO Transaction, further refinancing of the bank loan or additional contributions from its owners. As disclosed in note 1(a), there is no assurance that these events will occur.

9. Fair value measurement:

The Property holds one bank loan which bears interest at a variable-rate. The bank loan's carrying value at each carve-out statement date approximates its fair value as the interest rate reacts to current market conditions.

The Property estimates the fair value of the mortgage payable based on the rates that could be obtained for similar debt instruments with similar terms and maturities. The fair value of the mortgage payable qualifies as Level 2 in the fair value hierarchy above. There were no transfers of assets between fair value levels during the periods presented herein.

The fair values of the Property's other financial assets and liabilities, approximate their recorded values due to their short-term nature.

THE AVENIR PROPERTY

Notes to Carve-Out Financial Statements (continued)
(In U.S. dollars)

Years ended December 31, 2022 and 2021

10. Capital risk management:

The Property's capital consists of a bank loan and the divisional surplus.

As at December 31, 2022, the outstanding bank loan amounted to \$26,000,000 (2021 - \$26,000,000). The Property's principal objective with respect to debt financing is to minimize its overall borrowing costs while ensuring sufficient liquidity and flexibility to meet the funding requirements of its development and carrying costs.

The Property considers its capital structure on an ongoing basis and adjusts its capital structure in response to cash flow considerations, potential business opportunities and general economic conditions. The actual level and type of future financings to fund the Property's capital obligations will be determined based on prevailing interest rates, various costs of debt, capital market conditions and management's general view of the appropriate leverage in the business.

**SCHEDULE A
AUDIT COMMITTEE CHARTER**

West Side Square Development Fund (the “Trust”)

1. Mandate

The primary function of the audit committee (the “**Committee**”) is to assist the Trust in fulfilling its responsibilities of oversight and supervision of its accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, and the quality and integrity of its financial statements.

The Committee’s primary duties and responsibilities are to:

- (a) serve as an objective party to monitor the Trust’s financial reporting and internal control system and review the Trust’s financial statements;
- (b) review the performance of the Trust’s external auditors; and
- (c) provide an open avenue of communication among the Trust’s auditors, the trustees of the Trust and senior management of Atree Developments Inc., in its capacity as manager of the Trust (the “**Manager**”).

2. Composition

The Committee shall be comprised of three trustees of the Trust as determined by the trustees of the Trust, two of whom shall be free from any relationship that, in the opinion of the trustees, would interfere with the exercise of his or her independent judgment as a member of the Committee.

- (a) At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Trust’s financial statements.
- (b) The members of the Committee shall be appointed by the trustees of the Trust. Unless a Chair is elected by the trustees, the members of the Committee may designate a Chair. The Chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings and reporting to the trustees.

3. Meetings

The Committee shall meet four times annually, or more frequently as circumstances dictate. If so requested by a member of the Committee, the external auditor shall attend any meeting of the committee held during the term of office of the external auditor.

4. Authority

The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Trust. The Committee has the power to engage and determine funding for outside counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties.

5. Duties and Responsibilities

The Committee shall:

- (a) Documents/Reports Review
 - (1) Review the Trust's financial statements, management's discussion and analysis of financial results ("MD&A") and any financial press releases before the Trust publicly discloses this information and report on such review to the trustees.
 - (2) Review and assess the adequacy of procedures in place for the review of the Trust's public disclosure of financial information extracted or derived from the Trust's financial statements, other than the Trust's financial statements, MD&A and financial press releases.
- (b) External Auditor
 - (1) Oversee the work of the external auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Trust, including reviewing with management of the Manager and the external auditor the overall scope and plans for the audit.
 - (2) Review annually the performance of the external auditors, who shall be ultimately accountable to the trustees of the Trust and the Committee as representatives of the unitholders of the Trust.
 - (3) Recommend to the trustees of the Trust the selection and compensation and, where applicable, the replacement of the external auditor nominated for the purpose of preparing or issuing an auditor's report or performing other audit review services for the Trust.
 - (4) Consult with the external auditor, without the presence of management of the Manager about the quality of the Trust's accounting principles, internal controls and the completeness and accuracy of the Trust's financial statements.
 - (5) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Trust's external auditors.
- (c) Financial Reporting Processes
 - (1) In consultation with the external auditor, review with management of the Manager the integrity of the Trust's accounting and financial reporting practices and procedures, both internal and external, and approve, if appropriate, changes to the Trust's auditing and accounting practices.
 - (2) Review and assist with the resolution of any significant disagreement among management of the Manager and the external auditor in connection with the preparation of the financial statements.
 - (3) Establish procedures for (A) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and (B) the confidential anonymous submission by the Manager's employees of concerns regarding questionable accounting or auditing matters.
- (d) Risk Management
 - (1) Be aware of the risks of the business and ensure management of the Manager has adequate processes in place to monitor, manage and mitigate these risks as they arise.

6. Other

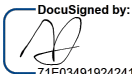
The Committee shall review any related-party transactions not in the ordinary course of business in the absence of a special committee of the board of trustees designated for such purpose.

CERTIFICATE OF THE TRUST AND THE PROMOTERS

Dated: October 26 , 2023

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada.

WEST SIDE SQUARE DEVELOPMENT FUND


By: ZEV MANDELBAUM
Chief Executive Officer

By: NATALIE LEIBOWITZ
Chief Financial Officer

ON BEHALF OF THE BOARD OF TRUSTEES

By: MARK MANDELBAUM
Trustee

By: MITCHELL COHEN
Trustee

ON BEHALF OF THE PROMOTERS

ALTREE DEVELOPMENTS INC.
as Promoter

**AVENIR JERSEY
DEVELOPMENTS LIMITED**
as Promoter

**WESTDALE CONSTRUCTION
CO. LIMITED**
as Promoter


By: ZEV MANDELBAUM
Chief Executive Officer

By: MARK MANDELBAUM
President

By: MITCHELL COHEN
Chief Operating Officer

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By: ZEV MANDELBAUM
Chief Executive Officer

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Natalie Leibowitz
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By: NATALIE LEIBOWITZ
Chief Financial Officer

ON BEHALF OF THE BOARD OF TRUSTEES

By: MARK MANDELBAUM
Trustee

By: MITCHELL COHEN
Trustee

ON BEHALF OF THE PROMOTERS

ALTREE DEVELOPMENTS INC.
as Promoter

**AVENIR JERSEY
DEVELOPMENTS LIMITED**
as Promoter

**WESTDALE CONSTRUCTION
CO. LIMITED**
as Promoter

By: ZEV MANDELBAUM
Chief Executive Officer

By: MARK MANDELBAUM
President

By: MITCHELL COHEN
Chief Operating Officer

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By: NATALIE LEIBOWITZ
Chief Financial Officer

ON BEHALF OF THE BOARD OF TRUSTEES

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By: MARK MANDELBAUM
Trustee

By: MITCHELL COHEN
Trustee

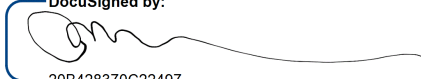
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as Promoter

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By: MARK MANDELBAUM
President

By: MITCHELL COHEN
Chief Operating Officer

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Dated: October 26, 2023

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By: ZEV MANDELBAUM
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By: NATALIE LEIBOWITZ
Chief Financial Officer

ON BEHALF OF THE BOARD OF TRUSTEES

By: MARK MANDELBAUM
Trustee

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Mitchell Cohen
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By: MITCHELL COHEN
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ON BEHALF OF THE PROMOTERS

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By: ZEV MANDELBAUM
Chief Executive Officer

By: MARK MANDELBAUM
President

DocuSigned by:
Mitchell Cohen
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By: MITCHELL COHEN
Chief Operating Officer

CERTIFICATE OF THE AGENT

Dated: October 26, 2023

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada.

CIBC WORLD MARKETS INC.

A handwritten signature in black ink, appearing to read 'Greg Kay', written over a horizontal line. The signature is stylized and cursive.

By: GREG KAY