A copy of this amended and restated preliminary prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, other than Québec, and a copy of this preliminary prospectus has been filed with the securities regulatory authority in Québec, but has not yet become final for the purposes of the sale of securities. Information contained in this amended and restated preliminary prospectus and this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

*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.*

AMENDED AND RESTATED PRELIMINARY PROSPECTUS DATED NOVEMBER 12, 2024, IN EACH OF THE PROVINCES OF CANADA, OTHER THAN QUÉBEC,
Amending and Restating the Preliminary Prospectus Dated November 5, 2024
and
PRELIMINARY PROSPECTUS DATED NOVEMBER 12, 2024, IN THE PROVINCE OF QUÉBEC

Initial Public Offering
by way of Secondary Offering

November 12, 2024

Willowgrove
COMMUNITY
MARKHAM + STOUFFVILLE

PLAZACORP WILLOWGROVE RESIDENTIAL REAL ESTATE DEVELOPMENT TRUST

Minimum: $60,000,000 of Class A Units and/or Class F Units

Maximum: $75,000,000 of Class A Units and/or Class F Units

This Prospectus qualifies the distribution (the "**Offering**") of up to an aggregate of $75,000,000 of trust units of series "Class A" ("**Class A Units**") and/or series "Class F" ("**Class F Units**" and, collectively with the Class A Units, and, if applicable, the Class C Units (as defined herein), the "**Units**") of Plazacorp Willowgrove Residential Real Estate Development Trust (the "**REDT**"), a newly created, unincorporated investment trust established under the laws of the Province of Ontario. The Units will be offered at a price of $10.00 per Class A Unit and Class F Unit (as applicable, the "**Offering Price**"). The Class A Units are designed for commission-based accounts while the Class F Units are designed for fee-based accounts. The Offering consists of a secondary offering by Plazacorp Willowgrove Residential REDT Holding LP (the "**Holding LP**"), which will be an indirect subsidiary of the REDT and which will own up to 7,500,000 Units. The REDT will not directly receive any of the proceeds from the Offering, but the proceeds will be applied by the Holding LP as described herein. The REDT's investment objectives are: (a) to provide Unitholders (as defined herein) with an opportunity to indirectly own an interest in a project to develop two residential subdivisions comprising 676 residences (467 townhomes and 209 single detached homes), and 297 serviced lots on approximately 213 acres of land in Markham and Stouffville, Ontario (the "**Project**"); and (b) commencing upon the sale of homes in the Project, to declare and pay to Unitholders cash distributions out of the available cash flow. See "Investment Strategy".

Price: $10.00 per Class A Unit

$10.00 per Class F Unit

	Price to the Public[(1)(2)]	Agent's Fee	Net Proceeds to the Holding LP[(3)]
Per Class A Unit	$10.00	$0.60	$9.40
Per Class F Unit	$10.00	$0.60	$9.40
Minimum Offering[(4)]	$60,000,000	$3,600,000	$56,400,000
Maximum Offering[(5)]	$75,000,000	$4,500,000	$70,500,000

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 REDT.

(2) The minimum subscription amount is $10,000 in respect of the Class A Units and Class F Units.

(3) Before deduction of the applicable expenses of the Offering (estimated at $1,300,000), which will be paid by the Holding LP (as defined herein) out of the Net Sale Proceeds (as defined herein).

(4) The Minimum Offering (as defined herein) assumes that $60,000,000 of Class A Units and Class F Units are issued and sold pursuant to this Prospectus, but will be calculated based on the subscription proceeds received from the sale of Class A Units and Class F Units.

(5) The Maximum Offering (as defined herein) assumes that $75,000,000 of Class A Units and Class F Units are issued and sold pursuant to this Prospectus, but will be calculated based on the subscription proceeds received from the sale of Class A Units and Class F Units.

The REDT will be managed by Plazacorp Willowgrove REDT Management Inc. (the "**Manager**"), a subsidiary of Plazacorp. See "Corporate Structure – Intercorporate Relationships" and "The Manager and the Management Agreement". In connection with the Offering, Plazacorp has agreed to convert certain debt outstanding and owing by the current owners of the Project (the "**Current Owners**") and subscribing for an aggregate amount equal to $5 million of Holding LP Class B Units (as defined herein), closing immediately following the completion of the Offering. In addition, Osmington Inc. (together with the Current Owners and Plazacorp, the "**Pre-IPO Investors**") has committed to being a Pre-IPO Investor and acquiring and converting certain debt outstanding and owing by the Current Owners and subscribing, directly or through an affiliate, in an aggregate amount equal to $5 million of Holding LP Class B Units, closing immediately following the completion of the Offering. Plazacorp has committed to subscribe or arrange for investors (including one or more of the other Pre-IPO Investors) to subscribe for Holding LP Class B Units no later than immediately following the closing of the Offering or to purchase trust units of series "Class C" ("**Class C Units**") from Holding LP concurrent with the closing of the Offering at a price of $10.00 per Class C Unit, in an aggregate amount equal to the difference between the Maximum Offering and the Gross Sale Proceeds (the "**Equity Commitment**"), which would result in an Equity Commitment of $15,000,000 in the aggregate if only the Minimum Offering is achieved, in order to provide the necessary equity to complete development of the Project. In connection with the Offering, none of the Pre-IPO Investors are disposing of their interest in the Project and none of the Pre-IPO Investors will receive any of the net proceeds of the Offering on closing of the Offering. Pursuant to the Holding LP Interest Purchase Agreement, the Holding LP will be responsible for paying the calculated land transfer tax liability arising from the contribution of the Project to the Holding LP, approximately $1,000,000 to $1,200,000.

In connection with the closing of the Offering, the REDT will subscribe for Holding LP Class A Units and in exchange will deliver the Units to be sold pursuant to the Offering to the Holding LP. The day prior to the closing of the Offering, the Holding LP will sell, pursuant to the Final Prospectus, at least 100 Class A Units to at least 150 Purchasers (as defined herein) (the "**Initial Closing**"). The day following the Initial Closing, the Holding LP and the REDT will complete the Offering of the Units. Prior to the closing of the Offering, each Current Owner will have contributed the entirety of its respective interest in the Project to the Holding LP in exchange for (i) the assumption by the Holding LP of debt owing by such Current Owner in connection with the Project, (ii) Holding LP Class B Units, and (iii) the payment by the Holding LP of such Current Owner's calculated land transfer tax liability arising from the contribution, approximately $1,000,000 to $1,200,000 in the aggregate taking into account all Current Owners. As a result of the foregoing transactions (collectively, the "**Acquisition**"), the REDT will indirectly acquire an interest in the Project through the Holding LP, which, immediately following closing of the Offering, will own 100% of the Project. Assuming the Maximum Offering, the REDT will own a 67.7% limited partner interest in the Holding LP and equity interest in the Project, and assuming the Minimum Offering is sold and the Equity Commitment is fully satisfied by the issuance of Holding LP Class B Units, the REDT will own a 54.1% limited partner interest in the Holding LP and equity interest in the Project. See "Description of the Activities of the REDT – The Project" and “Use of Proceeds”. The net proceeds from the Offering (after deduction of the Agent’s Fee (as defined herein), which will be paid by the REDT, and the expenses of the Offering, which will otherwise be paid by the Holding LP) invested into the Holding LP will be used, together with the existing working capital of the Project and debt financing, to fund the development of the Project. The REDT’s indirect interest in the Project will be determined based on the Gross Sale Proceeds (as defined herein), without deduction for the Agent’s Fee or any expenses of the Offering borne by the Holding LP. The REDT 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, the REDT 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 Manager through acquiring Cost Overrun Units (as defined herein). See also “Investment Strategy – The Pre-IPO Investors”.

There will be no closing unless the Minimum Offering is achieved, being a minimum of $60,000,000 of Class A Units and/or Class F Units being sold pursuant to the Offering. 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 the final prospectus for this Offering (the “Final Prospectus”). If one or more amendments to the Final 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 the Final 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 sale of homes in the Project, the REDT intends to declare and pay to Unitholders cash distributions out of the available operating cash flow of the REDT (to the extent declared by the Trustees and otherwise 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 REDT to make such cash distributions and the actual amount distributed will depend on the development of the Project, the expenses and requirements of the REDT and its Subsidiaries (as defined herein), and the timing of sales of homes in the Project, as applicable, and will be subject to various other 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 REDT and its Subsidiaries, (i) is based on an 8.0% per annum compounded return on the Gross Sale Proceeds received by the Holding LP from the Offering, and (ii) is a preferred return, payable prior to payment of any amounts pursuant to the Promote Fee and Asset Management Fee (each as defined herein), but (iii) is not guaranteed and, depending on the success of the Project, may not be paid at all. The aggregate Secondary Minimum Return (as defined herein), after payment of all expenses of the Project, the REDT and its Subsidiaries (including the Asset Management Fee and a portion of the Promote Fee), (i) is based on a 20.0% per annum compounded return on the Gross Sale Proceeds received by the Holding LP from the Offering, and (ii) is a preferred return, payable prior to payment of the increased percentage of distributions payable pursuant to the Promote Fee, but (iii) is not guaranteed and, depending on the success of the Project, may not be paid 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 development and investment markets generally and, therefore, the availability and stability of the distributions to Unitholders.

There is no market through which the Units may be sold and Purchasers may not be able to resell Units purchased under this Prospectus. No market for the Units is expected to develop. See “Risk Factors”. As at the date of this Prospectus, the REDT 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 Inc., any other Canadian marketplace, a U.S. marketplace, or any marketplace outside Canada and the U.S. See "Plan of Distribution".

The REDT will aim to realize a targeted pre-tax investor net compounded annualized return of at least 20% equating to a total pre-tax investor net return over four years from the Closing Date of approximately 110% net of fees (including the Promote Fee and Asset Management Fee) on the REDT's indirect investment in the Project. See "Risk Factors", "Forward-Looking Statements" and "Description of Securities – The REDT – 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.

Unitholders will generally be required to include, in computing their income for a particular taxation year that portion of the REDT's net income for a taxation year ending on or before the taxation year-end of the Unitholder, including net realized taxable capital gains (if any), that the REDT pays or makes payable to the Unitholder in the taxation year of the REDT, whether the Unitholder receives such portion in cash, additional Units or otherwise. It is the intent of the Trustees to initially pay cash distributions out of the available cash flow, in an aggregate amount per year that are no less than 50% of the taxable income of the REDT from the Project in a particular year, however there are no assurances that there will be sufficient available cash flow to pay such cash distributions. If the REDT 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 REDT in a year which exceed the amount of net income paid or made payable to such Unitholder by the REDT for the year, any such excess distributions will generally not be included in the Unitholder's income for the year, but (except for the non-taxable portion of the REDT's net realized capital gains, the taxable portion of which have been designated to the Unitholder) 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 REDT are less than the income of the REDT 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".

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 quarterly at the option of Unitholders by written notice to the REDT. 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 REDT by cash payment in respect of the redemption of Units for any calendar quarter shall not exceed $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 REDT of the redemption price per Unit will reduce the amount of cash available to the REDT 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 REDT'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 REDT shall satisfy the redemption of such Units tendered for redemption by way of an *in specie* distribution of unsecured subordinated promissory notes of the REDT or a Subsidiary (as defined herein) of the REDT, as determined by the Board in its sole discretion. Notes issued or distributed by the REDT on a redemption may be illiquid and generally will not be a qualified investment for trusts governed by Plans (as defined herein). In those circumstances, adverse tax consequences will generally 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 REDT – Redemption", "Risk Factors – Risks Related to the Offering – Limited Liquidity of Units" and "Risk Factors – Risks Related to Redemptions".

The Declaration of Trust contains restrictions on the ownership and transfer of the Units that have been adopted in the best interests of the Unitholders and are intended to assist the REDT in qualifying as a "mutual fund trust" and not being a "SIFT trust", each within the meaning of the Tax Act. In particular, the Declaration of Trust restricts ownership of Units by Non-Residents and Unitholders are subject to notice requirements and transfer restrictions, including that any transfer of Units that would result in such units being transferred on a “public market” (as defined for purposes of the SIFT Rules) will be void *ab initio*. These ownership limits and transfer restrictions may delay or impede transfers of Units. See “Description of Securities – The REDT – Non-Certificated Inventory System and Transfers of Units” and “Description of Securities – The REDT – Limitation on Non-Resident Ownership”.

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 REDT and sold by the Holding LP 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 REDT by Blake, Cassels & Graydon LLP, in respect of certain Canadian legal matters on behalf of the Agent by Stikeman Elliott 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”.

See “Purchasers’ Statutory Rights and Other Contractual Rights” for information on any right to withdraw or rescind from an agreement to purchase Units.

Certain Trustees and/or officers of the REDT will be affiliated with the Manager and such Trustees and/or officers may become involved in transactions that conflict with the interests of the REDT. Except as otherwise provided in this Prospectus and other than pursuant to any duties owed to the REDT, such Trustees and/or officers of the REDT are not in any way limited by the REDT or affected in their ability to carry on other business ventures for their own account and for the account of others. Such Trustees and/or officers will not have any obligations to account to the REDT or the Unitholders for profits made in such other activities. See “The Manager and the Management Agreement – The Management Agreement”, “The Manager and the Management Agreement – Potential Conflicts of Interest (Manager, Development Manager, Trustees and Officers)”, “Risk Factors – Risks Related to the REDT – Potential Conflicts of Interest with Respect to the Manager, the Development Manager and their Affiliates”, “Risk Factors – Risks Related to the REDT – Potential Conflicts of Interest with Respect to the Trustees and Executive Officers of the REDT”, “Risk Factors – Risks Related to the REDT – Reliance on the Manager”, “Promoter” and “Interests of Management and Others in Material Transactions”.

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

The registered and head office of the REDT is located at 10 Wanless Avenue, Suite 201, Toronto, Ontario M4N 1V6.

TABLE OF CONTENTS

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 REDT has not, and the Agent and Plazacorp have not, authorized anyone to provide Purchasers with additional or different information. The REDT 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 REDT, 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 REDT 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 and/or the Operating Policy relating to the assumption of 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 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 REDT – Meetings of Unitholders and Resolutions”);

(b) the Holding LP will only use the Net Sale Proceeds in accordance with the REDT’s Investment Restrictions and investment strategy, as set forth herein; and

(c) the Board will, on filing of the Final 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 “$” are to Canadian dollars. Certain terms used in this Prospectus are defined under the heading “Glossary of Terms”.

In this Prospectus, references to the REDT include its Subsidiaries where the context requires. In addition, any reference to the indirect acquisition of the Project by the REDT means the indirect acquisition of the Project by the REDT through its interest in the Holding LP.

Unless otherwise noted herein, the disclosure in this Prospectus assumes that there are no subscriptions for Cost Overrun Units and the only classes of Units issued by the REDT consist of the Class A Units and Class F Units (and Class C Units, in the event the Maximum Offering is not achieved and the Equity Commitment is not fully satisfied by the issuance of Holding LP Class B Units). References to a “class” of Units mean a “series” of Units, being the Class A Units and the Class F Units.

FORWARD-LOOKING STATEMENTS

This Prospectus includes statements with respect to the REDT, 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 REDT's future outlook and anticipated events, including future results, performance, achievements, prospects or opportunities for the REDT 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 REDT. 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 Canadian residential real estate market, and specifically in the residential real estate market in Markham and Stouffville, Ontario;

(b) optimal market conditions in Canada, and specifically in Markham and Stouffville, Ontario;

(c) expectations regarding recent economic developments in Canada and the future of Canadian real estate markets generally, including with respect to immigration levels;

(d) construction of homes in a manner intended to reduce energy usage and GHG emissions;

(e) the availability of financing for the Project;

(f) subscriptions for Cost Overrun Units;

(g) the REDT's intention to make distributions as set out herein;

(h) the Manager's expectations regarding the development of the Project, including the timeline thereof;

(i) the Manager's expectations and plans regarding the REDT's ability to enter into a construction contract on terms contemplated in the development plan for the Project;

(j) the REDT's target compounded annualized return for the Term across all Unit classes;

(k) the Manager's intention to complete sales of homes at the Project;

(l) the expectation that the REDT will satisfy the requirements stipulated by the Tax Act to qualify as a "mutual fund trust" and that the REDT will not be subject to tax under the SIFT Rules;

(m) the REDT's forecasted annual expenses for the first 12 month period following the Closing Date;

(n) the terms of the material contracts to be entered into by the REDT and/or its Subsidiaries;

(o) the anticipated Closing Date;

(p) the expected public filings of the REDT; and

(q) the Equity Commitment.

Material factors and assumptions used by management of the REDT to develop the forward-looking information include, but are not limited to, the REDT's current expectations about: construction and development risk; obtaining necessary development permits for the Project; the realization of property value appreciation and timing thereof; the inventory of residential properties; competition from developers of residential properties; the Markham and Stouffville, Ontario real estate market; immigration and population growth; government legal and regulatory changes; property encumbrances relating to the Project; closing and other transaction costs in connection with the acquisition and disposition of the Project; the availability of financing and current interest rates; demographic trends; fluctuations in interest rates; litigation risks; the relative illiquidity of real property investments; the Canadian economic environment; the geographic concentration of the REDT's business; natural disasters and severe weather; demand levels for residential properties in Markham and Stouffville, Ontario and local economic conditions; negative geopolitical events; public health crises; the capital structure of the REDT; distributions; capital depletion; potential conflicts of interest; reliance on the good faith and ability of the Manager to manage the Project; the limited operating history of the REDT; the limited experience of management of the REDT 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 targeted pre-tax investor net compounded annualized return of at least 20% equating to a total pre-tax investor net return over four years from the Closing Date of approximately 110%, net of fees (including the Promote Fee and Asset Management Fee), please see "Description of Securities – The REDT – Distributions". Such forward-looking information has been included in this Prospectus to provide potential investors with the views of management of the REDT concerning the expected performance of the Project and the REDT and such information may not be appropriate for other purposes While management of the REDT 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 REDT'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 REDT's control, may affect the operations, performance and results of the REDT, 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 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 REDT to sales of homes from the Project, 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 REDT 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 REDT'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 REDT as of the date hereof, and was provided for the purpose of describing the anticipated effects of the Offering on the REDT's business operations. The actual results of operations of the REDT may vary from the amounts set forth herein and such variation may be material. The REDT 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 REDT 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 REDT, 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 REDT 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 National Instrument 41-101 – *General Prospectus Requirements*) have been filed with the securities commissions or similar authority in each of the provinces of Canada in connection with the Offering (collectively, the "**Marketing Materials**"):

(a) the template version of the roadshow presentation filed on November 5, 2024; and

(b) the template version of the term sheet filed on November 5, 2024.

The template versions of the Marketing Materials are not part of this Prospectus to the extent that the contents of the template versions 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. The Marketing Materials can be viewed under the REDT's profile on SEDAR+ at www.sedarplus.com.

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the REDT, and Stikeman Elliott LLP, counsel to the Agent, based on the current provisions of the Tax Act, provided that the REDT 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 of such RRSP or RRIF, the holder of such TFSA, FHSA or RDSP, or the subscriber of such 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 REDT 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 REDT. 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).

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

Promissory notes which may be received in connection with an *in specie* redemption of Units as described under the heading "Description of Securities – The REDT – 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 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.

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. Certain terms and abbreviations used in this summary are defined in the Glossary of Terms provided herein.

Issuer:	Plazacorp Willowgrove Residential Real Estate Development Trust (the "**REDT**") is a newly-created, unincorporated investment trust governed by the laws of the Province of Ontario. The REDT was formed pursuant to the initial declaration of trust dated as of November 1, 2024. The REDT will be managed by the Manager, a subsidiary of Plazacorp.
Offering:	Class A Units and/or Class F Units up to a maximum of $75,000,000 of Units.
Issue Size:	Minimum Offering: $60,000,000 Maximum Offering: $75,000,000 The size of the Offering will be calculated based on the proceeds received from the sale of Class A Units and Class F Units.
Price:	$10.00 per Class A Unit $10.00 per Class F Unit
Minimum Purchase:	Class A Units - $10,000 (1,000 Class A Units) Class F Units - $10,000 (1,000 Class F Units)
The Promoter:	Plazacorp Investments Limited ("**Plazacorp**") is considered to be the promoter of the REDT by reason of its initiative in organizing the business of the REDT and taking the steps necessary for the public distribution of the Units, and as the direct owner of the Manager.
The Manager:	The REDT will be managed by Plazacorp Willowgrove REDT Management Inc. (the "**Manager**"), a subsidiary of Plazacorp. The Manager will be primarily engaged in the management of the REDT as a public investment vehicle and the coordination of the Offering. Plazacorp is one of the Greater Toronto Area's leading residential development companies with an impressive record of being involved in over 40 transactions of high-value residential projects, totaling close to 12,000 units. Plazacorp was among the first condominium developers in Toronto to include finishes such as granite counters and floors, marble bathroom counters and floors, under-mount sinks, porcelain tile, and stainless steel appliances as standard features rather than costly upgrades. Anthony Heller is the President and Founder of Plazacorp with more than 40 years of experience in real estate developments. He has initiated and completed approximately $7 billion of development projects. Scott McLellan is the Chief Operating Officer of Plazacorp. With over 30 years of experience in the residential real estate industry in Canada and the USA, Scott joined Plazacorp in 2009 where he, among other initiatives, transformed the company's brand, leading to Plazacorp becoming one of Canada's leading residential developers. Plazacorp's success is attributable to a number of factors, including its focus on prudent site identification, careful selection of consultants and other real estate professionals, an in-depth understanding of the municipal and planning process resulting in expedited municipal approvals and construction performance in a cost-effective and timely manner. In addition to the foregoing, Plazacorp has built-out an in-house team of experienced industry professionals from a broad range of specialties and disciplines involved in residential development, including planning, construction, finance, sales, engineering and legal.

See “The Manager and the Management Agreement – The Manager”.

Development Manager: The Development Manager will be a limited partnership of which the Pre-IPO Investors will be limited partners, and of which the general partner will be an affiliate of Plazacorp. The Development Manager will be engaged by the Holding LP to oversee development of the Project in return for the Development and Construction Management Fee and the Promote Fee. The Development Manager will also be entitled to the Sales Fee in connection with sale of homes from the Project. See “Description of the Activities of the REDT – The Project – The Development Management Agreement”.

Pre-IPO Investors: In connection with the Offering, Plazacorp has agreed to convert certain debt outstanding and owing by the current owners of the Project (the “**Current Owners**”) and subscribing for an aggregate amount equal to $5 million of Holding LP Class B Units, closing immediately following the completion of the Offering. In addition, Osmington Inc. (together with the Current Owners and Plazacorp, the “**Pre-IPO Investors**”) has committed to being a Pre-IPO Investor and acquiring and converting certain debt outstanding and owing by the Current Owners and subscribing, directly or through an affiliate, in an aggregate amount equal to $5 million of Holding LP Class B Units, closing immediately following the completion of the Offering. Osmington Inc. will have one board seat. Osmington Inc. is a private commercial real estate and investment company with a focus on value creation.

Investment Strategy: Plazacorp established the REDT primarily for the purpose of indirectly owning an interest in the Project located in Markham and Stouffville, Ontario. The Project consists of a project to develop two residential subdivisions comprising 676 residences (467 townhomes and 209 single detached homes), and 297 serviced lots on approximately 213 acres of land in Markham and Stouffville, Ontario, with the Markham portion located on 5500 19th Avenue and the Stouffville portion on 11859 and 12029 McCowan Road. The Manager believes that the development of the Project presents a compelling investment opportunity and provides competitive returns compared to other real estate assets.

See “Investment Strategy”.

Investment Objectives: The REDT’s investment objectives are:

(a) to provide Unitholders (as defined herein) with an opportunity to indirectly own an interest in the Project; and

(b) commencing upon the sale of homes in the Project, to declare and pay to Unitholders cash distributions out of the available cash flow.

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

Investment Highlights:

Experienced and Aligned Management and Sponsorship Team with Strong Track Record	***Plazacorp was founded with the desire to deliver homes of outstanding quality and lasting value*** The REDT will be managed by a group of experienced senior executives with an established track record of providing strong returns and creating value in the residential real estate sector in Canada. Plazacorp is one of the Greater Toronto Area’s leading residential development companies with an impressive record of being involved in over 40 transactions of high-value residential projects, totaling close to 12,000 residential dwellings. Plazacorp has a proven track record of developing high-value communities in high-traffic geographies. ***Experienced management team directly execute projects with confidence***

	Anthony Heller is the President and Founder of Plazacorp with more than 40 years of experience in real estate developments. He has initiated and completed approximately $7 billion of development projects. Scott McLellan is the Chief Operating Officer of Plazacorp. With over 30 years of experience in the residential real estate industry in Canada and USA, Scott joined Plazacorp in 2009 where he, among other initiatives, transformed the company's brand, leading to Plazacorp becoming one of Canada's leading residential developers with a strategic focus placed on customer care and quality.
Strong Governance and Alignment of Interests with the Current Owners	Purchasers are being given the opportunity to invest in the Project, through the REDT, at a price equal to the total cost attributable to the Project, being approximately $213.3 million as of October 31, 2024 (which includes the purchase prices for the parcels of land and all other costs incurred for or on such parcels to such date), and the Pre-IPO Investors will not be receiving any of the net proceeds of the Offering. Investors are aligned with respect to economic returns from the Project, as the Promote Fee only becomes payable upon achievement of the Minimum Return and does not include a catch-up component. With respect to the REDT, the structure of the Promote Fee means that the Development Manager only benefits when the REDT's investment is profitable over the Minimum Return of 8.0%. In addition, Unitholders receive their initial investments plus a preferred return of 8.0% (being the Minimum Return) prior to payment of any Promote Fee or asset management fee, which incentivizes the Development Manager to focus on generating higher returns to Unitholders in order to receive the Promote Fee.
Fully Zoned Development Project Allowing for a Shorter Investment Time Horizon	The Project was acquired by the Current Owners in stages, with the Markham portion acquired in March 2023 and the Stouffville portion acquired in a series of transactions between April 2020 and September 2021. The Project has obtained the zoning approvals necessary for the development of the Project. The Project has also received draft plan of subdivision approvals from both Markham and Stouffville. An application for a red-lined plan of subdivision approval has been sought from Markham and will be sought from Stouffville in the future to implement certain refinements to the housing forms and unit yield for the Project. Site servicing of the Project is anticipated to commence in Q1 2025, allowing for a shorter overall anticipated investment time horizon than is typical of development projects of this magnitude.
Economic Prosperity of Canada	***The Canadian economy continues to outperform expectations despite unfavorable conditions*** Canada's strong economic fundamentals have supported the economy in navigating through the impact of higher interest rates, making it a prime candidate for generally lower risk investments. Canada has benefited from among the fastest employment recoveries in the G7 following the COVID-19 pandemic.

	Strong industry expertise are tailwinds for Canadian economic growth Canada's historic macroeconomic stability provides an important foundation for economic growth and investment. Sustainable federal finances also support the credit ratings of private businesses and other orders of governments, positioning Canada as an optimal geography to expand into. ***Canada's economy is a safe haven for capital given its stability*** Canada is relatively sheltered from global geopolitical risks and rising conflicts, which the Manager believes will continue to attract capital looking to divest away from riskier markets. ***Increasing average household wages from strong labour markets are a driver for growing housing demands*** Canadian households are earning higher inflation-adjusted wages as strong labour market conditions drives gains in employment income following the COVID-19 pandemic. ***The Manager believes immigration to Canada provides economic, social, and cultural benefits*** Immigration continues to provide human capital for Canada's future economic growth. In 2023, 471,771 permanent immigrants made Canada their home, which increased year-over-year in every province and territory except Nova Scotia and Quebec. A further 804,901 non-permanent residents (NPRs) were added to Canada's population in 2023. While the Canadian government has announced recent reductions in the number of permanent residents to be accepted in 2025, and further reductions in targeted numbers for 2026 and 2027, the Manager anticipates that Canada will continue to accept significant levels of immigration to the country with corresponding impacts on economic growth.
Strong Residential Demand	***Canada is experiencing continued population growth*** Canada's population grew by 3.2% in 2023 to nearly 40.8 million, the highest year-over-year growth since 1957. Canada's growing population, largely driven by immigration, has created increasing demand for residential housing. ***Population growth is a catalyst for low vacancy rates and a continued increase of housing purchases*** The combination of reduced housing completions and sustained levels of demand have compressed the overall residential vacancy rate in Canada to a 22-year low in 2023, indicating high demand for open units. ***Significant housing undersupply creates a more favourable environment for investors*** The Canadian residential sector will continue to experience significant housing undersupply due to record demand, and as a

	result, creates a more favourable environment for investors seeking high occupancy rates in residential assets.
Favourable Location and Demographic Fundamentals with Opportunity for Growth	***Markham and Stouffville capitalize on their prime locations adjacent to the City of Toronto*** Markham and Stouffville are part of the Greater Toronto Area located immediately north of the 407 Highway, giving residents access to the City of Toronto and downtown Toronto areas, while offering a lower cost of living than the City of Toronto. The area has fairly convenient access by car to shopping, museums, recreational activities, and an assortment of premium golf courses. The disparity in living costs between Markham and Stouffville and the City of Toronto, combined with the increasing availability of transit options, has significantly influenced housing prices, with Markham and Stouffville emerging as attractive alternatives for those seeking more affordable housing options than the City of Toronto while remaining connected to the city by public transit and other transit options. ***Diverse and highly educated population indicates strong demand for properties in Markham and Stouffville*** Between 2016-2021, Markham and Stouffville's workforce employed in business, finance, administration, and sales services grew by 20%. In addition, average full-time employment income in 2020 was $89,500 compared to national average of $77,200. Higher relative income means that residents are better positioned to purchase properties and effectively sustain the relatively rapid growth in mortgage rates in the region in the last two years. Markham and Stouffville have consistently outperformed the rest of Canada with higher average population growth. These positive economic indicators directly translate into increased demand for residential properties as more young professionals and individuals seek housing options in areas like Markham and Stouffville, to capitalize on the growing job market and opportunities in the region. Total number of families in Markham and Stouffville increased 8% in 2021, compared to a national average of 4%. This represents a growing demand for housing ownership and residential properties in the Markham and Stouffville area specifically. ***The City of Markham has experienced significant industry growth and is positioning itself as a technology hub*** Markham has grown into a city with some of the largest technology companies globally such as IBM, AMD, and Lenovo. Markham's strong innovation ecosystem is also supported by a strong education system and robust network of accelerators, including ventureLAB, YSpace and Seneca Helix. The increasing prominence of these industries highlights the city's evolution into a diverse business hub, which is expected to continue to attract a talented workforce of young professionals. The city's robust job market, combined with its proximity to the City of

	Toronto, positions Markham as an attractive destination for individuals looking to capitalize on employment opportunities in expanding industries. ***Markham and Stouffville benefit from transit accessibility*** The accessibility of both the GO Transit system and highway services offers Markham and Stouffville residents efficient and convenient options for commuting to and from the City of Toronto and within the York region. Furthermore, the area is located in close proximity to major highways and expressways such as the 404 and 407 Highways, allowing for access via car and providing residents with the convenience of driving to downtown Toronto and to surrounding cities. ***Robust government investments in public facilities and infrastructure*** More than 10 approved investment projects will, upon their completion, improve the accessibility to regional employment centres and overall amenities area for Markham and Stouffville residents. The area also hosts community amenities such as a community skating trail in the area's primary community park, providing an opportunity for free socialization, mentorship, and physical literacy. The Markham and Stouffville area is also the prime beneficiary of the $27 billion GO Transit expansion project that expands the transit services and enables key express lines leading to the Markham and Stouffville area.
Property Market in the Project Neighbourhood is Poised for Growth	***The project site neighbourhood presents an attractive location and infrastructure fundamentals*** The Project neighbourhood is in a community to the northeast of the Markham and Stouffville region, with close proximity to Rouge National Urban Park, featuring multiple biking and hiking trails, the Toronto Markham Airport, and the Town of Whitchurch-Stouffville. The area is attractive for both residential and commercial development, and hosts a mix of commercial and industrial complexes. The Project site is also within a 15 minute cycling distance to shopping malls and a variety of educational facilities, all of which the Manager believes are key pull factors for interested future homeowners and families. ***Ample transit options for the Project site community*** The York Region Transit offers local, rapid, and specialized transit services in all nine York region municipalities, connecting residents of Project site to the City of Toronto and the regions of Peel and Durham. Main transit routes are just four minutes of drive away from the centre of Project site.

	The Project is situated within ten minutes driving distance to both Stouffville and Mount Joy GO stations, with convenient access to Markham, Scarborough, and Toronto. The Project site neighborhood is adjacent to key transportation arteries, such as Highway 7, 48, 404, and 407. Few neighbourhoods are able to offer the convenience and amenities that this Project site is already equipped with.

See "Investment Strategy – Investment Highlights" and "Forward-Looking Statements".

The Project: Following closing of the Offering, the REDT will acquire an indirect interest in the Project through the Acquisition. The Project is located in Markham and Stouffville, Ontario.

The Project consists of a project to develop two residential subdivisions comprising 676 residences (467 townhomes and 209 single detached homes), and 297 serviced lots on approximately 213 acres of land in the City of Markham, Ontario ("**Markham**") and the Town of Whitchurch-Stouffville, Ontario ("**Stouffville**"), with the municipal address of the Markham portion at 5500 19th Avenue and the Stouffville portion at 11859 and 12029 McCowan Road.

Significant planning and pre-development progress has been made to date. The design of the homes to be constructed is intended for modern family living and the selection of the homes' components aim to exceed the environmental standards set by their respective municipalities. The Manager intends to complete and sell all homes comprising the Project within four years of the Closing Date (subject to two discretionary one-year extensions).

The Markham Portion

The Markham portion of the Project is comprised of 208 dwelling units on approximately 67.2 acres, consisting of 103 single detached houses and 105 townhouse units. The Markham portion of the Project has received draft plan of subdivision approval, however a red-lined plan of subdivision has been recently submitted to the City of Markham to modify the current draft plan approval to implement the housing forms and unit yield articulated above. In addition to the developable area of the Project, up to 51 acres of the Markham portion of the Project will be conveyed to a public authority, primarily for natural heritage feature conservation.

Certain development approvals remain outstanding for the Markham portion of the Project, including (i) approval of the red-lined draft plan of subdivision application; (ii) approval of the Master Environmental Servicing Plan; (iii) approval of the water pumping station and sanitary pumping station designs for the Interim Servicing Solution (as defined herein); (iv) permits and permissions, including those under s. 28 of the *Conservation Authorities Act*, that are necessary to facilitate development of the Project; (v) final plan of subdivision approval and subdivision registration; (vi) building permits; (vii) a part lot control exemption by-law for the townhouse blocks; and, potentially, (viii) plan of condominium approval (depending on the form and tenure of the townhouse blocks).

The Stouffville Portion

The Stouffville portion of the Project is comprised of 468 dwelling units (362 townhomes and 106 single detached homes) and 297 serviced lots on approximately 145.5 acres. The Stouffville portion of the Project has received draft plan of subdivision approval, however, red-lined revisions are required. Based on the approved draft plan of subdivision for the Stouffville portion of the Project, approximately 101.5 acres of the Stouffville portion of the Project will be conveyed to a public authority.

Certain regulatory approvals remain outstanding for the Stouffville portion of the Project, including (i) submission and approval of a red-lined draft plan of subdivision; (ii) approval of the Master Environmental Servicing Plan; (iii) approval of the water pumping station and sanitary pumping station designs for the Interim Servicing Solution (as defined herein); (iv) permits and permissions, including those under s. 28 of the *Conservation Authorities Act*, that are necessary to facilitate development of the Project; (v) final plan of subdivision approval and subdivision registration; (vi) building permits; (vii) a part lot control exemption by-law for the townhouse blocks; (viii) Site Plan Approval for the medium density and mixed use development blocks; and (ix) plan of condominium approval (for certain townhouse blocks).

Servicing

Water and sanitary services are not currently available to the Project. All units in the Project (other than the approximately 297 serviced lots) are intended to be serviced by the Interim Servicing Solution (as defined herein) until an ultimate servicing solution is implemented. The Interim Servicing Solution works include (i) a sanitary pumping station to be constructed on the Markham portion of the Project that will be publicly owned and operated; (ii) a water pumping station to be located on the Stouffville portion of the Project, that is expected to be acquired by the Region of York; and (iii) a stormwater system that will convey stormwater to a series of ponds and storage tank facilities, which the Manager expects will be conveyed to a public authority for long term operation and maintenance. Based on its experience, as of the date hereof, the Manager believes that the Master Environmental Servicing Plan submitted to the Region of York will be approved in Q4 2024. Upon formal approval of the Master Environmental Servicing Plan, a design submission can be made to the Region of York for the sanitary pumping station portion of the Interim Servicing Solution, which the Manager anticipates will receive approval in Q3 2025. In addition, a Municipal Class Environmental Assessment was completed with respect to the Interim Servicing Solution, which the Manager believes will be approved in Q4 2024.

Serviced Lots

In addition, Plazacorp, an affiliate of the Manager, has agreed on a forward-purchase basis to acquire the serviced lots on 6.8 acres of high-density zoned land for future development for a total purchase price of $25 million, which is currently estimated at approximately 297 serviced lots. The closing of the purchase of the serviced lots will occur on the earlier of (i) the date of the dissolution of the REDT, and (ii) the sixth anniversary of the Closing Date. The REDT and Plazacorp shall reasonably cooperate to structure such purchase in a manner that is mutually tax efficient for the parties, provided that Plazacorp shall have the ability to acquire the serviced lots by way of the acquisition of a limited partnership which has no assets other than the serviced lots (including, if applicable, the Holding LP), and Plazacorp shall be permitted to purchase the serviced lots together with additional purchasers (which may include the Current Owners). The serviced lots will not be serviced by the Interim Servicing Solution. Construction of the serviced lots will not be completed concurrently with the other portions of the Project. The completion of the serviced lots is contingent on certain infrastructure being built. The proceeds from the sale of the serviced lots received by Holding LP shall be first paid by way of the applicable portion of the Promote Fee and second, as to the balance, in accordance with the provisions of the Holding LP Agreement.

See "Description of the Activities of the REDT – The Project".

Independent Appraisals: The Manager retained the Appraiser to provide independent appraisals of the fair market value of the Markham and Stouffville lands comprising the Project (the "**Independent Appraisals**"). Based on the Independent Appraisals, the estimated market value of the Project is $259.4 million. See "Description of the Activities of the REDT – The Project – Independent Appraisals".

Selected Financial Information: The following selected financial information of the Project has been derived from, and should be read in conjunction with, the Project's interim carve-out financial statements for the three and six months ended June 30, 2024 (unaudited) and the audited carve-out financial statements for the financial years ended December 31, 2023 and December 31, 2022, and accompanying notes, prepared in accordance with IFRS and contained elsewhere in this Prospectus. Amounts are presented in thousands of Canadian dollars.

The selected financial information should also be read in conjunction with "Management's Discussion and Analysis of Results of Operations", 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 REDT's future performance.

	The Project	
Six months ended June 30, 2024	**Markham**	**Stouffville**
Balance Sheet Data		
Assets:		
Cash	$371	$58,150
Amounts receivable	73,039	21,708
Prepaid expenses	11,483	7,958
Land under development	70,172,780	110,099,875
Property and equipment	-	44,963
Total assets	**$70,257,673**	**$110,232,654**
Liabilities and Divisional Surplus:		
Accounts payable and accrued liabilities	271,877	752,498
Prepaid rent	-	3,200
Mortgages	-	130,497,976
Lease obligations	-	-
Revolving term loan	3,750,000	-
Non-revolving term loan	38,103,709	-
Due to related parties	716,500	4,468,839
	42,842,086	135,722,513
Owners' surplus	27,415,587	(25,489,859)
Total liabilities and owners' surplus	**$70,257,673**	**$110,232,654**

Trustees and Officers: The REDT has a Board consisting of five Trustees, being Jordan Bizouati, Lionel Dubrofsky, Robert Jacobs, Heather Kirk and Darin Rayburn. A majority of the Board is independent 60% and 20% of the Trustees are women. The officers of the REDT are Anthony Heller (Chief Executive Officer), Scott McLellan (Chief Operating Officer) and Claude Ayache (Chief Financial Officer).

The Trustees and executive officers of the REDT have, collectively, extensive prior years of experience in the Canadian real estate sector, including in real estate development.

Following completion of the Offering, the Trustees and executive officers of the REDT, as a group, are not expected to beneficially own, control or direct, directly or indirectly, any of the REDT's issued and outstanding Units, but will, as a group, control or direct, or have ownership of, a 21.8% indirect equity interest in the Project (assuming the Maximum Offering).

See "Trustees and Executive Officers" and "The Manager and the Management Agreement".

Unit Attributes: The beneficial interests in the REDT consist of a single class of Units issuable in two series: Class A Units and Class F Units. The REDT is authorized to issue an unlimited number of Units of each series although, following completion of the Offering, the REDT will not seek to raise any further equity from the public and, accordingly, the REDT is a closed-ended vehicle. Each Unit is transferable, subject to the limitations on transfer set forth in the Declaration of Trust as described herein, and entitles the holder thereof to: (i) the proportionate entitlement to distributions of the REDT 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 REDT – Meetings of Unitholders and Resolutions”.

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

Leverage: The Project will target a maximum leverage equal to a loan-to-cost ratio of approximately 70% of the cost to develop the Project, and will be restricted to incurring additional indebtedness if such debt would exceed an 80% loan-to-cost ratio.

Equity Commitment: Plazacorp has committed to subscribe or arrange for investors (including one or more of the other Pre-IPO Investors) to subscribe for Holding LP Class B Units no later than immediately following the closing of the Offering or to purchase Class C Units from Holding LP concurrent with the closing of the Offering at a price of $10.00 per Class C Unit, in an aggregate amount equal to the difference between the Maximum Offering and the Gross Sale Proceeds (the “**Equity Commitment**”), which would result in a commitment of $15,000,000 in the aggregate if only the Minimum Offering is achieved, in order to provide the necessary equity to complete development of the Project.

Cost Overrun Units: The REDT does not expect to have cost overruns in respect of the Project and the Manager has budgeted contingencies for the Project. However, in the event of a future incremental equity requirement or cost overrun requiring additional equity in the Project, the Manager has committed to provide the equity for such cost overruns by acquiring specified limited partnership units of the Holding LP (the “**Cost Overrun Units**”). The return on the Cost Overrun Units has an equal pre-tax investor net 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 (whether issued or deemed to be issued), 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 sale of homes in the Project, the REDT intends to declare and pay to Unitholders cash distributions out of the available operating cash flow of the REDT (to the extent declared by the Trustees and otherwise 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 REDT to make such cash distributions and the actual amount distributed will depend on the development of the Project, the expenses and requirements of the REDT and its Subsidiaries (as defined herein), and the timing of sales of homes in the Project, as applicable, and will be subject to various other factors, including those referenced in the “Risk Factors” section of this Prospectus. It is the intent of the Trustees to initially pay cash distributions out of the available cash flow, in an aggregate amount per year that are no less than 50% of the taxable income of the REDT from the Project in a particular year, however there are no assurances that there will be sufficient available cash flow to pay such cash distributions.

The aggregate Minimum Return, after payment of all expenses of the Project, the REDT and its Subsidiaries, (i) is based on an 8.0% per annum compounded return on the Gross Sale Proceeds received by the Holding LP from the Offering, and (ii) is a preferred return, payable prior to payment of any amounts pursuant to the Promote Fee and Asset Management Fee, but (iii) is not guaranteed and, depending on the success of the Project, may not be paid at all. The aggregate Secondary Minimum Return, after payment of all expenses of the Project, the REDT and its Subsidiaries (including the Asset Management Fee and a portion of the Promote Fee), (i) is based on a 20.0% per annum compounded return on the Gross Sale Proceeds received by the Holding LP from the Offering, and (ii) is a preferred return, payable prior to payment of the increased percentage of distributions payable pursuant to the Promote Fee, but (iii) is not guaranteed and, depending on the success of the Project, may not be paid 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 REDT – Distributions”, “Description of Securities – The REDT – Distribution on Termination of the REDT” and “Risk Factors”.

Term: In order to provide Unitholders with liquidity, the Manager intends to complete the Project and sell all of the residential homes comprising the Project within four years of the Closing Date, subject to two discretionary 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 REDT.

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 discretionary one-year extensions exercisable at the discretion of the Manager) by Special Resolution of the Unitholders, subject to approval by the Board, and shall be automatically extended in the event that substantially all remaining residential homes are under contract to be sold in order to complete such sales.

In the event the Term is extended, returns to investors may be different than the targeted pre-tax investor net compounded annualized return of at least 20%. In particular, if the Term is extended beyond the four years, the Minimum Return and Secondary Minimum Return will continue to compound, resulting in a higher threshold necessary for the Promote Fee to be triggered, and in the event the Minimum Return and/or Secondary Minimum Return had previously been triggered, could result in a decrease in Promote Fee payments. Furthermore, the Asset Management Fee will no longer accrue following the expiry of the Term, unless the Term is extended as a result of the automatic extension noted above. However, as the Asset Management Fee is only payable in the event the Minimum Return is achieved, an extension to the Term that results in the Minimum Return not being achieved will also ensure that the Asset Management Fee is not paid. An extension to the Term may also result in additional cash distributions from operations to Unitholders assuming that the Term is extended and homes are sold during such extension.

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

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

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

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 REDT by cash payment in respect of the redemption of Units for any calendar quarter shall not exceed $50,000 in the aggregate; and (ii) unless the Trustees otherwise determine, the total amount payable by the REDT 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 REDT may satisfy the redemption of Units in excess of this limit, by way of an *in specie* distribution of unsecured subordinated promissory notes of the REDT or a Subsidiary of the REDT, as determined by the Board in its sole discretion. Notes issued or distributed by the REDT on a redemption may be illiquid and generally will not be a qualified investment for trusts governed by Plans. In those circumstances, adverse tax consequences will generally 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. The redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment.

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

Use of Proceeds:	Assuming that the Minimum Offering is sold, the gross proceeds to the Holding LP from the Offering will be $60,000,000. Assuming that the Maximum Offering is sold, the gross proceeds to the Holding LP from the Offering will be $75,000,000. The net proceeds from the Offering (after deduction of the Agent's Fee, which will be paid by the REDT, and the expenses of the Offering, which will otherwise be paid by the Holding LP) will be used, together with the existing working capital of the Project and debt financing, to fund the development of the Project. The REDT's indirect interest in the Project will be determined based on the Gross Sale Proceeds, without deduction for the Agent's Fee or any expenses of the Offering borne by the Holding LP. The REDT 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 Pre-IPO Investors are disposing of their interest in the Project and none of the Pre-IPO Investors will receive any of the net proceeds of the Offering on closing of the Offering. Pursuant to the Holding LP Interest Purchase Agreement, the Holding LP will be responsible for paying the calculated land transfer tax liability arising from the contribution of the Project to the Holding LP, approximately $1,000,000 to $1,200,000. See "Description of the Activities of the REDT" 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 REDT, and Stikeman Elliott LLP, counsel to the Agent, based on the current provisions of the Tax Act, provided that the REDT 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 own tax advisors. See "Eligibility for Investment".
Restrictions on Transfer of Units:	The Declaration of Trust contains restrictions on the ownership and transfer of the Units that have been adopted in the best interests of the Unitholders and are intended to assist the REDT in qualifying as a "mutual fund trust" and not being a "SIFT trust", each within the meaning of the Tax Act. In particular, the Declaration of Trust restricts ownership of Units by Non-Residents and Unitholders are subject to notice requirements and transfer restrictions, including that any transfer of Units that would result in such units being transferred on a "public market" (as defined for purposes of the SIFT Rules) will be void *ab initio*. These ownership limits and transfer restrictions may delay or impede transfers of Units. See "Description of Securities – The REDT – Non-Certificated Inventory System and Transfers of Units" and "Description of Securities – The REDT – Limitation on Non-Resident Ownership".
Liquidity:	There is no market through which the Units may be sold and Purchasers may not be able to resell Units purchased under this Prospectus. No market for the Units is expected to develop. See "Risk Factors". As at the date of this Prospectus, the REDT 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 Inc., any other Canadian marketplace, a U.S. marketplace, or any marketplace outside Canada and the U.S. Furthermore, it is prohibited for the Units to be listed on any stock exchange, over-the-counter bulletin board, quotation and trade reporting system, alternative trading system, or any other public market, trading system or organized facility on which securities that are qualified for public distribution are listed or traded, other than a facility that is operated solely to carry out the issuance of the Units or their redemption, acquisition or cancellation by the REDT. See "Plan of Distribution" and "Description of Securities – The REDT – Non-Certificated Inventory System and Transfers of Units".

Lock-Up Arrangements: For a period beginning on the Closing Date and ending on the wind-up of the REDT, the Locked-Up Parties have agreed, except with the prior written consent of the Agent and the REDT, 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:

<u>Risks Related to Real Estate Industry, the Project and the REDT's Business</u>

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 developed successfully, that the operations of the REDT will be profitable or that cash 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. The likelihood of success of the REDT 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, marketing, sale and construction of residential development projects, 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 REDT's cash flows, financial condition or results of operations and its ability to make distributions to Unitholders in the future. Moreover, the viability and/or profitability of the Project may be materially adversely affected if the Project cannot proceed as currently proposed. If there should be a significant delay in the provision of services to meet the construction timeline or construction of the Project, the Project's viability and/or profitability may be materially adversely affected. Any of these risks could have an adverse effect on the REDT's cash flows, financial condition or results of operations and its ability to make distributions to Unitholders in the future.

Financing Risks – Although debt financing for the Project is in place, the Manager may not be able to complete the construction of the Project or refinance such debt financing. If a default occurs under any debt financing, the lender (if it is a third party lender) could exercise its rights including, without limitation, foreclosure or sale of the Project.

Project Risk – In connection with closing of the Offering, the REDT 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 $804.2 million. If the Project is unable to be developed, there could be a material adverse effect on the REDT's business, cash flows, financial condition and results of operations and ability to make distributions to Unitholder in the future. The REDT does not expect to have cost overruns and the Manager has budgeted 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 Holding LP Agreement, the Manager has agreed, among other things, to subscribe for Cost Overrun Units. However, there can be no guarantee that the Manager 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 successful. The potential return to investors depends on the revenues generated by the Project, the pace of sales of the homes being developed under the Project, expenses incurred, costs and time to construct the Project. However, there can be no assurance that such business activities will generate revenues sufficient to meet the return objectives of the REDT. The Project will be subject to the risks inherent in the marketing, construction and sale of residential homes in Markham and Stouffville, Ontario (including the pace of such sales during the Term), including, but not limited to, the inability to obtain construction 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 Markham and Stouffville, Ontario) and general economic conditions, 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 period ended December 31, 2023, the Project did not have any 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 Manager acquiring Cost Overrun Units. 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 REDT does not anticipate that the Project will generate positive cash flows from operations until its completion.

General Competition from Other Real Property Developers – The market for residential homes in Markham and Stouffville, Ontario is competitive, and the Project faces competition with numerous developers continuously undertaking and marketing projects in such market. In the future, this level of competition may increase if and as existing developers become more successful and new developers enter the market. In the face of competition, the Project may lose existing and potential residential home buyers, and there may be pressure to discount sale prices below what would otherwise be charged in order to attract buyers. As a result, the Project's revenues may decrease, which could impair the REDT's ability to satisfy debt service obligations and its ability to pay distributions.

Environmental Matters – Under various environmental laws, the Holding 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 (see "Description of the Activities of the REDT – The Project – Environmental Site Assessment"). 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 the Holding LP by third parties. In addition, if hazardous substances are located on, in, under or released from, the Project, the Holding 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 the Holding LP to study, contain, stop and/or remedy any contamination, resolving liabilities to third parties or responding to changed conditions, could have a material adverse effect on the REDT's business, financial condition and results of operations which may impact the REDT's ability to meet its investment objectives.

The Markham and Stouffville, Ontario and GTA Real Estate Market – The Project is subject to the risks associated with fluctuations in or the volatility of the Markham and Stouffville, Ontario real estate market and the real estate market of the GTA more broadly. The demand for newly constructed residential homes in Markham and Stouffville, Ontario and the GTA is affected by numerous factors, including, but not limited to, interest rates, mortgage rules, rates of immigration to Canada (and to the GTA in particular), the supply of residential homes (including the supply of residential homes in the GTA), and general economic conditions. The Markham and Stouffville, Ontario real estate market is subject to change, and there can be no assurance that demand for newly constructed residential homes in Markham and Stouffville, Ontario will not decline. A decrease in demand for, or increase in the supply of, residential homes in Markham and Stouffville, Ontario, or in the GTA, could materially adversely affect the pace of sales of the homes to be developed pursuant to the Project, the pricing of such homes and the profitability of their sale, and the Project's viability, and, as a result, the Project could be temporarily delayed or cancelled altogether.

Immigration and Population Growth – The Project is subject to the risks associated with the demand for residential homes in Markham and Stouffville, Ontario, and in the GTA generally, which is affected by numerous factors, including, but not limited to, population growth and immigration. While Canada's population grew by 3.2% in 2023 to nearly 40.8 million, primarily driven by increases in immigration in recent years, the federal government has recently announced significant reductions in the number of permanent residents to be accepted in 2025, reducing its previous target of 500,000 to 395,000, with the intent to reduce the number of new permanent residents accepted annually to 365,000 by 2027. These reductions, and any further potential reductions which may be announced in the medium term, could adversely affect population growth and the demand for residential homes in Markham and Stouffville, Ontario and the GTA. A decrease in demand for residential homes in Markham and Stouffville, Ontario, or in the GTA, could materially adversely affect the Project's viability, and, as a result, the Project could be temporarily delayed or cancelled altogether.

Geographic Concentration and Local Economic Conditions – The Project is located in Markham and Stouffville, Ontario. As such, the REDT is susceptible to local economic conditions in Markham and Stouffville, Ontario, and in the GTA generally, which impact the supply of and demand for residential properties in this area.

Natural Disasters and Severe Weather – The Project may be impacted by natural disasters and severe weather, including floods, hurricanes, fires, earthquakes, storms, rising temperatures and other climate-related events, beyond the REDT's control. Depending on their severity, these events could cause significant damage to the Project, interruptions to the construction and development of the Project and increased insurance costs to insure the Project. There may be adverse impacts to the REDT's business if there is disruption or destruction in connection with any of these events, regardless of cause, and the REDT may, as a result, require additional time to complete the construction of the Project and may also be required to incur significant unanticipated costs to manage the impact of these events. There is also a possibility that the REDT's ability to generate revenues from the Project could be significantly impaired by any disruption or destruction due to any such natural disasters and severe weather-related events.

Regulation and Changes in Applicable Laws – The Project is subject to laws and regulations governing the ownership of real property, zoning, building standards, 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 REDT 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, 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.

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.

Fluctuations in Interest Rates and Home Sales Prices – Debt financing 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 home sales prices will as well, which affects the underlying value of real estate. Over the period of investment, capital gains and losses can occur due to the change in home prices.

Limited Recourse Against Property Vendor – Purchasers of Units under this Prospectus will not have a direct statutory right or any other rights against the Pre-IPO Investors, as vendors of the Project. The sole remedy of the REDT and any of its securityholders will be through the REDT bringing an action against the Pre-IPO Investors for any breach under the Holding LP Interest Purchase Agreement.

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 the Project in relation to activities that took place prior to the REDT'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.

Independent Appraisals – The REDT retained the Appraiser to provide independent estimates of the market value excluding construction soft costs in respect of the Project. Caution should be exercised in the evaluation and use of appraisal results, which are estimates of market value excluding construction soft costs at a specific point in time. In general, appraisals such as the Independent Appraisals represent only the analysis and opinion of qualified experts as of the effective date of such appraisals and are not guarantees of present or future value. There is no assurance that the assumptions employed in determining the appraised value of the Project are correct as of the date of the Prospectus or that such valuations actually reflect an amount that would be realized upon a current or future sale of the Project or that any projections included in the Independent Appraisals will be attainable.

Economic Environment – The REDT 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, thereby impacting the Project's ability to generate revenue.

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. The effects of disruptive geopolitical events could affect the economies and securities markets of countries in which Plazacorp 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 (each a "**Health Crisis**") could adversely impact the REDT. Contagion in the markets in which the Project is located could negatively impact the reputation or attractiveness of that market. All of these occurrences may have a material adverse effect on the business, cash flows, financial condition and results of operations of the Project.

Risks Related to the REDT

Holding Entity Structure – As a holding entity, the REDT's ability to meet its obligations, including payment of Operating Expenses and distributions, depends on the receipt by the REDT 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 REDT's Subsidiaries and the distribution of those earnings and other funds to the REDT. Substantially all of the REDT's business will be conducted through its Subsidiaries.

Distributions may be Reduced or Suspended – Although the REDT intends to distribute its available cash to Unitholders following the earlier of the commencement of property sales and the date on which the Trustees determine that it is in the best interests of the Unitholders, such cash distributions may be reduced or suspended.

Reliance on Assumptions – The REDT's investment objectives and the Manager's strategy have been formulated based on the Manager's analysis and expectations regarding recent economic developments in Canada and the future of the Canadian real estate market generally. Such analysis may be incorrect and such expectations may not be realized.

Payment of Minimum Return and Promote Fee – The amounts calculated as being distributable to Unitholders for purposes of determining the Promote Fee are not the same as the amounts that will be distributed to Unitholders pursuant to the Declaration of Trust.

General Litigation – In the normal course of the REDT'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 REDT – The Trustees will, from time to time, in their individual capacities, deal with parties with whom the REDT may be dealing or may be seeking investments similar to those desired by the REDT. The interests of these persons could conflict with those of the REDT. Pursuant to the Declaration of Trust, all decisions to be made by the Board which involve the REDT 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 REDT 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 Plazacorp. While the executive officers of the REDT also owe fiduciary and legal duties to the REDT 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 REDT, as applicable, will adequately address actual or potential conflicts of interest with respect to the Trustees and the executive officers of the REDT or that such actual or potential conflicts of interest will be resolved in favour of the REDT.

Potential Conflicts of Interest with Respect to the Manager, the Development Manager and their Affiliates – The Manager is a wholly owned subsidiary of Plazacorp, whose sole purpose is to provide services as manager of the REDT. The Development Manager will be a limited partnership of which the Pre-IPO Investors will be limited partners, and of which the general partner will be an affiliate of Plazacorp. While the Manager owes fiduciary, legal and financial duties to the REDT and its Unitholders and the Holding LP, and the Development Manager owes certain duties to the Holding LP, Plazacorp, any of the Pre-IPO Investors or any of their respective affiliates and associates may, at any time, engage in the development of, investment in and management of other real estate properties, which may lead to conflicts of interest between the Manager, as a wholly owned subsidiary of Plazacorp, the Development Manager, and the REDT. Neither Plazacorp nor any of the other Pre-IPO Investors will have any obligation to account to the REDT, the Holding LP or the Unitholders for profits made in such other activities. Purchasers of Units pursuant to this Offering must rely on the judgment and good faith of the shareholders, directors, officers and employees of the Manager, the Development Manager and their affiliates in resolving the aforementioned conflicts of interest that may arise.

Insurance Coverage May be Inadequate – The REDT 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 – 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. Moreover, the historical performance of other projects managed by the Manager 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 REDT or the Project.

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

<u>Risks Related to the Offering</u>

Limited Liquidity of Units – There is 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.

Less than Full Offering – There can be no assurance that more than the Minimum Offering will be sold. If less than all of the $75,000,000 of Class A Units and/or Class F Units are sold pursuant to this Offering, Plazacorp or other investors known to Plazacorp will fund the rest of the required equity for development of the Project through the Equity Commitment by acquiring Holding LP Class B Units or Class C Units of the REDT. In such circumstances, either the REDT's proportionate interest in the Project or an investor's proportionate interest in the REDT will be reduced accordingly.

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 REDT to be remote in the circumstances, that a Unitholder could be held personally liable for the obligations of the REDT to the extent that claims are not satisfied out of the assets of the REDT.

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

<u>Risks Related to Redemptions</u>

Use of Available Cash – The payment in cash by the REDT of the redemption price of Units will reduce the amount of cash available to the REDT 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 REDT is limited to $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 unsecured subordinated promissory notes of the REDT or a Subsidiary of the REDT, as determined by the Board in its sole discretion. Notes issued or distributed by the REDT on a redemption may be illiquid and generally will not be a qualified investment for trusts governed by Plans. In those circumstances, adverse tax consequences will generally 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. 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 REDT, the Holding GP and the Holding LP will be subject to the tax laws of Canada. The tax treatment of such entities may have a material adverse effect on the REDT'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 tax laws could have adverse consequences to the REDT, the Holding GP, the Holding LP and Unitholders. There are numerous Canadian tax risks associated with an investment in the Units. Purchasers are advised to carefully review the sections titled "Certain Canadian Federal Income Tax Considerations" and "Risk Factors – Risks Related to Canadian Tax" in this Prospectus and to consult their own tax advisors.

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

SUMMARY OF FEES AND EXPENSES

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

Type of fee	Amount and Description
Agent's Fees:	$0.60 per Class A Unit and Class F Unit (6%). The Agent's Fee for the Class A Units includes a selling concession of 3%. There is no selling concession in respect of the 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 $1.3 million, which will be paid by the Holding LP from the Net Sale Proceeds.
Operating Expenses of the REDT:	The Holding LP and the REDT will enter into a funding arrangement, pursuant to which the Holding LP will provide the REDT with the funds necessary for the REDT to pay for all ordinary expenses incurred in connection with the operation and administration of the REDT, 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 REDT; fees payable to the auditors and legal advisors of the REDT; marketing, leasing and investor relations expenses; regulatory filing fees, administrative expenses and costs incurred in connection with the public filing requirements of the REDT; 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 REDT may incur and any expenditures incurred upon the termination of the REDT. In addition, because the REDT will indirectly own a portion of the Project, the Project will incur certain expenses relating to its development, including development management fees and the costs of construction, which will be indirectly and proportionately borne by the REDT and the Pre-IPO Investors in accordance with their respective interests in the Project. The Development and Construction Management Fee is equal to $42,000 (plus applicable sales tax) per residential unit and will be received by the Development Manager. The Development and Construction Management Fee is a customary fee charged on market terms that is considered a project cost, and factors into the loan-to-cost ratio for debt financing. In addition, the Development Manager will be entitled to receive the Promote Fee based on the success of the Project. The Development Manager shall also be entitled to the Sales Fee, with 50% payable upon the firm sale of a residential unit, 25% payable upon receipt of a 10% deposit for such residential unit, and 25% payable upon issuance of the sold unit's building permit. For greater certainty, there will be no employee salaries charged to the REDT. Anthony Heller will not be paid a salary as Chief Executive Officer, Scott McLellan will not be paid a salary as Chief Operating Officer and Claude Ayache will not be paid a salary as Chief Financial Officer by the REDT. See "Description of the Activities of the REDT – Operating Expenses of the REDT".
Project Returns/Cash Flows:	The cash flows from the Project (after payment of all expenses, including the Development and Construction Management Fee and Sales Fee but excluding the Promote Fee) will be paid out as follows and in the following sequence: (i) First: payment until the Minimum Return of 8.0% compounded per annum, based on the Gross Sale Proceeds, has been achieved (the calculation of which, for greater clarity, includes the repayment of Gross Sale Proceeds) and the payment of an equivalent return to the Pre-IPO

Investors as equity investors in the Project;

(ii) Second: in consideration for the Manager's services, the Holding LP will pay the Manager an asset management fee (the "**Asset Management Fee**") equal to 1.0% per annum of the aggregate of the Gross Sale Proceeds and the Pre-IPO Investors Equity (plus applicable sales tax). The Asset Management Fee will accrue on a monthly basis, but will only be payable provided that the Minimum Return is achieved. See "The Manager and the Management Agreement – The Management Agreement";

(iii) Third: for any cash flows in excess of those specified under (i) and (ii), the Pre-IPO Investors and Unitholders, as indirect equity investors in the Project, will be entitled to receive their pro rata portions of 80% of all such cash available for distribution by the Project, with the Development Manager being entitled to 20% of all such cash that would have been available for distribution by the Project pursuant to the Promote Fee, together with applicable sales tax, until the Secondary Minimum Return of 20% compounded per annum, based on the Gross Sale Proceeds, has been achieved and the payment of an equivalent return to the Pre-IPO Investors as equity investors in the Project; and

(iv) Fourth: once the Secondary Minimum Return of 20.0% compounded per annum has been achieved, the Pre-IPO Investors and Unitholders, as indirect equity investors in the Project, will be entitled to receive their pro rata portions of 20% of all cash available for distribution by the Project, with the Development Manager being entitled to 80% of all cash that would have been available for distribution by the Project, pursuant to the Promote Fee, together with applicable sales tax.

GLOSSARY OF TERMS

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

"**Acquisition**" means (i) prior to closing of the Offering, the REDT will subscribe for Holding LP Class A Units and in exchange will deliver the Units to be sold pursuant to the Offering to the Holding LP, (ii) the day prior to the closing of the Offering, the Holding LP will sell, pursuant to the Final Prospectus, at least 100 Class A Units to at least 150 Purchasers, (iii) the day following the Initial Closing, the Holding LP and the REDT will complete the Offering of the Units, and (iv) prior to the closing of the Offering, each Current Owner will have contributed the entirety of its respective interest in the Project to the Holding LP in exchange for (A) the assumption by the Holding LP of debt owing by such Current Owner in connection with the Project, (B) Holding LP Class B Units, resulting in Unitholders acquiring an indirect interest in the Project through the REDT, through the Holding LP and (C) payment by the Holding LP of such Current Owner's calculated land transfer tax liability arising from the contribution, approximately $1,000,000 to $1,200,000 in the aggregate taking into account all Current Owners;

"**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 ●, 2024 among the REDT, the Manager, Plazacorp and the Agent, as described under the heading "Plan of Distribution – Agency Agreement";

"**Agent**" means CIBC World Markets Inc.;

"**Agent Certificate**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations";

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

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

"**allowable capital loss**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations – Taxation of Holders – Taxation of Capital Gains and Capital Losses";

"**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 REDT – The Project – Independent Appraisals";

"**Asset Management Fee**" means the 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 REDT and the Holding LP, as described under the heading "The Manager and the Management Agreement – The Management Agreement";

"**at-risk rules**" has the meaning given to it under the heading "Certain Canadian Federal income Tax Considerations – Taxation of the Holding LP – At-risk Rules";

"**Board**" means the board of Trustees of the REDT;

"**Capital Gains Amendments**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations – Taxation of Holders – Capital Gains Amendments";

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

"**Cash Flow**" means, for any Distribution Period:

(a) the sum of all cash amounts received by the Holding LP for or in respect of such Distribution Period (other than proceeds received from issuances of equity of the Holding LP which the Holding GP then intends, in good faith and acting reasonably, to deploy in the furtherance of the Project) including the net proceeds received by the Holding LP on the re-financing of any then current debt facility of the Holding LP, net of the out-of-pocket third party fees and expenses incurred by the Holding LP in connection with such transaction, as well as all such amounts received by the Holding LP in any prior Distribution Period to the extent not previously distributed; less

(b) all costs and expenses of the Holding LP that, in the opinion of the Holding 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 the Holding LP between distributions, provided that any funds borrowed by the Holding 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 the Holding LP Class A Units other than pursuant to a distribution in accordance with the distribution waterfall set forth "Description of Securities – The Holding 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;

"**Certificates**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations";

"**Class A Units**" means the series of units of beneficial interest in the REDT, designated as "Class A Units";

"**Class C Units**" means the series of units of beneficial interest in the REDT, designated as "Class C Units";

"**Class F Units**" means the series of units of beneficial interest in the REDT, designated as "Class F Units";

"**Closing Date**" means the closing date of the Offering, which is targeted for ●, 2024, but in any event not later than 90 days after a receipt for the Final Prospectus is issued;

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

"**Cost Overrun Units**" means the limited partnership units of the Holding LP designated as "Cost Overrun LP Units" and issuable in series, which may be issued to the Manager in connection with the funding of cost overruns at the Project;

"**CRA**" means the Canada Revenue Agency;

"**CRS Rules**" has the meaning given to it under the heading "International Information Reporting";

"**Current Owners**" means the current owners of the Project;

“**Declaration of Trust**” means the amended and restated declaration of trust governing the REDT dated as of ●, 2024, as it may be amended or amended and restated from time to time;

“**Development and Construction Management Fee**” has the meaning given to it under the heading “Description of the Activities of the REDT – The Project – The Development Management Agreement”.

“**Development Management Agreement**” has the meaning given to it under the heading “Description of the Activities of the REDT – The Project – The Development Management Agreement”;

“**Development Manager**” means Plazacorp Upper Markham Management Limited Partnership, a limited partnership formed under the laws of Ontario by certain of the Pre-IPO Investors, which will be entitled to receive the Promote Fee and the Development and Construction Management Fee;

“**Distributable Cash**” means Cash Flow available for distribution to the holders of units of the applicable REDT 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 Holding LP, the Holding GP or the REDT, that have been or are reasonably expected to be incurred in the activities and operations of the Holding LP, the Holding GP or the REDT (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;

“**Distributable Cash Flow Balance**” has the meaning given to it under the heading “Description of Securities – The REDT – Distributions”;

“**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 earlier of the commencement of property sales and the date on which the Trustees determine that it is in the best interests of the Unitholders, or such other periods as are determined by the Board;

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

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

“**Environmental Assessment**” has the meaning given to it under the heading “Description of the Activities of the REDT – The Project – Environmental Site Assessment”;

“**Equity Commitment**” has the meaning given to it under the heading “Investment Strategy – The Pre-IPO Investors”;

“**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 Holding 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;

“**Final Prospectus**” means the final prospectus for this Offering;

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

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

“**GHG**” has the meaning given to it under the heading “Audit Committee and Corporate Governance – Environmental, Social and Governance (ESG)”;

“**Gross Sale Proceeds**” means, collectively, the gross proceeds received by the Holding LP from the sale of the Units pursuant to the Offering;

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

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

“**Holding GP**” means Plazacorp Willowgrove Residential REDT Holding GP Inc., a corporation that will be established under the laws of the Province of Ontario, and the general partner of the Holding LP;

“**Holding LP**” means Plazacorp Willowgrove Residential REDT Holding LP, a limited partnership that will be established under the laws of the Province of Ontario by the Current Owners and the Holding GP and pursuant to the Holding LP Agreement;

“**Holding LP Agreement**” means the limited partnership agreement governing the Holding LP, as it may be amended and restated from time to time;

“**Holding LP Class A Units**” means the limited partnership units of the Holding LP, designated as “Class A LP Units” which will be owned by the REDT;

“**Holding LP Class B Units**” means the limited partnership units of the Holding LP, designated as “Class B LP Units” which will be owned by the Pre-IPO Investors;

“**Holding LP Interest Purchase Agreement**” means the agreement to be entered into prior to closing of the Offering pursuant to which (i) the REDT will subscribe for Holding LP Class A Units in return for Units, (ii) the Current Owners will contribute the Project to the Holding LP in exchange for (A) the assumption by the Holding LP of debt owing by each Current Owner in connection with the Project, (B) Holding LP Class B Units, and (C) payment by the Holding LP of each Current Owner’s calculated land transfer tax liability arising from the contribution, approximately $1,000,000 to $1,200,000 in the aggregate taking into account all Current Owners, and (iii) certain of the Pre-IPO Investors will provide, among other things, certain representations, warranties and indemnities in respect of the Project;

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

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

“**IGA**” has the meaning given to it under the heading “International Information Reporting”;

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

“**Initial Closing**” means the initial closing of a sale by the Holding LP through the Agent of at least 100 Class A Units to at least 150 Purchasers, such initial closing to occur the day before closing of the Offering;

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

“**Interim Servicing Solution**” has the meaning given to it under the heading “The Project – Overview – Servicing”;

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

“**Locked-Up Parties**” means the non-independent trustees and executive officers of the REDT;

“**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 expiry of the initial Term, and (ii) the dissolution of the REDT;

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

“**Manager**” means Plazacorp Willowgrove REDT Management Inc.;

“**Maximum Offering**” means the offering of a maximum of $75,000,000 of Class A Units and/or Class F Units;

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

“**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 $60,000,000 of Class A Units and/or Class F Units;

“**Minimum Return**” means the distribution by the Holding LP on the Holding LP Class A Units of that sum as will allow the REDT to make distributions in respect of a Unit of a subject class, an amount equal to the sum of (i) the REDT Capital Return Base for a Unit of the subject class and (ii) a compounded return of 8.0% per annum on the REDT Capital Return Base for a Unit of the subject class calculated on a compounded cumulative basis to the date of calculation of the Minimum Return;

“**MZO**” has the meaning given to it under the heading “Investment Strategy – Investment Highlights”;

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

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

“**Net Sale Proceeds**” means the net proceeds received by the Holding LP from (a) the issuance of the Units pursuant to the Offering, minus (b) the Total Agent’s Fee;

“**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 $75,000,000 of Class A Units and/or Class F Units;

“**Offering Price**” means $10.00 per Class A Unit and Class F Unit;

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

“**Operating Expenses**” means all amounts paid or payable on account of expenses in the operation of the REDT and its subsidiaries;

“**Operating Policies**” means the operating policies of the REDT, 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 a REDT 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 REDT Entity, or a written resolution signed by the unitholders, limited partners or shareholders of a REDT Entity, entitled, in the aggregate, to not less than 50% of the aggregate number of votes of those persons;

“**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, 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;

“**Plazacorp**” means Plazacorp Investments Limited;

“**Pre-IPO Investors**” means, collectively, the Current Owners, Plazacorp and Osmington, Inc.;

“**Pre-IPO Investors Equity**” means the deemed capital associated with the Holding LP Class B Units;

“**Project**” means the project to develop two residential subdivisions comprising 676 residences (467 townhomes and 209 single detached homes), and 297 serviced lots on approximately 213 acres of land in Markham and Stouffville, Ontario;

“**Promote Fee**” means after payment of the Minimum Return of 8.0% compounded per annum on the Gross Sale Proceeds and the payment of an equivalent minimum return to the Pre-IPO Investors, a payment, as a development and services fee pursuant to the Development Management Agreement, together with applicable sales tax, of (i) 20% of all cash that would have been available for distribution by the Project, until the Secondary Minimum Return of 20% compounded per annum on the Gross Sale Proceeds has been received and (ii) thereafter, means a payment of 80% of all cash that would have been available for distribution by the Project. The Promote Fee calculation is calculated at a Unit class level after having allocated the appropriate amounts to the Unit class based on the proportionate class interest;

“**Proportionate Class A Interest**” is equal to: (i)(A) the aggregate of the gross proceeds received by the Holding LP for the sale 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) an amount equal to the Net Sale 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 Holding LP for the sale 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) an amount equal to the Net Sale 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 gross proceeds received by the Holding LP for the sale 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) an amount equal to the Net Sale Proceeds, less the portion thereof attributable to Units that have been redeemed;

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

"**Public Market Exemption**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations – Status of the REDT – The SIFT Rules";

"**Purchaser**" means a purchaser of Units;

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

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

"**REDT**" means Plazacorp Willowgrove Residential Real Estate Development Trust, a newly-created, unincorporated investment trust established pursuant to the laws of the Province of Ontario, and, where the context requires, includes its Subsidiaries;

"**REDT Capital Return Base**" means (i) the sum of the aggregate gross amount of all subscription proceeds received by the REDT for the issuance of the subject class of Units pursuant to the Offering, less the portion thereof attributable to the subject class of Units that have been redeemed, divided by (ii) the number of subject class of Units issued pursuant to the Offering, less the aggregate number of the subject class of Units redeemed;

"**REDT Entity**" means any one of the REDT, the Holding GP or the Holding LP and "**REDT Entities**" means two or more of them;

"**REDT Property**" means all of the property and assets of the REDT held pursuant to the Declaration of Trust;

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

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

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

"**Sales Fee**" has the meaning given to it under the heading "Description of the Activities of the REDT – The Project – The Development Management Agreement".

"**Satisfied REDT Units**" has the meaning given to it under the heading "Description of Securities – The Holding LP – Cash Flow Distributions";

"**Secondary Minimum Return**" means the distribution by the Holding LP on the Holding LP Class A Units, of that sum as will allow the REDT to make distributions in respect of a Unit of a subject class, an amount equal to the sum of (i) the REDT Capital Return Base for a Unit of the subject class of and (ii) a compounded return of 20.0% per annum on the REDT Capital Return Base for a Unit of the subject class calculated on a compounded cumulative basis to the date of calculation of the Minimum Return;

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

"**Special Resolution**" means a resolution of the unitholders, limited partners or shareholders of a REDT Entity, as the case may be, approved by not less than $66^2/_3$% of the votes cast by those Persons who vote in person or by proxy at a duly convened meeting of the respective REDT Entity, or a written resolution signed by the unitholders, limited partners or shareholders of a REDT Entity, entitled, in the aggregate, to not less than $66^2/_3$% of the aggregate number of votes of those Persons;

"**Subsidiary**" includes, with respect to any Person, an entity controlled, directly or indirectly, by such Person and, in respect of the REDT, shall include the Holding 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”;

“**taxable capital gain**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of Holders – Taxation of Capital Gains and Capital Losses”;

“**Term**” means the term of the REDT, which is targeted to be four years, subject to two, discretionary one-year extensions at the discretion of the Manager or if extended further by Special Resolution of the Unitholders, and shall be automatically extended in the event that substantially all remaining residential homes are under contract to be sold in order to complete such sales;

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

“**Total Agent’s Fee**” means the aggregate agency fee in respect of a sale of Units, which in respect of the Offering is the aggregate Agent’s Fee payable in respect of the Class A Units and the Class F Units;

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

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

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

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

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

1. CORPORATE STRUCTURE

1.1 Name and Incorporation

The REDT

The REDT is a newly-created unincorporated investment trust governed by the laws of the Province of Ontario. The REDT was formed pursuant to the initial declaration of trust dated as of November 1, 2024. The REDT will be managed by the Manager. The Board currently comprises, and upon closing of the Offering, will continue to be composed of, Jordan Bizouati, Lionel Dubrofsky, Robert Jacobs, Heather Kirk and Darin Rayburn. The registered and head office of the REDT is located at 10 Wanless Avenue, Suite 201, Toronto, Ontario M4N 1V6.

The Holding GP

The Holding GP is a corporation that will be formed prior to closing of the Offering and the Acquisition pursuant to and governed by the laws of the Province of Ontario. All of the issued and outstanding shares of the Holding GP will be owned by the REDT.

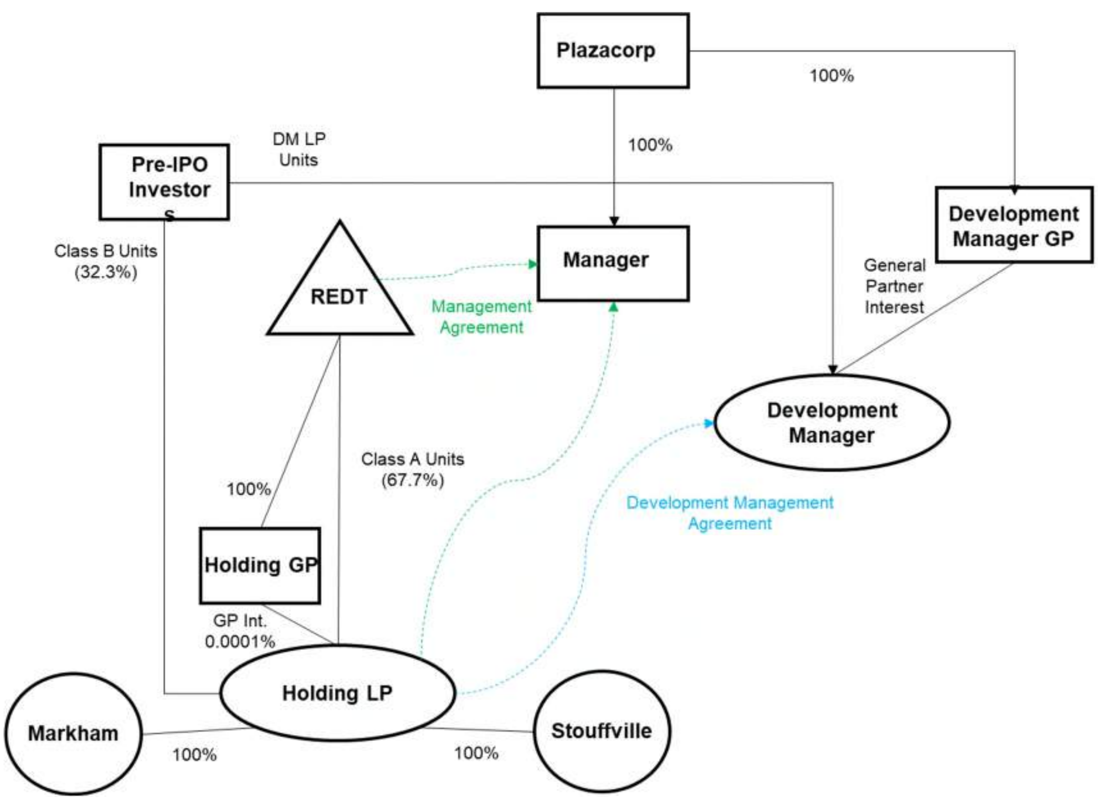
The Holding LP

The Holding LP is a limited partnership that will be formed prior to closing of the Offering and the Acquisition pursuant to and governed by the laws of the Province of Ontario. The general partner of the Holding LP is the Holding GP.

1.2 Intercorporate Relationships

The following chart sets forth the relationships among the REDT and the Holding LP immediately following closing of the Offering and the Acquisition pursuant to completion of the Maximum Offering.

Post-Offering Structure



2. INVESTMENT STRATEGY

Plazacorp established the REDT primarily for the purpose of indirectly owning an interest in the Project located in Markham and Stouffville, Ontario. The Project consists of a project to develop two residential subdivisions comprising 676 residences (467 townhomes and 209 single detached homes), and 297 serviced lots on approximately 213 acres of land in Markham and Stouffville, Ontario. The Manager believes that the development of the Project 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 Markham and Stouffville are able to capitalize on its robust population growth fundamentals, transit accessibility to core arteries of the Greater Toronto Area, and lower cost of living compared to other major cities in Ontario. With an ongoing shortage of housing supply in Ontario, the Project will benefit from the strong desire of homeownership.

2.1 Investment Objectives

The REDT's investment objectives are:

(a) to provide Unitholders (as defined herein) with an opportunity to indirectly own an interest in the Project; and

(b) commencing upon the sale of homes in the Project, to declare and pay to Unitholders cash distributions out of the available cash flow.

2.2 Investment Strategy

The Manager will seek to: (i) construct the Project, to develop two residential subdivisions comprising 676 residences (467 townhomes and 209 single detached homes), and 297 serviced lots on approximately 213 acres of land in Markham and Stouffville, Ontario, and (ii) sell completed homes to purchasers, the proceeds of which will be used to continue the development of the Project and pay distributions.

In addition, Plazacorp, an affiliate of the Manager, has agreed on a forward-purchase basis to acquire the serviced lots on 6.8 acres of high-density zoned land for future development for a total purchase price of $25 million, which is currently estimated at approximately 297 serviced lots. The closing of the purchase of the serviced lots will occur on the earlier of (i) the date of the dissolution of the REDT, and (ii) the sixth anniversary of the Closing Date. The REDT and Plazacorp shall reasonably cooperate to structure such purchase in a manner that is mutually tax efficient for the parties, provided that Plazacorp shall have the ability to acquire the serviced lots by way of the acquisition of a limited partnership which has no assets other than the serviced lots (including, if applicable, the Holding LP), and Plazacorp shall be permitted to purchase the serviced lots together with additional purchasers (which may include the Current Owners). The proceeds from the sale of the serviced lots received by Holding LP shall be first paid by way of the applicable portion of the Promote Fee and second, as to the balance, in accordance with the provisions of the Holding LP Agreement.

2.3 Investment Highlights

<u>Experienced and Aligned Management and Sponsorship Team with Strong Track Record</u>

Plazacorp was founded with the desire to deliver homes of outstanding quality and lasting value

The REDT 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 in Canada. Further, the executive team has a history of developing real estate assets throughout Canada with an impressive record of value creation.

Plazacorp was founded in 1981 with the vision of developing retail commercial real estate. Plazacorp developed many shopping centres during the 1980s, including several mixed-use commercial-residential projects. In the early 1990s, Plazacorp's focus shifted to the development of residential condominiums. Today, Plazacorp is one of Toronto's leading residential development companies, holding an impressive record of being involved in over 40 transactions of high-value residential projects, totaling close to 12,000 residential units. Plaza's communities can be found in many of Toronto's most desirable urban neighbourhoods including Yorkville, North Toronto, King West, Queen West, Lawrence Park, Liberty Village, the St. Lawrence Neighbourhood, Harbourfront, Mt. Pleasant Village and more.

Passionate and well-tenured management team directly execute projects with confidence

Anthony Heller is the President and Founder of Plazacorp. Mr. Heller has more than 40 years of experience in real estate developments and has initiated and completed approximately $7 billion of development projects. Mr. Heller has been involved in venture capital financings and has consulted to both privately held and publicly traded companies in which he has invested. In addition, Mr. Heller has been an Independent Director of Firm Capital Mortgage Investment Corporation (TSE:FCU) since 1999. He has invested in and provided guidance to many successful early-stage technology companies including YAK Communications, which was founded in 1998 and sold to Globalive for $80 million in 2006.[1]

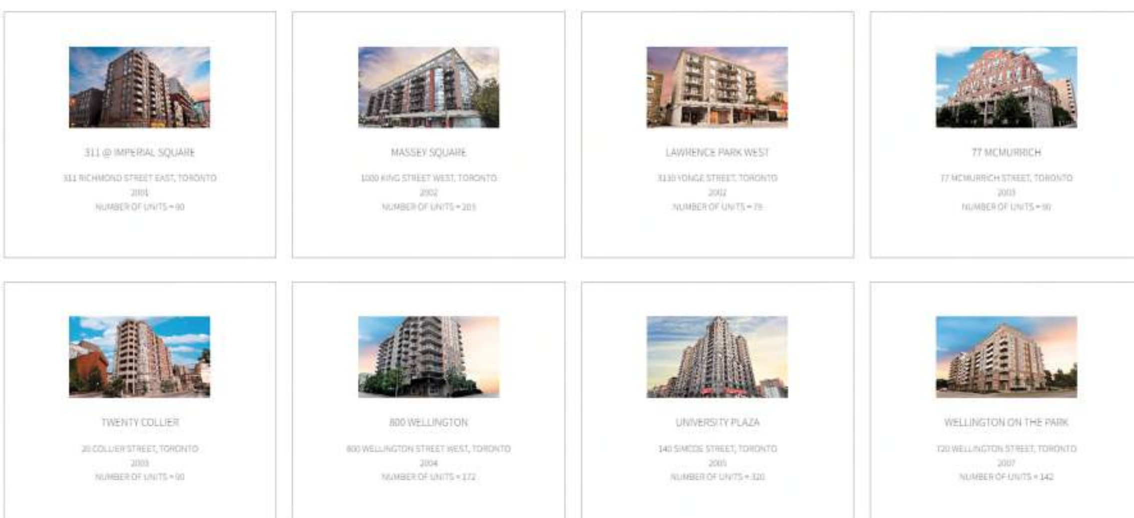
Scott McLellan is the Chief Operating Officer of Plazacorp. With over 30 years of experience in the residential real estate industry in Canada and USA, Scott joined Plazacorp in 2009 where he, among other initiatives, transformed the company's brand, leading to Plazacorp becoming one of Canada's leading residential developers with a strategic focus placed on customer care and quality. Scott has served as a member of the board of directors of BILD for more than 7 years.

The Plazacorp team is proud to have gained the reputation as one of the Greater Toronto Area's most experienced residential condominium development organizations.

Plazacorp has a proven track record of developing high value communities in high-traffic geographies

Plazacorp holds an impressive record of past communities across key neighbourhoods in the Greater Toronto Area. The company has been involved in over 40 transactions of high-value condominiums, totaling close to 12,000 residential dwellings.[2]

Select Projects



Source: Past Communities

Plazacorp continues to build a strong presence in the Greater Toronto Area through large-scale development projects, two examples being King East Estates and Markham Gold.

[1]https://www.cransoncapital.com/advisory-board

[2]https://www.pureplaza.com/past-communities

Plazacorp, in its capacity as sales and construction manager, is in the process of completing its King East Estates development project, a low-rise residential development on an approximately 31-acre site in Richmond Hill, Ontario. When complete, the site will include 255 homes, with a mix of single family, semis and towns. Located in north Richmond Hill, the development is in close proximity to parks, trails, urban conveniences, woodlands and golf courses.

Markham Gold, currently in pre-development, is close to numerous parks, trails and urban conveniences, with quality shopping and amenities, supermarket options and the renowned Markville Mall a short car ride away. John McCrae, Wismer & Donald Cousens Public Schools are within walking distance of the Project and Bur Oak Secondary School is a 5-minute bus ride from the Project.

Markham Gold Geography

Source: Markham Gold

Strong Governance and Alignment of Interests with the Current Owners

Purchasers are being given the opportunity to invest in the Project, through the REDT, at a price equal to current cost of the Project for the majority of the Pre-IPO Investors, which is the same as the cost at which Plazacorp became involved in the Project, and the Pre-IPO Investors will not be receiving any of the net proceeds of the Offering. The current appraised value of the Project is $259.4 million, while the REDT's interest in the Project will be based on the total cost attributable to the Project, being approximately $213.3 million as of October 31, 2024 (which includes the purchase prices for the parcels of land and all other costs incurred for or on such parcels to such date). Therefore, the REDT is purchasing an interest in the Project at an implied discount of approximately 18% to the overall appraised value (inclusive of costs to date). The total equity in the Project, following closing of the Offering, will be $110.9 million.

Investors are also aligned with respect to economic returns from the Project, as the Promote Fee only becomes payable upon achievement of the Minimum Return and does not include a catch-up component. Furthermore, the Asset Management Fee will accrue on a monthly basis until completion but will only be payable provided that the Minimum Return is achieved. This encourages responsible decision-making, long-term focus, and prudent risk management to maximize returns.

In a typical "carried interest" structure, sponsors receive a fee based on profits generated from successful investments. With respect to the REDT, the structure of the Promote Fee means that the Development Manager only benefits when the REDT's investment is profitable over the Minimum Return of 8.0%. This is intended to encourage the sponsors 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 Promote Fee or asset management fee, which incentivizes the Manager to focus on generating higher returns to Unitholders in order to receive the Promote Fee. Lastly, the Promote Fee is only payable after

Unitholders have received the Minimum Return (inclusive, for greater certainty, of the REDT Capital Return Base), while the Minimum Return continues to compound until paid. As a result, the Manager is incentivized to maximize annualized returns and complete the sales of units within budgeted timelines.

As noted above, the Pre-IPO Investors have invested their own equity into the Project. Furthermore, the Manager will be responsible for any cost overruns. Accordingly, they have a direct, equity stake in the Project and an interest in the REDT'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 Pre-IPO Investors and the Unitholders.

Fully Zoned Development Project Allowing for a Shorter Investment Time Horizon

The Project was acquired by the Current Owners in stages, with the Markham portion acquired in March 2023 and the Stouffville portion acquired in a series of transactions between April 2020 and September 2021.

The Markham portion of the Project is zoned by the Minister's Zoning Order ("**MZO**") O. Reg. 172/21, which zones the lands Residential Two (R2), Residential Four (R4), and Open Space One (OS1), subject to conditions and development standards, under Zoning By-law 177-96 of the City of Markham.

The Stouffville portion of the Project is zoned by the MZO O. Reg. 770/21, which zones the lands Residential New Three (RN3), Residential New 4 (RN4), and Commercial Residential Mixed - Western Approach (CM2), subject to conditions and development standards, under Zoning By-law 2010-001-ZO of the Town of Whitchurch-Stouffville. The MZOs provide the zoning approvals necessary for the development of the Project.

The Project has received draft plan of subdivision approvals from both Markham and Stouffville. An application for a red-lined plan of subdivision approval has been sought from Markham and will be sought from Stouffville in the future to implement certain refinements to the housing forms and unit yield for the Project.

Notable aspects of the draft plans of subdivision include (i) a large open space network within the Greenbelt where future trails are to be established, (ii) a municipal program designed to preserve and enhance natural features within the immediate area which were previously impacted by agricultural operations and (iii) the development of the Project will make efficient use of the land through compact built form while also providing a range and mix of housing typologies.

The City of Markham's Sustainability Metrics program requires subdivisions to meet a minimum sustainability score, which the Manager will aim to exceed (https://www.markham.ca/wps/portal/home/business/planning/planning-documents-and-studies/04-Markham-Sustainability-Metrics-Program).

With full zoning approval secured, site servicing of the Project is anticipated to commence in Q1 2025, allowing for a shorter overall anticipated investment time horizon than is typical of development projects of this magnitude. At the time of construction commencement, the permits required for construction are anticipated to have been obtained.

Economic Prosperity of Canada

The Canadian economy continues to outperform expectations despite unfavorable conditions

In the face of higher interest rates, Canada has thus far avoided a recession. Inflation has fallen from its June 2022 peak of 8.1% to 1.6% in September 2024.[3] The labour market remains tight. Over 1.1 million more Canadians are employed today than before the COVID-19 pandemic, marking one of the fastest jobs recovery in the G7.[4] Real wages have gone up, meaning Canadians, on average, have more purchasing power.[5] All in all, the economy is growing, with data from Statistics Canada revealing that real GDP at basic prices grew 0.6% in January, and preliminary estimates pointing to 0.4% growth in February, suggesting that growth in the first quarter of 2024 is on track for around 3.5% annualized.[6]

[3]https://www.bankofcanada.ca/rates/price-indexes/cpi/

[4]https://www.canada.ca/en/department-finance/news/2024/07/deputy-prime-minister-to-attend-g7-and-g20-finance-ministers-meetings.html

[5]https://policyoptions.irpp.org/magazines/december-2023/inflation-spending-power/

[6]https://budget.canada.ca/2024/report-rapport/overview-apercu-en.html

Canada’s strong economic fundamentals have supported the economy in navigating through the impact of higher interest rates. These strong fundamentals include strong labour markets driving ongoing gains in workers’ income, as well as healthy household and business balance sheets.

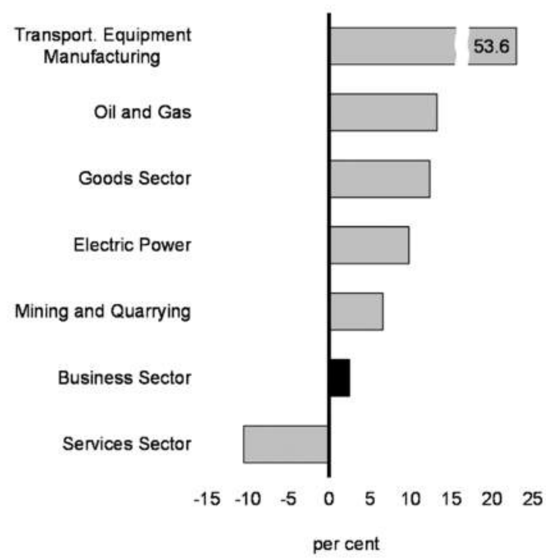
Strong industry expertise are tailwinds for Canadian economic growth

The Manager believes Canada is among the best placed economies to become a hub of electric vehicle and battery manufacturing. These strengths have led many multinational firms to announce significant battery manufacturing plant investments in Canada. To seize the investment opportunities of the global clean economy, the government is delivering, on a priority basis, six major economic investment tax credits, which represent $93 billion in federal incentives.[7] The major economic investment tax credits will attract private investment, grow Canada’s economy, and create high-paying jobs.

Canada’s strong tradition of macroeconomic stability is an important foundation for economic growth and investment. The sustainability of the federal government’s finances, even as aging populations put pressure on government budgets in Canada and around the world, is an important source of confidence for both Canadian and foreign investors. Sustainable federal finances also support the credit ratings of private businesses and other orders of governments, positioning Canada as an optimal geography to expand into.

The overall outlook for commodities has brightened since the start of the year. Prices should experience tailwinds in the coming quarters from lower interest rates, strong demand, and ongoing supply constraints. Gold has outperformed most of the commodities complex year-to-date. The bullish outlook reflects continued robust demand, especially from central banks, and expectations for interest rate cuts and lower yields.[8] Canada’s growing interest in energy-related commodities futures reflects its strong position in the global commodities market. Canada is anticipated to demonstrate an annual growth rate (CAGR 2024-2029) of 2.99%, resulting in a projected total amount of US$2,783 billion by 2029.[9]

Growth in Real Capital Expenditures Intentions in 2024 From 2022, Selected Industries



Source: Statistics Canada

Canada’s economy is a safe haven for capital given its stability

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[7]https://www.canada.ca/en/natural-resources-canada/news/2024/06/government-of-canada-launches-the-first-clean-economy-investment-tax-credits.html

[8]https://economics.td.com/us-commodity-price-report#:~:text=Silver’s%20strong%20positive%20correlation%20to,demand%2C%20and%20improved%20overall%20sentiment

[9]https://www.statista.com/outlook/fmo/commodities/canada

Canada is relatively sheltered from global geopolitical risks and rising conflicts, which the Manager believes will continue to attract capital looking to divest away from riskier markets. As well, a prudent Canadian banking system has meant limited lender exposure to commercial real estate loan losses. Compared to some institutions in other countries, real estate loan risk will be manageable for Canada's largest banks and ensure a stable and healthy market going forward.[10]

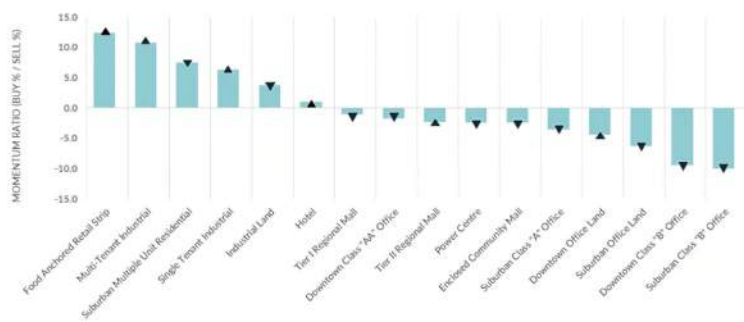
Total Canadian real estate investment activity was resilient in 2023. While global capital markets activity slowed significantly last year with annual volumes down 47% year-over-year, Canada remained relatively strong with total volumes of nearly $50 billion representing approximately one-third the global decline at 15% year-over-year.[11] Despite the capital markets slowdown of last year, investor sentiment has turned positive in 2024 on the highly anticipated interest rate cuts expected later in the year, which would reduce mortgage burdens and spur purchaser sentiment for residential properties.

Increasing average household wages from strong labour markets are a driver for growing housing demands

Canadian households are earning more in inflation-adjusted terms than before the COVID-19 pandemic, as strong labour market conditions have driven gains in employment income. Real average weekly earnings are up across all income groups since the end of 2019, with especially large gains of over 4.6% for the lowest income groups.[12]

Higher incomes have helped Canadians save more. Combined with rising asset prices, this has resulted in substantial gains in the real wealth of households. As with earnings, wealth gains have been broad-based across the income distribution, with the lowest income group seeing the fastest growth. These gains in inflation-adjusted earnings and wealth show that Canada's strong economic recovery has disproportionately benefitted Canadians in the lowest income quintiles, who have increased their share of Canada's wealth.

Investment Momentum by Asset Class



Source: Altus Group

Immigration to Canada provides economic, social, and cultural benefits

In 2022, Canada welcomed a record number of permanent residents (437,539, against a target of 431,645 admissions). This milestone follows an earlier record-setting year in 2021, in which Canada sought to recover from the loss of admissions in 2020, as a result of the COVID-19 pandemic.

The Manager believes that immigration continues to provide human capital for Canada's future economic growth. In 2023, 471,771 permanent immigrants made Canada their home, which increased year-over-year in every province and territory except Nova Scotia and Quebec. A further 804,901 non-permanent residents (NPRs) were added to Canada's population in 2023.

The economic immigration class is the largest source of permanent resident admissions to Canada, at approximately 58.4% of all admissions in 2022, which is consistent with the trend observed over the past four years. In 2022, 255,660

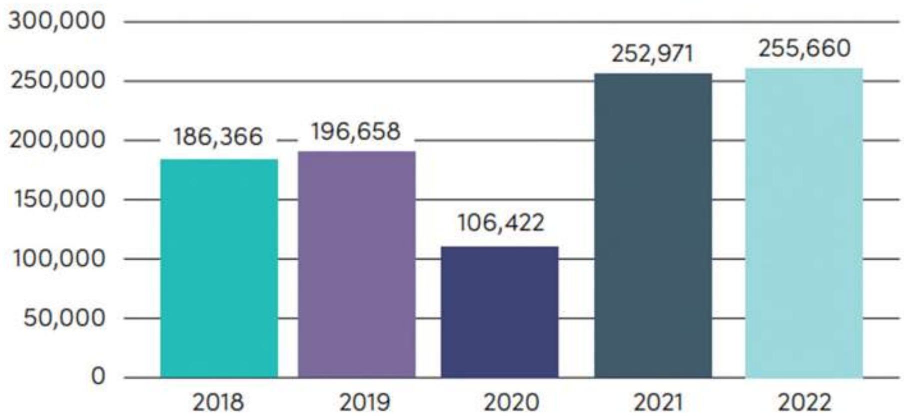
[10]https://financialpost.com/fp-finance/banking/commercial-real-estate-loan-losses-managable-risk-banks-osfi

[11]https://www.cbre.ca/-/media/project/cbre/dotcom/americas/canada-emerald/insights/canada-market-outlook/2024-Canada-Real-Estate-Market-Outlook

[12]See Footnote 7

individuals were admitted to Canada under the economic class category, including accompanying immediate family (spouses and dependents) of the main applicant. The economic class of immigrants is a critical component for meeting Canada's economic objectives, including labour force growth, meeting labour market needs, and increased productivity. Canada offers several permanent residence pathways through which people can apply to address diverse national, regional, and sectoral economic demands, including in relation to critical jobs, such as nurses and construction workers.

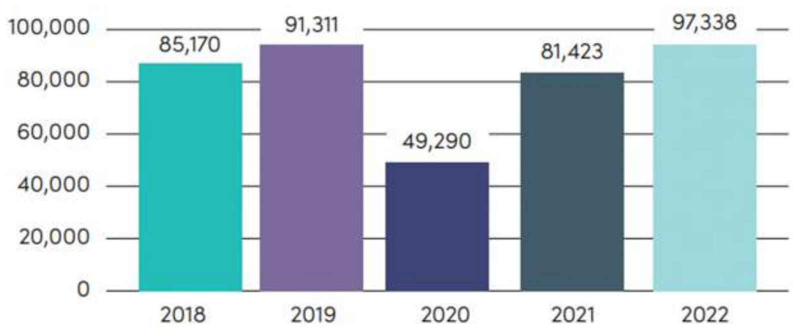
Economic Immigration: Principal Applicants and Their Spouses and/or Dependants



Source: Immigration Refugees and Citizenship Canada

Canadian permanent residents and citizens may sponsor certain relatives to come to Canada as permanent residents. In 2022, 97,338 individuals were admitted under the family reunification sponsorship program. Considering accompanying family members of individuals admitted under other permanent streams, the magnitude of family immigration to Canada is significantly higher than in the past (approximately 60% of total permanent residents).

Family Reunification Immigration

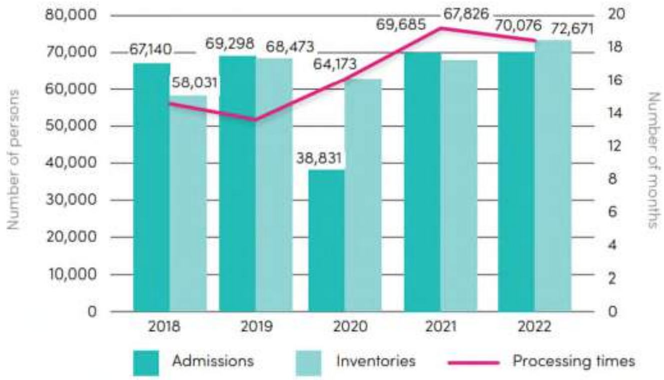


Source: Immigration Refugees and Citizenship Canada

As part of the Family Reunification Program, Canada processes applications for the sponsorship of spouses, partners, and dependent children of Canadian permanent residents and citizens. In 2022, there were 70,076 admissions under these categories, with a remaining inventory of 72,671 at the end of the year.[13]

[13]https://publications.gc.ca/collections/collection_2023/ircc/Ci1-2023-eng.pdf

Spouses, Partners, and Children Immigration



Source: Immigration Refugees and Citizenship Canada

Despite the Canadian government recently announcing reductions in the number of permanent residents to be accepted in 2025, reducing its previous target of 500,000 to 395,000, with the intent to reduce the number of new permanent residents accepted annually to 365,000 by 2027[14], the revised targets continue to exceed the annual targets for the immigration of permanent residents to Canada in 2019.[15] The Manager accordingly believes that Canada will continue to accept significant levels of immigration to the country and that such immigration will continue to drive population growth, including in the Greater Toronto Area.

Strong Residential Demand

Canada is experiencing robust population growth

Canada's growing population, largely driven by immigration over the past number of years, has supported the broader demand for housing.[16] While the federal government has recently announced reductions in the number of permanent residents to be accepted in 2025, and further reductions in targeted numbers by 2027, the country still aims to admit 395,000 permanent residents in 2025.[17] In part due to even higher rates of immigration prior to the recently announced reductions in immigration targets by the federal government, Canada's population grew by 3.2% in 2023 to nearly 40.8 million, the highest year-over-year growth since 1957, according to Statistics Canada.[18] In 2023, over half of Canada's new permanent residents settled within Ontario or British Columbia.[19] Of the country's population growth in 2023, nearly 98% was from international migration, and out of this, the majority was from non-permanent residents (NPRs).[20] 2023 marked the second straight year that non-permanent immigration was the primary driver of population growth. NPRs include foreign workers and students, and it is anticipated that this stream will continue to support Canada's population growth,[21] albeit at a lower rate following announcements by the federal government to significantly reduce the number of foreign workers and international students permitted entry into the country.[22]

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[14]https://www.bbc.com/news/articles/cd7n3rqyjqzo

[15]https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/departmental-plan-2018-2019/departmental-plan.html#:~:text=Multi%2Dyear%20immigration%20plan&text=next%20three%20years.-,In%202018%2C%20the%20Department%20expects%20to%20welcome%20between%20290%2C000%20and,310%2C000%20and%20360%2C000%20in%202020.

[16]https://www.bankofcanada.ca/2023/12/economic-progress-report-immigration-housing-outlook-inflation/

[17]https://www.canada.ca/en/immigration-refugees-citizenship/corporate/transparency/committees/soci-sept-28-2023/immigration-levels-plan-2023-2025

[18]https://www150.statcan.gc.ca/n1/daily-quotidien/240327/dq240327c-eng.htm

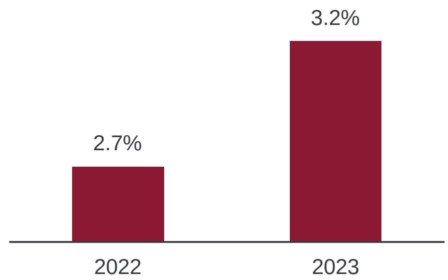
[19]https://www.statista.com/statistics/444906/number-of-immigrants-in-canada/

[20]See Footnote 19.

[21]See Footnote 19.

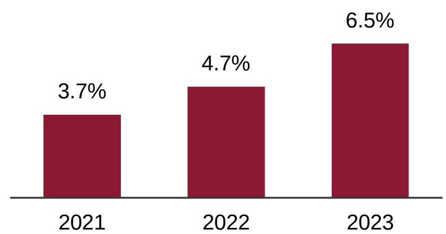
[22]https://financialpost.com/news/economy/justin-trudeau-to-tighten-rules-temporary-foreign-workers

Population Growth in Canada



Source: Statistics Canada

Non-Permanent Residents as a % of Canada's Total Population



Source: Statistics Canada

Population growth is a catalyst for low vacancy rates and a continued increase of housing purchases

Residential vacancy in Canada is expected to decrease further as a result of significant population growth boosting demand for housing purchases.

Housing affordability continues to worsen for Canadians as the level of undersupply in the country's rental stock widens. Purpose-built rental completions failed to keep pace with the record level of population growth in 2023, leading to further tightening of residential fundamentals. In addition, the CMHC also reduced its projections for new housing completions by 400,000 units which would result in an estimated total inventory of 18.2 million homes by 2030. Sustained levels of record demand driven by significant population growth compressed the overall residential vacancy rate in Canada to a 22-year low of 1.6% in 2023. With immigration targets of approximately one million new residents over the coming years, residential vacancy in Canada is expected to contract further in 2024, albeit at a slower rate due to already tight market conditions. Despite recent slight declines in asking rental rates in Q4 2023, which are largely attributed to an influx of new supply, residential housing purchase growth is expected to continue its forward momentum in 2024 given persistent supply and demand imbalances. [23]

Lower vacancy levels are indicative of high demand for open units, which the Manager believes creates a relatively low risk profile for real estate investments in residential properties.

[23]See Footnote 17 / https://www.cbre.ca/-/media/project/cbre/dotcom/americas/canada-emerald/insights/canada-market-outlook/2024-Canada-Real-Estate-Market-Outlook

Canadian Residential Sector Performance

	2022	2023	2024F	YoY
Vacancy Rate	2.0%	1.6%	1.5%	▼
2-Bedroom Average Rent	$1,486	$1,622	$1,718	▲
New Rental Supply (units)	42,980	43,930	46,021	▲

Source: CBRE Research

The Altus Group, a leading provider of asset intelligence, reports that suburban multiple unit residential properties were amongst the top three preferred property types of investors in the second quarter of 2024.[24] The Manager believes this is indicative of a material demand for these properties, proving to be especially attractive in an economy of low vacancy rates driving owner pricing power.

Despite high borrowing costs and persistent labour shortages in the construction industry, builders have been able to sustain a pace of housing starts that's roughly 20% above pre-pandemic levels.[25] There has also been a resurgence in purpose-built construction that has been supported by skyrocketing rental prices and by government programs, such as the federal government's decision to remove the GST on purpose-built rental construction. Purpose-built starts are by far the highest they have been since 1990.

Ontario has set a goal of building at least 1.5 million homes by 2031 and has assigned the province's 50 largest municipalities with housing targets to help meet this goal.[26] The province is encouraging municipalities to meet their targets through the creation of the $1.2 billion Building Faster Fund, which rewards municipalities that reach at least 80% of their annual target with funding, with bonus funding for municipalities that exceed their targets.

In 2023, Ontario set a target of 110,000 new homes and reached a 99% success rate of 109,011 new homes created.[27] As of June 2024, there have been approximately 43,000 new homes built.

Canada is forecasted to lead the G7 countries over the next five years across the major economic indicators

While 2023 was a challenging year for commercial real estate, Canada fared relatively well. Canada's $49.5 billion year for investment represented a 15% year-over-year decrease, however this is simultaneous to global investment activity levels which were down by 47% during the same period.[28] It was primarily global investors who recognized Canada's appeal – safety and security, coupled with G7-leading long-term growth prospects – and whose investments saw 2023 reach the highest level of foreign investment on record. Population growth has a direct correlation with demand for all types of real estate and Canada will grow faster than any G7 country. This positions Canada as an attractive geography to expand to and make investments within.

Assuming inflation continues to follow the Bank of Canada's trajectory, economists project interest rates could fall 100 bps to 4.00% by the end of 2024.[29] The Manager believes the Canadian residential sector will continue to grapple with significant undersupply as substantial population growth drives record demand, and as a result, creates a more favourable environment for investors seeking high occupancy rates in residential assets.

[24]https://www.altusgroup.com/insights/canadian-cre-investment-trends/

[25]https://stories.td.com/ca/en/article/canada-housing-supply#:~:text=Despite%20high%20borrowing%20costs%20and,%25%20above%20pre%2Dpandemic%20levels

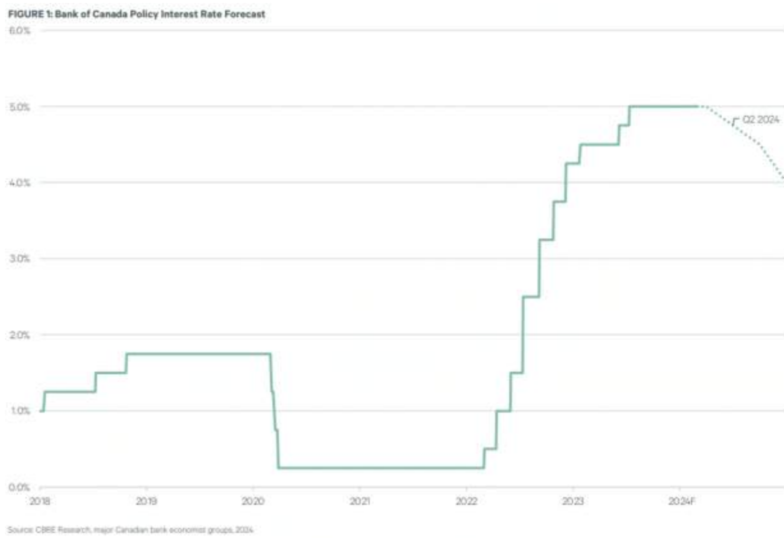
[26]https://www.ontario.ca/page/tracking-housing-supply-progress

[27]https://www.canada.ca/en/immigration-refugees-citizenship/corporate/transparency/committees/soci-sept-28-2023/immigration-levels-plan-2023-2025.html

[28]https://www.cbre.ca/-/media/project/cbre/dotcom/americas/canada-emerald/insights/canada-market-outlook/2024-Canada-Real-Estate-Market-Outlook

[29]See Footnote 11

Bank of Canada Policy Interest Rate Forecast



[Source: CBRE Research](#)

5-Year Economic Growth Forecast for G7 Countries

[Source: CBRE Research](#)

Forecasted Performance for G7 Countries

	2022	2023	2024F	2025F
Real GDP (Annual Per Cent Change)				
G7 (42.4%)*	2.3	1.7	1.4	1.5
U.S.	1.9	2.5	2.3	1.8
Japan	0.9	1.9	0.7	1.1
Euro Area	3.5	0.5	0.3	1.2
Germany	1.9	-0.1	0.0	1.3
France	2.5	0.9	0.5	1.3
Italy	4.1	1.0	0.5	1.0
United Kingdom	4.3	0.1	0.2	1.3
Canada	3.8	1.1	0.9	1.5
Consumer Price Index (Annual Per Cent Change)				
G7	7.3	4.7	2.8	2.0
U.S.	8.0	4.1	3.2	2.2
Japan	2.5	3.3	2.4	1.5
Euro Area	8.4	5.4	2.3	2.0
Germany	8.7	6.0	2.4	2.0
France	5.9	5.7	2.5	2.0
Italy	8.7	5.9	1.7	1.8
United Kingdom	9.1	7.3	2.3	1.9
Canada	6.8	3.9	2.7	2.1
Unemployment Rate (Per Cent Annual Averages)				
U.S.	3.6	3.6	4.0	4.1
Japan	2.6	2.6	2.5	2.3
Euro Area	6.7	6.5	6.9	6.8
Germany	5.3	5.7	6.0	5.7
France	7.3	7.4	7.5	7.3
Italy	8.1	7.7	8.3	8.2
United Kingdom	3.9	4.0	4.5	4.4
Canada	5.3	5.4	6.3	6.6

F: Forecast by TD Economics, March 2024.
* Share of 2021 world gross domestic product (GDP) at PPP
Source: National Statistics Agencies, TD Economics.

Source: TD Economics

Favourable Location and Demographic Fundamentals with Opportunity for Growth

Markham and Stouffville capitalize on their prime locations adjacent to the City of Toronto

Markham and Stouffville are part of the Greater Toronto Area located immediately north of the 407 Highway in the province of Ontario, providing residents with the opportunity to capitalize on the its access to the City of Toronto to access its cultural offerings and labour market, while offering an overall lower cost of living compared to the City of Toronto, with fairly convenient access by car to shopping, museums, recreational activities, and an assortment of premium golf courses.

The City of Toronto's cultural and employment offerings are coupled with a higher cost of living according to a survey completed by Mercer,[30] given the City of Toronto's unique economic environment, high population density, and inadequate growth in the supply of affordable housing sustains high prices in the resale real estate markets. Housing supply shortages present a prominent obstacle for home buyers in Ontario, and increased housing supply in Markham and Stouffville would assuage the shortage and make the area more appealing to home buyers.

[30] https://www.mercer.com/en-ca/about/newsroom/cost-of-living-in-canada-2023/

Cost Burden from Shelter Comparison

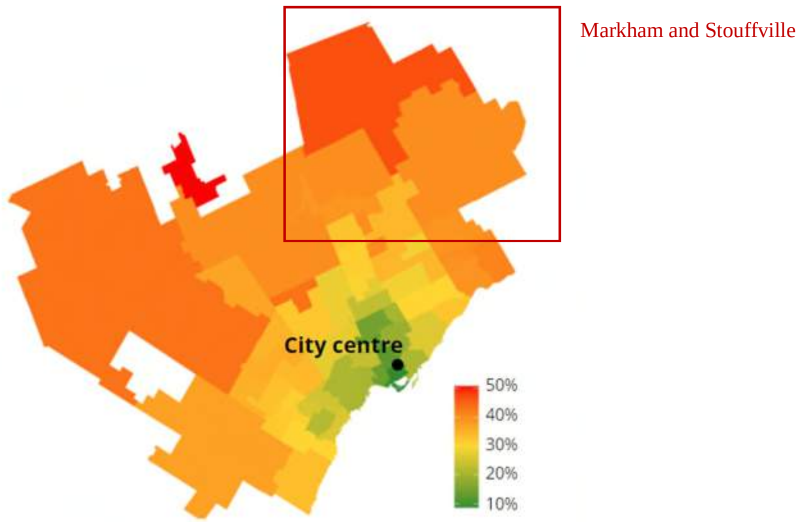
	Total Owner and Tenant Households	Households Spending Over 30% Income on Shelter	%
Markham and Stouffville	43,740	11,835	27.1%
City of Toronto	1,151,795	373,965	32.5%

Source: Statistics Canada

The City of Toronto's unique economic environment also offers relatively higher wages compared to many other Canadian 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.[31]

The disparity in living costs between Markham and Stouffville and the City of Toronto, combined with the increasing availability of transit options, has significantly influenced housing prices, with Markham and Stouffville emerging as attractive alternatives for those seeking more affordable housing options than the City of Toronto while remaining connected to the city by public transit and other transit options.

Price Growth in Apartments and Single Detached Houses in the Greater Toronto Area



Source: Bank of Canada

Diverse and highly educated population indicates strong demand for properties in Markham and Stouffville

Between 2016-2021, Markham and Stouffville's workforce employed in business, finance, administration, and sales services has grown by 20%, and by 2021 accounts for more than 40% of the total workforce, contributing to the cities' economic growth and innovation. Average employment income in 2020 for full-time workers is $89,500 compared to the national average of $77,200,[32] this higher relative income means that residents are better positioned to purchase properties and effectively sustain the relatively rapid growth in mortgage rates in the region in the last two years.[33]

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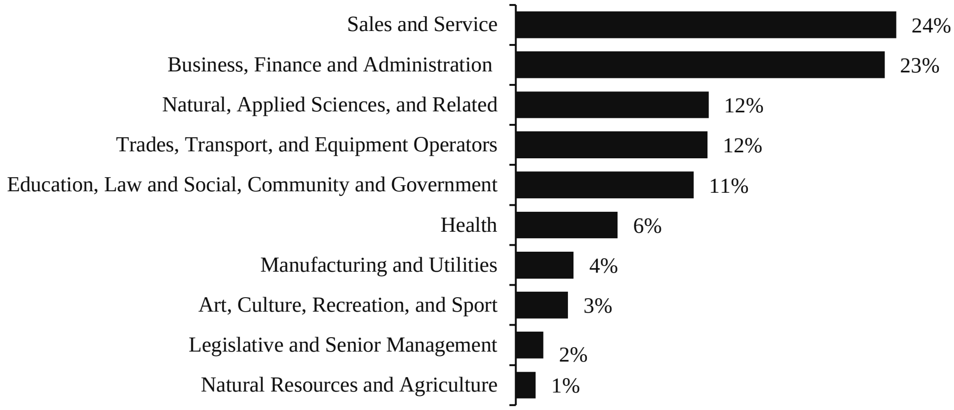
[31]https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?Lang=E&SearchText=toronto&DGUIDlist=2021A000011124,2021A00053520005&GENDERlist=1,2,3&STATISTIClist=1&HEADERlist=0

[32]https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?Lang=E&SearchText=toronto&DGUIDlist=2021A000011124,2021A00053520005&GENDERlist=1,2,3&STATISTIClist=1&HEADERlist=0

[33]https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?Lang=E&SearchText=ontario&DGUIDlist=2013A000435054,2021A000235&GENDERlist=1,2,3&STATISTIClist=1&HEADERlist=0

Markham and Stouffville Labour Force Breakdown by National Occupational Classification



Source: Statistics Canada

Markham and Stouffville have consistently outperformed the rest of Canada with higher average population growth. According to Statistics Canada, between the periods of 2016-2021, Markham and Stouffville experienced population growth of 7.8% (an increase of 9,880 individuals) in comparison to Canada's growth of 5.2%.[34, 35] The Manager believes these positive economic indicators will translate into increased demand for residential properties as more young professionals and individuals seek housing options in areas like Markham and Stouffville to capitalize on the growing job market and opportunities in the region.

The prevalence of working age residents (aged between 20 and 55 years old) in Markham and Stouffville makes Markham and Stouffville an attractive area for career professionals who, in the aggregate, have the means to support the city's housing market and contribute to its growing economic landscape. A majority of the population in Markham and Stouffville are working age, this demographic is relevant as the area's median household income of $120,000 surpasses the Canadian median household income of $84,000.

Total number of families in Markham and Stouffville increased from 36,480 in 2016 to 39,385 in 2021, an 8% growth compared with 4% for Canada overall.[36] Over 60%[37] of family households in 2021 host three or more persons, increasing demand for residential properties as families typically prefer housing ownership. Continued growth in the number of families will further boost demand for residential properties in Markham and Stouffville, compounding other industry tailwinds from sector trends like immigration.

The City of Markham has experienced significant industry growth and is positioning itself as a technology hub

Markham has grown into a city with the presence of some of the world's largest technology companies, including IBM, AMD, and Lenovo.[38] With more than 1,500 tech companies employing more than 35,400 knowledge sector workers, this sector is supported by a robust network of accelerator resources including ventureLAB, YSpace and Seneca Helix. The Manager believes Markham is an enabler of technology startups with a growth mindset.

Markham's strong innovation ecosystem is supported by a strong education system, all levels of government, funders, and enterprise organizations that are accessible via business associations and peer groups.

[34] https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=FED&Code1=35054&Geo2=PR&Code2=35&SearchText=Markham--Stouffville&SearchType=Begins&SearchPR=01&B1=All&GeoLevel=PR&GeoCode=35054&TABID=1&type=0

[35] https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?Lang=E&SearchText=canada&GENDERlist=1,2,3&STATISTIClist=1&DGUIDlist=2013A000435054,2021A000011124&HEADERlist=0

[36] Percentage growth figures are manually calculated from Statistics Canada data.

[37] See Footnote 30

[38] https://markhambusiness.ca/key-sectors/tech-ecosystem

Microchip Factory in Markham

Source: City of Markham

Markham and Stouffville benefit from transit accessibility

The accessibility of both the GO Transit system and highway services offers Markham and Stouffville residents efficient and convenient options for commuting to and from the City of Toronto and within the York region. Markham and Stouffville have an average commuting duration of ~30 minutes and the average time that employed labour force leave for work is between 7 a.m. and 9 a.m.[39]

Furthermore, the area is located in close proximity to major highways and expressways such as the 404 and 407 Highways[40], allowing for access via car and providing residents with the option of driving to downtown Toronto and to surrounding cities.

Official Road Map of Greater Toronto Area

Source: Government of Ontario

[39]https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?Lang=E&SearchText=ontario&GENDERlist=1,2,3&STATISTIClist=1&DGUIDlist=2013A000435054,2021A000011124&HEADERlist=0

[40]https://www.toronto.ca/services-payments/streets-parking-transportation/road-maintenance/bridges-and-expressways/expressways/

GO Transit is the regional public transit service for the Greater Toronto and Hamilton Area. GO's distinctive green and white trains and buses allow residents from Markham and Stouffville to efficiently travel across more than 11,000 km^2 stretching from Hamilton and Kitchener-Waterloo in the west to Newcastle and Peterborough in the east, and from Orangeville and Barrie in the north to Niagara Falls in the south.[41]

In operation since 1967, GO carries more than 70 million passengers a year. GO connects with every municipal transit system in the Greater Toronto and Hamilton Area, including the Toronto Transit Commission.[42]

Official System Map of GO Transit

[Source: GO Transit Network]

Robust government investments in public facilities and infrastructure

More than 10 approved investment projects will, upon their completion, further improve the accessibility to regional employment centres and overall amenities area for Markham and Stouffville residents. Prominent projects include the $16 million Markham Centre Public Elementary School and the $25 million Stouffville Public Elementary School construction projects that will create new facilities to accommodate over 1,000 students in a growing community.[43]

In addition to school facilities, the area also hosts other community amenities such as the construction of a community skating trail in the area's primary community park for use by the whole community, providing an opportunity for free socialization, mentorship, physical literacy, bringing the community together for a common outdoors theme and provide a fun destination to the Rouge National Urban Park Trail.

[41]https://www.gotransit.com/en/about-go/what-is-go

[42]https://www.gotransit.com/en/about-go/what-is-go

[43]https://www.ontario.ca/page/building-ontario?gad_source=1&gclid=CjwKCAjwgdayBhBQEiwAXhMxtqUjd6ngWSrmz2trNPACtsu2FvDGZeJT-9fU2Dz8krSN-oOtWVfg1xoCqcQQAvD_BwE&gclsrc=aw.ds

The Markham and Stouffville area is also the prime beneficiary of the $27 billion GO Transit expansion project that expands the transit services and electrifies core segments of the rail network, including key express lines leading to the Markham and Stouffville area. Improvements to the current GO Transit system include more all-day service[44], service in both directions, capacity for trains every 15 minutes or better, faster and more efficient fleet, and more accessible stations.[45] The expansion will significantly reduce commute times between Markham and Stouffville and downtown Toronto, offering residents more convenient access to major employment centres and tourist destinations. Metrolinx, the government agency overseeing the project, states that commuters can expect to see major milestones with respect to the GO Transit expansion project attained by the beginning of 2032.[46]

GO Expansion Construction Projects: Stouffville Corridor

[Source: Metrolinx, Government of Ontario]

<u>Property Market in the Project Neighbourhood is Poised for Growth</u>

The project site neighbourhood presents an attractive location and infrastructure fundamentals

The Project neighbourhood is located to the northeast of the Markham and Stouffville region in close proximity to Rouge National Urban Park and provides convenient access to multiple biking and hiking trails[47]. The Toronto Markham Airport is located just south of the Project site, and to the immediate right sits the Town of Whitchurch-Stouffville[48], a town with beautiful landscapes and active communities. The Project site's diverse accessibility, coupled with its strategic location, has contributed to the area's attractiveness for both residential and commercial development.

The Project site neighbourhood features a mix of commercial and industrial complexes. The lands on the east side of Highway 48, generally south of Stouffville Road, include a regional commercial site hosting SmartCentres[49], Walmart, and other businesses as well as the Rougeview Dog Park, which serves as both a stormwater management pond and local park. The Project site boundary encompasses lands within the Greenbelt area, the Oak Ridges Moraine Conservation Plan area, and other significant environmental lands. The blend of environmental and commercial areas allows local residents to address both practical and amenity needs.

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[44]https://www.metrolinx.com/en/projects-and-programs/go-expansion

[45]https://www.metrolinx.com/en/projects-and-programs/go-expansion

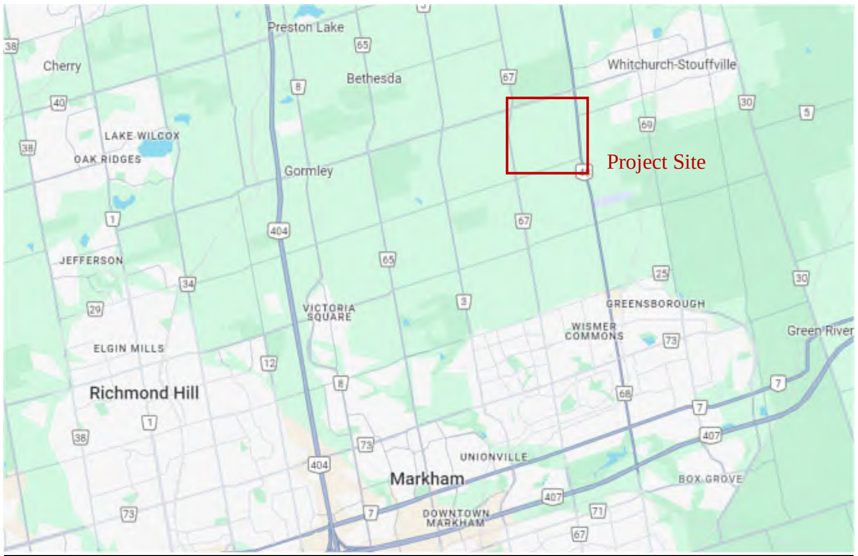
[46]https://www.ontario.ca/page/building-ontario?gad_source=1&gclid=CjwKCAjwgdayBhBQEiwAXhMxtqUjd6ngWSrmz2trNPACtsu2FvDGZeJT-9fU2Dz8krSN-oOtWVfg1xoCqcQQAvD_BwE&gclsrc=aw.ds

[47]https://www.google.com/maps/place/Rouge+National+Urban+Park/@43.9129989,-79.3055359,11.67z/data=!4m6!3m5!1s0x89d4d78ffc78f187:0x826d6f6626c7f75e!8m2!3d43.8179295!4d-79.172938!16zL20vMDlyaDZ0?entry=ttu

[48]https://www.townofws.ca/

[49]https://files.ontario.ca/mmah-orm-sectional-map-4-en-2023-12-18.pdf

Map of Project Site and Surrounding Area



[Source: Google Map]

The SmartCentres Stouffville shopping complex is situated within 10 minutes biking distance to the east of the Project site. The mall has existing frontage onto Highway 48, Sam's Way, and Rougeview Road, and is anchored by a Walmart and Canadian Tire, as well as hosting a variety of restaurants, groceries, and attire outlets, fulfilling the daily needs of local residents. The area also features the MarkhaMack Centre, another shopping mall within a ten minute drive from the Project site and offers a mix of retail, pharmaceutical, and financial institutions.[50]

Overview of the SmartCentres Stouffville Shopping Complex

[50]https://www.loopnet.com/Listing/15731597/Unit-16-9909-Highway-48-Markham-Rd-Markham-ON/

Source: SmartCentres

The Project site community also has convenient access to a variety of educational facilities including the Unionville College Secondary School, the Stouffville District Secondary School, and the Markham Campus of York University.

Ample transit options for the Project site community

The York Region Transit offers local, rapid, and specialized transit services in all nine York region municipalities, connecting residents of Project site to the City of Toronto and the regions of Peel and Durham. Main transit routes are just four minutes of drive away from the centre of Project site[51], including the 9th Line, the 415 Stouffville District School Special Line, and the 417 Bill Hogarth School Special Line. The York Region Transit also offers Mobility On-Request services - door-to-door, shared ride, accessible public transit service for the elderly and people with disabilities.[52]

The Project is situated within ten minutes driving distance to both Stouffville and Mount Joy GO stations.[53] GO Transit from York Region to Toronto and back is a commuter experience, accommodating residents of the Project site who work in the city. The GO Transit expansion on the Stouffville line will offer frequent electrified train service in both directions, with trains every 15 minutes or better, as well as access to new stations and transit connections. There will be more trips at every point along the line - from Stouffville to Markham, Scarborough, and Toronto, giving transit options for enjoying outings, wherever they are found in the region.

New Double-Decker Electric-Powered GO Buses

[51]https://www.google.com/maps/dir/Dickson+Hill,+Markham,+ON+L3P+3J3/Hampton+Place+Condominium+Residences/@43.9562553,-79.2880675,3274m/data=!3m3!1e3!4b1!5s0x89d5294c36dc8c31:0x78a59928c94f30de!4m14!4m13!1m5!1m1!1s0x89d5296fc1ddac83:0xd7ff756134dc84e3!2m2!1d-79.277952!2d43.945622!1m5!1m1!1s0x89d5294c4a0fd205:0xa68a76ece448db1!2m2!1d-79.2759038!2d43.9667202!3e0?entry=ttu

[52]https://www.yrt.ca/en/yrt-in-stouffville.aspx#School-Special-Routes

[53]https://www.google.com/maps/dir/Dickson+Hill,+Markham,+ON/Mount+Joy+GO,+1801+Bur+Oak+Ave,+Markham,+ON+L6E+1X2/@43.924149,-79.2772735,9265m/data=!3m1!1e3!4m14!4m13!1m5!1m1!1s0x89d5296fc1ddac83:0xd7ff756134dc84e3!2m2!1d-79.277952!2d43.945622!1m5!1m1!1s0x89d529dc8445d7c9:0x9178c2e6f6797b7f!2m2!1d-79.26313!2d43.900521!3e0?entry=ttu

Source: Metrolinx

The Project site neighborhood is adjacent to Highway 48, and is within a 25 minute drive from Highway 404, 7, and 407. Highway 48 is one of the main transportation arteries in the Project site neighborhood. To accommodate increasing traffic demands, in 2015 the road was widened by five meters in the northbound and southbound lanes over a one km stretch to accommodate a second lane of traffic in both directions.[54] Highway 407 is another key expressway that connects the Project site to other parts of the Greater Toronto Area. It is the world's first all-electronic, barrier-free toll highway stretching 108 km from Burlington to Pickering[55], serving millions of drivers each year and providing a fast, safe, and reliable route through the Greater Toronto Area.

2.4 The Pre-IPO Investors

The Current Owners are, directly or indirectly, Allied Brothers Holding Limited, Berqui Ltd., Cranson Capital Real Estate Development LP, MP Queen Holdings Ltd. and Towncorp Investments Limited. The Current Owners beneficially acquired the Project through a series of transactions, with the Markham portion acquired in March 2023 and the Stouffville portion acquired in stages between April 2020 and September 2021. Significant pre-development work has been completed by the Current Owners to date, utilizing equity invested into the Project. See "Description of the Activities of the REDT – The Project" and "Investment Strategy – Investment Highlights". In connection with the Offering, the Current Owners are not disposing of their respective interests in the Project and the Current Owners will not receive any of the net proceeds of the Offering on closing of the Offering. Pursuant to the Holding LP Interest Purchase Agreement, the Holding LP will be responsible for paying the calculated land transfer tax liability arising from the contribution of the Project to the Holding LP, approximately $1,000,000 to $1,200,000 in the aggregate taking into account all Current Owners.

In connection with the Offering, Plazacorp has agreed to convert certain debt outstanding and owing by the Current Owners and subscribing for an aggregate amount equal to $5 million of Holding LP Class B Units (issued at $10.00 per Holding LP Class B Unit), closing immediately following the completion of the Offering. In addition, Osmington Inc. has committed to being a Pre-IPO Investor and acquiring and converting certain debt outstanding and owing by the Current Owners and subscribing, directly or through an affiliate, in an aggregate amount equal to $5 million of Holding LP Class B Units, closing immediately following the completion of the Offering.

Plazacorp has committed to subscribe or arrange for investors (including one or more of the other Pre-IPO Investors) to subscribe for Holding LP Class B Units no later than immediately following the closing of the Offering or to purchase Class C Units from Holding LP concurrent with the closing of the Offering at a price of $10.00 per Class C Unit, in an aggregate amount equal to the difference between the Maximum Offering and the Gross Sale Proceeds (the "**Equity Commitment**"), which would result in a commitment of $15,000,000 in the aggregate if only the Minimum Offering is achieved, in order to provide the necessary equity to complete development of the Project.

Assuming the Maximum Offering is achieved, the REDT will own a 67.7% limited partner interest in the Holding LP and equity interest in the Project, while the Pre-IPO Investors are expected to own an indirect 32.3% interest in the Project, and assuming the Minimum Offering is sold, and that the Equity Commitment is fully satisfied by the issuance of

[54]https://www.tencategeo.us/en-us/resources/Case-Studies/Case-study-explorer/cU3O/Subgrade-stabilization-Highway-48-Stouffville-Ontario

[55]https://on407.ca/en/highway/about-highway-407/background-information

Holding LP Class B Units, the REDT will own a 54.1% limited partner interest in the Holding LP and equity interest in the Project, while the Pre-IPO Investors are expected to own an indirect 45.9% interest in the Project.

The REDT's interest in the Project will be determined based on the Gross Sale Proceeds. The Holding LP will receive the Net Sale Proceeds, and will pay the expenses of the Offering, while the Agent's Fee will be paid by the REDT and funded by a return of capital from the Holding LP upon closing of the Offering.

The REDT does not expect to have cost overruns in respect of the Project and the Manager has budgeted contingencies for the Project. However, in the event of a future incremental equity requirement or cost overrun requiring additional equity in the Project, the Manager has agreed with the Holding LP, among other things, to provide the equity for such cost overruns by acquiring specified limited partnership units of the Holding LP (the "**Cost Overrun Units**").

The return on the Cost Overrun Units will have an equal pre-tax investor net 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. The result of the foregoing is that in the event of a cost overrun, the Manager, rather than the REDT, will be responsible for funding such cost overrun, in a manner that is not dilutive to the overall Project-level returns, as the Manager will have an equity interest but will not be paid as if it had invested concurrently with investors of the REDT, rather the Manager will receive the proportional return from the time it made the investment.

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 REDT. The assets of the REDT may be invested only with the approval of the Trustees and only in accordance with the following restrictions:

(a) the REDT 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) other than investments in the Holding LP and its subsidiaries for purposes of investing in the Project, as described herein, the REDT 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 REDT, including for greater certainty, joint venture arrangements with affiliates of Plazacorp. For purposes hereof, a "joint venture arrangement" is an arrangement between the REDT and one or more other persons (including for greater certainty, affiliates of Plazacorp) pursuant to which the REDT, directly or indirectly, conducts an undertaking for one or more of the purposes set out in the investment guidelines of the REDT and in respect of which the REDT 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, or through a tenancy-in-common at a Project level;

(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, 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, the REDT 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 REDT 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 REDT shall not take any action, or acquire, retain or hold any investment in any entity or other property that would result in the REDT not qualifying as a "unit trust" and a "mutual fund trust", that would result in the REDT, the Holding LP or any other investee of the REDT 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 REDT shall cause its subsidiaries not to invest the Net Sale Proceeds in securities of a publicly traded entity; and

(g) if the REDT invests, directly or indirectly, in securities of an issuer managed by the Manager 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 REDT are to be conducted in accordance with the following policies:

(a) the REDT 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 REDT 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 REDT, 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 REDT, but that only property of the REDT or a specific portion thereof is bound; the REDT, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the REDT upon the acquisition of real property;

(c) the REDT 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 REDT has an interest;

(d) title to the Project shall be held by and registered in the name of the Holding LP or a corporation, a partnership or other entity wholly-owned, directly or indirectly by the Holding LP, or jointly-owned, directly or indirectly, by the REDT or the Holding LP with joint venturers or in such other manner which, in the opinion of the Holding GP, is commercially reasonable;

(e) the REDT shall not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, indebtedness would be more than 80% of the loan-to-cost of the completed Project; and

(f) the REDT shall directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the REDT and the accidental loss of value of the assets of the REDT 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 REDT, including the Holding LP, will be deemed to be those of the REDT 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) above to the extent that such treatment would be inconsistent with the relevant requirements or interpretation of the Tax Act. In addition, any references in the foregoing Investment Restrictions 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 REDT – Meetings of Unitholders and Resolutions" and "Description of Securities – The REDT – Amendments to the Declaration of Trust".

Notwithstanding the foregoing paragraph, if at any time a government or regulatory authority having jurisdiction over the REDT or any property of the REDT 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 REDT 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 REDT

Pursuant to the Acquisition, the REDT will, indirectly through the Holding LP, acquire an interest in the Project. The Holding LP will undertake the Offering, and will use the Net Sale Proceeds to pay the costs and expenses of the Offering and to fund the development of the Project. See "Description of the Activities of the REDT – The Project" and "Investment Strategy".

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

4.1 Activities of the REDT

The REDT was established on November 1, 2024 for the purpose of indirectly acquiring an interest in the Project in order to fund its development. The REDT's principal undertaking will be to issue Units and to own an indirect interest in the Project. The REDT does not have an operating history. See "Description of the Activities of the REDT – The Project". Assuming the Maximum Offering is achieved, the REDT will own an indirect 67.7% limited partner interest in the Holding LP and equity interest in the Project, while the Pre-IPO Investors are expected to own an indirect 32.3% interest in the Project, and assuming the Minimum Offering is sold, and that the Equity Commitment is fully satisfied by the issuance of Holding LP Class B Units, the REDT will own an indirect 54.1% limited partner interest in the Holding LP and equity interest in the Project, while the Pre-IPO Investors are expected to own an indirect 45.9% interest in the Project. The REDT's interest in the Project will be determined based on the Gross Sale Proceeds. The Holding LP will receive the Net Sale Proceeds, and will pay the expenses of the Offering, excluding the Agent's Fee, which will be paid by the REDT and funded by a return of capital from the Holding LP upon closing of the Offering. 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 discretionary one-year extensions exercisable at the discretion of the Manager) by Special Resolution of the Unitholders, subject to approval by the Board, and shall be automatically extended in the event that substantially all remaining residential homes are under contract to be sold in order to complete such sales. Notwithstanding the Term outlined above, the REDT may be wound up and dissolved as soon as practicable following the direct or indirect disposition of all of the assets of the REDT.

4.2 Business of the Holding LP

The Holding LP was established to directly own and develop the Project, and to permit the Pre-IPO Investors to indirectly invest in the Project.

4.3 The Property of the REDT

The REDT will indirectly acquire an interest in the Project through the Acquisition. The Project will be the only real property owned by the REDT and its development and the subsequent sale of residential homes will constitute the business of the REDT. See "Description of the Activities of the REDT – The Project".

The REDT's investment objectives are:

(a) to provide Unitholders (as defined herein) with an opportunity to indirectly own an interest in the Project; and

(b) commencing upon the sale of homes in the Project, to declare and pay to Unitholders cash distributions out of the available cash flow.

The REDT will provide disclosure for the Project in the REDT's interim and annual MD&A. The REDT 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 REDT

The Holding LP and the REDT will enter into a funding arrangement, pursuant to which the Holding LP will provide the REDT with the funds necessary for the REDT to pay for all ordinary expenses incurred in connection with the operation and administration of the REDT, 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 REDT; fees payable to the auditors and legal advisors of the REDT; marketing, leasing and investor relations expenses; regulatory filing fees, administrative expenses and costs incurred in connection with the public filing requirements of the REDT; 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 REDT may incur and any expenditures incurred upon the termination of the REDT.

In addition, because the REDT will indirectly own a portion of the Project, the Project will incur certain expenses relating to its development, including the Development and Construction Management Fee and the costs of construction, which will be indirectly and proportionately borne by the REDT and the Pre-IPO Investors in accordance with their respective interests in the Project. The Development and Construction Management Fee is equal to $42,000 (plus applicable sales tax) per residential unit and will be received by the Development Manager. The Development and Construction Management Fee is a customary fee charged on market terms that is considered a project cost, and factors into the loan-to-cost ratio for debt financing. In addition, the Development Manager will be entitled to receive the Promote Fee based on the success of the Project. The Development Manager shall also be entitled to the Sales Fee, with 50% payable upon the firm sale of a residential unit, 25% payable upon receipt of a 10% deposit for such residential unit, and 25% payable upon issuance of the sold unit's building permit. The Promote Fee paid pursuant to the Development Management Agreement is considered to be reasonable by the Manager, the Agent and the REDT in light of the services to be provided by the Development Manager.

For greater certainty, there will be no employee salaries charged to the REDT. Anthony Heller will not be paid a salary as Chief Executive Officer, Scott McLellan will not be paid a salary as Chief Operating Officer and Claude Ayache will not be paid a salary as Chief Financial Officer by the REDT.

4.5 The Project

Overview

The Project consists of a project to develop two residential subdivisions comprising 676 residences (467 townhomes and 209 single detached homes), and 297 serviced lots on approximately 213 acres of land in Markham and Stouffville, Ontario, with the Markham portion located on 5500 19th Avenue and the Stouffville portion on 11859 and 12029 McCowan Road. The Manager believes that the Project is in desirable geographic locations.

The Markham Portion

The Markham portion of the Project is comprised of 208 dwelling units on approximately 67.2 acres, consisting of 103 single detached houses and 105 townhouse units. The Markham portion of the Project has received draft plan of subdivision approval, however a red-lined plan of subdivision has been recently submitted to the City of Markham to modify the current draft plan approval to implement the housing forms and unit yield articulated above. In addition to the developable area of the Project, up to 51 acres of the Markham portion of the Project will be conveyed to a public authority, primarily for natural heritage feature conservation.

Certain development approvals remain outstanding for the Markham portion of the Project, including (i) approval of the red-lined draft plan of subdivision application; (ii) approval of the Master Environmental Servicing Plan; (iii) approval of the water pumping station and sanitary pumping station designs for the Interim Servicing Solution (as defined herein); (iv) permits and permissions, including those under s. 28 of the *Conservation Authorities Act*, that are necessary to facilitate development of the Project; (v) final plan of subdivision approval and subdivision registration; (vi) building permits; (vii) a part lot control exemption by-law for the townhouse blocks; and, potentially, (viii) plan of condominium approval (depending on the form and tenure of the townhouse blocks).

The Stouffville Portion

The Stouffville portion of the Project is comprised of 468 dwelling units (362 townhomes and 106 single detached homes) and 297 serviced lots on approximately 145.5 acres. The Stouffville portion of the Project has received draft plan of subdivision approval, however, red-lined revisions are required. Based on the approved draft plan of subdivision for the Stouffville portion of the Project, approximately 101.5 acres of the Stouffville portion of the Project will be conveyed to a public authority.

Certain regulatory approvals remain outstanding for the Stouffville portion of the Project, including (i) preparation and approval of a red-lined draft plan of subdivision; (ii) approval of the Master Environmental Servicing Plan; (iii) detailed engineering design submissions; (iv) approval of the water pumping station and sanitary pumping station designs for the Interim Servicing Solution (as defined herein); (v) permits and permissions, including those under s. 28 of the *Conservation Authorities Act*, that are necessary to facilitate development of the Project; (vi) final plan of subdivision approval and subdivision registration; (vii) building permits; (viii) a part lot control exemption by-law for the townhouse blocks; (ix) Site Plan Approval for the medium density and mixed use development blocks; and (x) plan of condominium approval (for certain townhouse blocks).

Servicing

Water and sanitary services are not currently available to the Project. All units in the Project (other than the approximately 297 serviced lots) are intended to be serviced by an interim servicing solutions (the "**Interim Servicing Solution**") until an ultimate servicing solution is implemented. The Interim Servicing Solution works include (i) a sanitary pumping station to be constructed on the Markham portion of the Project that will be publicly owned and operated; (ii) a water pumping station to be located on the Stouffville portion of the Project that the Manager expects will be acquired by the Region of York; and (iii) a stormwater system that will convey stormwater to a series of ponds and storage tank facilities, which the Manager expects will be conveyed to a public authority for long term operation and maintenance. Based on its experience, as of the date hereof, the Manager expects that the Master Environmental Servicing Plan submitted to the Region of York will be approved in Q4 2024. Upon formal approval of the Master Environmental Servicing Plan, a design submission can be made to the Region of York for the sanitary pumping station portion of the Interim Servicing Solution, which the Manager anticipates will receive approval in Q3 2025. In addition, a Municipal Class Environmental Assessment was completed with respect to the Interim Servicing Solution, which the Manager expects will be approved in Q4 2024.

Serviced Lots

In addition, Plazacorp, an affiliate of the Manager, has agreed on a forward-purchase basis to acquire the serviced lots on 6.8 acres of high-density zoned land for future development for a total purchase price of $25 million, which is currently estimated at approximately 297 serviced lots. The closing of the purchase of the serviced lots will occur on the earlier of (i) the date of the dissolution of the REDT, and (ii) the sixth anniversary of the Closing Date. The REDT and Plazacorp shall reasonably cooperate to structure such purchase in a manner that is mutually tax efficient for the parties, provided that Plazacorp shall have the ability to acquire the serviced lots by way of the acquisition of a limited partnership which has no assets other than the serviced lots (including, if applicable, the Holding LP), and Plazacorp shall be permitted to purchase the serviced lots together with additional purchasers (which may include the Current Owners). The serviced lots will not be serviced by the Interim Servicing Solution. Construction of the serviced lots will not be completed concurrently with the other portions of the Project. The completion of the serviced lots is contingent on certain infrastructure being built. The proceeds from the sale of the serviced lots received by Holding LP shall be first paid by way of the applicable portion of the Promote Fee and second, as to the balance, in accordance with the provisions of the Holding LP Agreement.

Description of the Project

The Project is located in the City of Markham and the Town of Whitchurch-Stouffville, Ontario. Both Markham and Stouffville are sought after by developers from across North America for new real estate developments due to their appealing blends of suburban tranquility and urban convenience. Education is a major draw for families moving to Markham and Stouffville; the areas are home to top-ranking public and private schools that offer high-quality curriculums and diverse extracurricular activities. Further, many Markham and Stouffville neighbourhoods offer high qualities of life with abundant green spaces, recreational amenities, and cultural diversity. Parks, trails, and conservation areas promote a healthy, active lifestyle. Markham and Stouffville, as communities, also pride themselves on having rich cultural diversity, which is reflected in their vibrant community centres and varied culinary offerings. Modern amenities, including shopping centres and restaurants, cater to all tastes and preferences. Moreover, Markham and Stouffville are known for diverse architectural designs and housing options which are deeply embedded into the plans for the residences to be constructed through the Project; the area features a mix of single-family homes, semi-detached houses, and townhomes, addressing a variety of lifestyle needs and preferences. The architectural designs of the Project incorporate spacious layouts and high-quality materials, providing comfortable living spaces for residents and the homes to be constructed will be equipped with family-oriented design features, including open-concept living areas and spacious kitchens. Many of the Project residences will also feature large backyards, play areas, and proximity to parks and schools, making them ideal for family living.

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 REDT’s Business – Project Risk” and “Forward-Looking Statements”.

Project History

The Project was acquired by the Current Owners in stages, with the Markham portion acquired in March 2023 and the Stouffville portion acquired in a series of transactions between April 2020 and September 2021. The Current Owners purchased these parcels of land from arm’s length entities who are not affiliated or related to any of the Pre-IPO Investors, the Trustees and/or the executive officers of the REDT. Purchasers are being given the opportunity to invest in the Project, through the REDT, at a price equal to the total cost attributable to the Project, being approximately $213.3 million as of October 31, 2024 (which includes the purchase prices for the parcels of land and all other costs incurred for or on such parcels to such date). The current appraised value of the Project is $259.4 million. Therefore, the REDT is purchasing an interest in the Project at an implied discount of approximately 18% to the overall appraised value. In connection with the original purchase of the Markham lands, the nominee of the purchasers agreed to hold a portion of the land comprising four buildings, and a separate portion of the land comprising eight lots, in trust for the original vendor, which such portions of the land to be severed as part of the draft plan registration process and title transferred back to the vendor (or its assignee) at such time. Such portions of the land do not form part of the Project and are not included in the value of the Project.

Significant development approval and pre-development progress has been made to date, including: zoning and subdivision approvals; finalization of a Master Environmental Servicing Plan in conjunction with the area municipalities, Conservation Authority and Regional government; and, assembling a multidisciplinary team of local counsel, architects (RN Design for dwellings, MBTW for landscape), planners (Bousfields) and engineers (Crozier & Associates for civil and transportation, SLR Consulting Engineers for geotechnical/hydrogeological) to comprehensively design the sites. On October 20, 2022, the City of Markham approved the draft plan of subdivision application related to the Markham portion on 5500 19th Avenue. On July 30, 2024, the Town of Whitchurch-Stouffville approved the draft plan of subdivision application related to the Stouffville portion on 11859 and 12029 McCowan Road. The Current Owners’ consulting team for the respective sites is now contracted to expedite this application and the Markham application to red-line revise the draft plan of subdivision approval, prepare the detailed engineering designs for approval by the municipalities which consists of value engineering the plans, coordinating to finalize the site works permits, clearing draft plan conditions to register the subdivisions, and finalizing the construction schedule with a target ground-breaking date of Q2 2025. As discussed above under the heading “The Project – Overview”, certain other development approvals remain outstanding as well.

The Province of Ontario

Ontario is bordered to the west by Manitoba; Hudson Bay to the north; Quebec to the east and Michigan and New York to the south. With a population exceeding 15.9 million[56], it is the most populous province in Canada as of Q2 2024.

[56] https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000901

Ontario is the 2nd largest Canadian province by land area, spanning more than 415,000 square miles (1,000,000 km^2).[57] Ontario is also home to 250,000 lakes, which make up about one-fifth of the world's fresh water. Compared to other high-income jurisdictions, Ontario's population has been growing at a much faster pace - the provincial population grew about three times as fast as that of the Netherlands, the U.K. and Spain, and seven times as fast as in the United States in 2023.[58]

Ontario has also gained recognition for its cultural and scenic attractions. Toronto, Ontario's capital, contains the third largest English-speaking theatre district in the world, after London's West End and New York City's Broadway.[59]

The Markham and Stouffville, Ontario Area

Markham and Stouffville are part of the Greater Toronto Area located immediately north of the 407 Highway in the province of Ontario, providing residents with the opportunity to capitalize on Markham and Stouffville's proximity to the City of Toronto to access its cultural offerings and labour market, while offering an overall lower cost of living compared to the City of Toronto, with fairly convenient access to shopping, museums, recreational activities, and an assortment of premium golf courses.

Between 2016-2021, Markham and Stouffville's workforce employed in business, finance, administration, and sales services has grown by 20%, and by 2021 accounts for more than 40% of the total workforce, contributing to the cities' economic growth and innovation. Average employment income in 2020 for full-time workers is $89,500 compared to national average of $77,200.[60]

The disparity in living costs between Markham and Stouffville and the City of Toronto, combined with the increasing availability of transit options, has significantly influenced housing prices, with Markham and Stouffville emerging as attractive alternatives for those seeking more affordable housing options than the City of Toronto while remaining connected to the city by public transit and other transit options.

Development Plans

[57]https://www.destinationontario.com/en-ca/travel-resources/about-ontario

[58]https://www.ontario.ca/document/ontarios-long-term-report-economy-2024/chapter-1-demographic-trends-and-projections-2024

[59]https://onculturedays.ca/guide/toronto-theatre-guide/

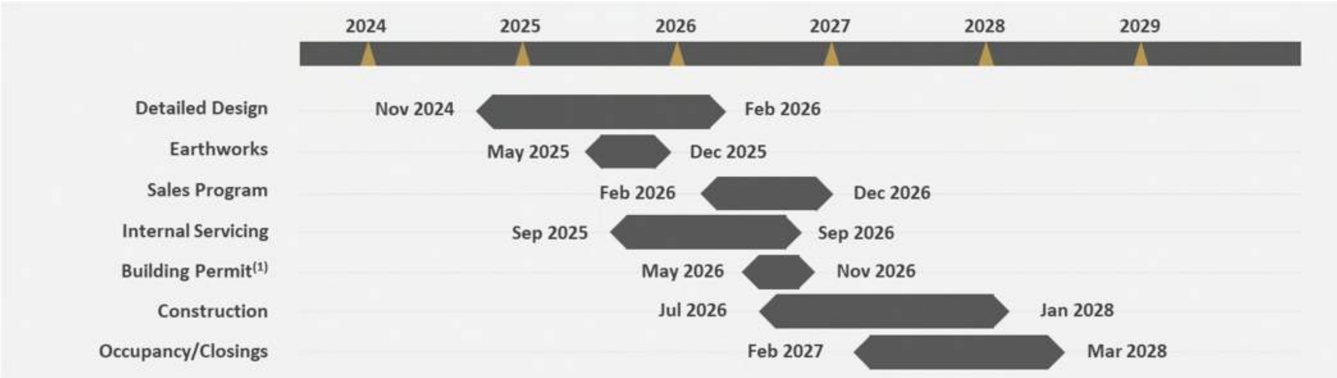
[60]https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?Lang=E&SearchText=toronto&DGUIDlist=2021A000011124,2021A00053520005&GENDERlist=1,2,3&STATISTIClist=1&HEADERlist=0

The development plan for the Project is expected to span a total of approximately 48 months and include the servicing, presale activities, and the construction of homes on the Markham and Stouffville lands. Following site servicing, construction is expected to commence in the second or third quarter of 2026, and the first construction completions and closings of sales are expected in 2027. The plan includes two phases of sales and construction in Markham, and three phases in Stouffville. Presales for the first phase in both Markham and Stouffville are expected to launch concurrently or in close succession, with subsequent phases scheduled to follow at intervals of four to six months.

The below table sets forth the annual milestones to be achieved for the Project and the expenditures:

($ millions)	**2024**	**2025**	**2026**	**2027**	**2028**	**Total**
Land Development Costs	$213.3	$20.6	$118.7	$53.8	$3.3	$409.6
Operating Costs (sales and marketing)	-	$1.0	$16.2	$14.5	$10.1	$41.7
Construction Costs (including contingency)	-	-	$23.4	$194.6	$86.5	$304.5
Overhead Costs	$0.4	-	$1.1	$3.4	$2.6	$7.5
Financing Costs	$2.8	$14.1	$9.9	$13.2	$0.8	$40.8
Total	**$216.5**	**$35.7**	**$169.2**	**$279.4**	**$103.3**	**$804.2**

Project Timeline – Markham



Project Timeline – Stouffville

(1) This schedule represents a consolidation of the project phases.

The Development Management Agreement

The Development Manager will provide development management services to the Holding LP in accordance with a development management agreement to be entered into between the Development Manager and the Holding LP (the "**Development Management Agreement**").

Pursuant to the Development Management Agreement, the Development Manager will undertake development management services in respect of the Project, including: (i) obtaining all necessary permits and approvals for a residential subdivision on the Project, subject to such changes as are required by the municipalities or as otherwise agreed between the Holding LP and the Development Manager; (ii) constructing a residential subdivision on the Project comprised of freehold residential housing units; (iii) selling or leasing the units or lots and related services and facilities on the Project; and (iv) managing and operating the development on the Project until its completion, including any further municipal work, organization of requisite servicing for the Project and/or the transfer of all freehold units or lots to purchasers. The Development Management Agreement will contain a detailed list of services in respect of development plan and design, the sales and marketing program for the Project, accounting, construction and occupancy and taxes.

The Holding LP will be responsible for all project costs incurred in connection with the development of the Project, including (i) interest and all other costs under financings of the Project; (ii) all construction and soft costs incurred in respect of the Project; (iii) sales, marketing, design consulting and professional cots; (iv) real estate commissions, (v) professional fees; (vi) carrying costs of the Project; and (vii) other costs and expenses incurred in connection with the Project.

The Development Manager will receive a fee for the development management services provided under the Development Management Agreement equal to the aggregate of (i) $42,000 per residential unit (the "**Development and**

Construction Management Fee") (plus applicable sales tax), payable in installments as set forth in the Development Management Agreement, and (ii) the Promote Fee. In addition, the Development Manager shall be entitled to a real estate commission of 1.6% of sales (the "**Sales Fee**") (plus applicable sales tax), with 50% payable upon the firm sale of a residential unit, 25% payable upon receipt of a 10% deposit for such residential unit, and 25% payable upon issuance of the sold unit's building permit.

The Development Management Agreement contemplates several events of default, the occurrence of which each give either party the right to terminate the Development Management Agreement.

The Development Manager will indemnify and hold harmless the Holding LP and its officers, directors, securityholders, employees and agents, to the extent permitted by applicable law, from and against any and all costs, expenses, damages, losses or injury whatsoever which the Holding LP or the Project may suffer, sustain or incur as a result of any acts or omissions or alleged acts or omissions of the Development Manager which constitute wilful misconduct, bad faith, negligence, breach of applicable laws or breach of the Development Manager's standard of care owed under the Development Management Agreement, and from and against any and all claims of every nature and kind whatsoever which may be made against any such parties by any person, firm, corporation, government or other entity arising out of or in any way connected with the Project. The Development Manager has also agreed to provide the Holding LP with certain indemnities in respect of certain tax matters relating to the Acquisition. Recourse under such indemnity is to be limited to amounts payable to the Development Manager pursuant to the Development Management Agreement. The Holding LP may not be able to successfully enforce or recover against any of the indemnities provided by the Development Manager and any such indemnities may not be sufficient to fully indemnify the Holding LP or may otherwise expire in accordance with their terms.

The Holding LP Interest Purchase Agreement

The following is a summary of certain material provisions of the Holding LP 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 Holding LP Interest Purchase Agreement will provide for the acquisition by the REDT of Holding LP Class A Units at a price of $10.00 per unit, to be satisfied by the issuance and delivery of Units of the REDT to be sold by the Holding LP pursuant to the Offering, and for the transfer by the Current Owners of their interests in the Project to the Holding LP in return for the assumption of debt, the payment of the land transfer tax liability arising from the contribution of the Project to the Holding LP and the issuance of Holding LP Class B Units at a price of $10.00 per unit. If only the Minimum Offering is achieved, the value of Units issued is expected to be $60,000,000, and if the Maximum Offering is achieved, the value of Units issued is expected to be $75,000,000.

The Holding LP 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 the Project (including, among other things, compliance with federal, provincial, territorial and municipal laws, rules and regulations, title to the Project, 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.

The Current Owners and Plazacorp will indemnify the REDT for any breach of the representations and warranties in the Holding LP Interest Purchase Agreement. The maximum liability of the Current Owners under this indemnity will be limited to $1,350,000 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 $75,000.

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

Environmental Site Assessment

Independent environmental consultants have prepared environmental site assessment reports for the Project (the "**Environmental Assessments**") in general accordance with the Canadian Standards Association document entitled "Phase 1 Environmental Site Assessment, CSA Standard Z768-01" dated November 2001 (reaffirmed 2016) and in general accordance with methodology and practices as described in Ontario Regulation 153/04 (as amended). The objective of these reports was to determine the presence and concentration of contaminants.

The Environmental Assessments dated December 2021, October 2023, and January, 2024, conducted by a Qualified Person as defined under Ontario Regulation 153/04, concluded that the site satisfies the applicable site condition standards, and no further investigation is recommended at this time.

Independent Appraisals

Cushman & Wakefield ULC (the "**Appraiser**") has prepared independent appraisal reports for the fair market value of the Markham and Stouffville lands comprising the Project (the "**Independent Appraisals**"). The Independent Appraisals were prepared in conformity with requirements of with the Canadian Uniform Standards of Professional Appraisal Practice 2020 and with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute of Canada. The Independent Appraisals for the Project were conducted with a valuation date of September 30, 2024. A copy of each of the Independent Appraisals is available on the REDT's issuer profile on SEDAR+ at www.sedarplus.com.

The Appraisal Institute of the Canada defines highest and best use as "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.", and this definition is accordingly used in the Independent Appraisals. The Appraiser was not given any limiting instructions by the Manager.

Based on the Independent Appraisals, the estimated market value of the Markham lands is $79.4 million and the estimated market value of the Stouffville lands is $180.0 million, resulting in an aggregate estimated value of the Project of $259.4 million.

In valuing the Project, the Direct Comparison Approach and the Subdivision Development / Land Residual Method (Land Value) (as described below) were utilized by the Appraiser, adjusted and reconciled as appropriate.

The Direct Comparison Approach considers the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the subject property on the basis of time and such features as location, configuration, planning and size. Adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive a value for the subject property.

The Subdivision Development / Land Residual Method (also referred to as the Cost of Development Approach or Land Development approach) is based on a proposed development of the land, where the costs (hard and soft) of construction and development profit are deducted from the expected market value or revenue of the completed project (i.e. serviced, ready to develop building lots). The residual value is that price which the developer would pay for the "raw" land. Typically, the approach will involve estimating the gross revenue for the planned residential lots (as if serviced and ready to build) and deducting the relevant hard and soft costs that a developer would typically incur to construct the roads, services, etc., including a developer profit. Further, development charges and a cash-in-lieu payment must be deducted since these are additional costs required to be paid by the landowner prior to sale. The motivation is comprised of achieving a development profit for undertaking the risk of planning and servicing together with the profit to be realized from the sale of the serviced lots to home builders.

In appraising the Project, the Appraiser assumed that the property is free and clear of any environmental contamination that would impede on the current and/or future use; and, for the Stouffville portion of the Project the current market value "Draft Approved" is based on the hypothetical condition that the proposed development as detailed within the appraisal report has received all necessary land use controls approvals and is "permit" ready for development.

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 Appraisals are 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

5.1 Flato Management's Discussion and Analysis

This Management's Discussion and Analysis ("**Flato MD&A**") outlines the operating strategies, risk profile considerations, business outlook and analysis of its results of operations and financial conditions for Flato Upper Markham Village ("**Flato**") which consists of the property referred to as 5500 19th Avenue, Markham, Ontario. This Flato MD&A should be read in conjunction with the Flato audited interim carve-out financial statements for the period ended April 10, 2023 (the "**Flato Interim Financial Statements**"), together with the audited carve-out financial statements for the financial years ended December 31, 2022 and December 31, 2021 (the "**Flato Annual Carve-out Financial Statements**" and together with the Flato Interim Financial Statements, the "**Flato Financial Statements**") included in this Prospectus.

Flato as presented in the Flato Financial Statements is not a legal entity and represents a real estate development asset owned by Flato. The real estate development asset is located at 5500 19th Avenue, Markham, Ontario ("**Flato Asset**") and consists of part lot 31 concession 7, designated as Part 1 (excluding lots 196 to 203) and Part 3 (excluding Block 243) on Plan 65R40295.

Cautionary Note Regarding Forward-Looking Information

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

Basis Of Presentation

The Flato Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS**"). These are Flato's first financial statements in accordance with IFRS and Flato adopted IFRS in accordance with IFRS 1, First Time Adoption of International Reporting Standards. Flato's first annual IFRS financial statements are those for the year ended December 31, 2021 with a date of transition of January 1, 2021. Flato Interim Financial Statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" under IFRS. Unless otherwise stated, amounts expressed in Flato MD&A are in Canadian dollars ($). The Flato Financial Statements have been prepared on a historical cost basis.

The Flato 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 Flato Asset as required by applicable Canadian securities laws.

Business Overview, Objectives, and Strategy

The Flato Asset was acquired in 2017 for the primary purpose of repurposing the property from farming to residential use.

In January and February 2022, Flato entered into an agreement with Torca UMV Inc. ("**TUMV**") for the acquisition of the Flato Asset (the "**Flato Purchase**") which closed April 11, 2023.

Financial and Operational Highlights

Annual Financial Performance

The following is selected annual information for the preceding two years:

For the year ended	December 31, 2022	December 31, 2021
Revenues	$ 32	$ 2
Loss	(10,656)	(19,455)

As at	December 31, 2022	December 31, 2021	January 1, 2021
Total assets	$ 9,476,572	$ 8,801,961	$ 8,513,385
Long term financial liabilities	—	—	4,182,113

Annual Results of Operations

Flato was in the pre-servicing of the subdivision phase as the Flato plan was to have the property zoning amended and resold to other property developers. With costs incurred during the periods noted above having been mostly capitalized as part of the property under development, the analysis of the results of operations shall focus on the Statement of Financial Position and Cash Flows. Some costs did not qualify for capitalization in accordance with IFRS and therefore were expensed. These incremental costs include general and administrative costs, interest expense and management fees.

Land Under Development

As at	December 31, 2022	December 31, 2021	Difference
	$ 9,400,391	$ 8,784,891	$ 615,500

The increase in the Flato asset from December 31, 2021 to December 31, 2022 is represented by $130,000 in capitalized financing costs plus $485,500 in development costs. The total land originally purchased by Flato was severed in March 2023 and the Flato Purchase closed April 11, 2023 for $62 million.

Deposits Received & Mortgage

As at	December 31, 2022	December 31, 2021	Difference
Deposits received for land under development	$ 29,132,315	$ —	$ 29,132,315
Mortgages	—	4,005,058	(4,005,058)
	$ 29,132,315	$ 4,005,058	$ 25,127,257

Flato used the deposits received for the Flato Purchase to repay outstanding mortgages in Q1 of 2022 as well as to facilitate withdrawals by the owner.

Annual Analysis of Cash Flows

For the years ending	December 31, 2022	December 31, 2021	Difference
Cash flows (used in) operating activities	$ 28,648,688	$ (132,716)	$ 28,781,404
Cash flows (used in) investing activities	—	—	—
Cash flows from financing activities	(28,627,765)	129,374	(28,757,139)
Increase (decrease) in cash	$ 20,923	$ (3,342)	$ 24,265

The period-over-period difference in the cash flows in operating activities was primarily driven by the deposits received for the sale of the Flato Asset in 2022. The Flato Purchase closed in April 2023, and no further activity is anticipated with regards to the Flato Assets post-closing.

The period-over-period difference in the cash outflow from financing activities was primarily driven by the withdrawal of funds by the owner.

Interim Analysis of Quarterly Results of Operations

Flato's financial performance for the period from January 1, 2023 to April 10, 2023 and January 1, 2022 to April 10, 2022 is summarized below

During the period the Flato Asset was in the pre-construction phase with the land being severed in March 2023 and the Flato Purchase closing April 11, 2023.

Land Under Development

As at	April 10, 2023	December 31, 2022	Increase - $	Increase - %
	$ 9,494,542	$ 9,400,391	$ 94,151	1.0 %

During the period ended April 10, 2023, an additional $94,151 was invested towards having the Flato Asset severed. Management does not anticipate any additional investment towards the Flato Asset subsequent to the closing of the Flato Purchase.

Deposits Received

As at	April 10, 2023	December 31, 2022	Difference	Difference %
	$ 30,400,000	$ 29,132,315	$ 1,267,685	4.4 %

During the period ended April 10, 2023, deposits received for the land under development increased by $1,267,685 to $30,400,000, and this amount was subsequently applied to the sale of the Flato Assets that closed on April 11, 2023.

Interim Analysis of Cash Flows

For the Period Ending	April 10, 2023	April 10, 2022	Difference - $	Diff. - %
Cash flows (used in) operating activities	$ 1,126,922	$ 18,904,440	$ (17,777,518)	(94.0 %)
Cash flows (used in) investing activities	—	—	—	0.0 %
Cash flows from financing activities	(1,143,479)	(18,897,225)	17,753,746	93.9 %
Increase (decrease) in cash	$ (16,557)	$ 7,215	$ (23,772)	(329.5 %)

The period-over-period difference in the cash flows from operating activities was primarily driven by the timing of deposits received for the sale of the Flato Asset. The Flato Purchase closed in April 2023, and no further activity is anticipated with regards to the Flato Assets post-closing.

The period-over-period difference in the cash outflow from financing activities was primarily driven by the withdrawal of funds by the Owner.

Off-Balance Sheet Arrangements

As of the date of this Flato MD&A, Flato did not have any off-balance sheet arrangements that have, or are reasonably likely to have a current or future effect on the results of operations or financial condition on Flato including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Transactions With Related Parties

Flato did not have any related party transactions for during the periods presented.

A summary of Flato's accounting policies are described within the Flato Financial Statements that are included in this Prospectus.

5.2 Markham Management's Discussion and Analysis

This Management's Discussion and Analysis ("**Markham MD&A**") outlines the operating strategies, risk profile considerations, business outlook and analysis of its results of operations and financial conditions for 5500 19th Avenue Co-ownership ("**5500 Property**"). This Markham MD&A should be read in conjunction with the 5500 Property unaudited interim financial statements as at and for the three and six month periods ended June 30, 2024 and 2023 (the "**5500 Property Interim Financial Statements**"), together with the audited financial statements for the financial years ended December 31, 2023 and December 31, 2022 (the "**5500 Property Annual Financial Statements**" and together with the 5500 Property Interim Financial Statements, the "**5500 Property Financial Statements**") included in this Prospectus.

5500 Property as presented in the 5500 Property Financial Statements is not a legal entity and represents a real estate development asset owned by a co-ownership. The real estate development asset is located at 5500 19th Avenue, Markham, Ontario ("**5500 Asset**") and is legally described as part lot 31 concession 7, designated as Part 1 (excluding lots 196 to 203) and Part 3 (excluding Block 243) on Plan 65R40295.

Cautionary Note Regarding Forward-Looking Information

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

Basis Of Presentation

The 5500 Property Annual Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS**"). The 5500 Property Interim Financial Statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" under IFRS. Unless otherwise stated, amounts expressed in this Markham MD&A are in Canadian dollars ($). The 5500 Property Financial Statements have been prepared on a historical cost basis.

The 5500 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 5500 Property as required by applicable Canadian securities laws.

Business Overview, Objectives and Strategy

The 5500 Asset was acquired in April 2023 to develop 208 residential units. This includes 105 townhouses on 23-foot lots, 75 single-family detached homes on 30-foot lots, and 28 single-family detached homes on 36-foot lots.

Concurrent with the REDT's indirect acquisition of 5500 Asset, the REDT intends to commence servicing of the subdivision and then construction is to follow. Following completion of the construction of the homes, the REDT intends to complete the Project and sell all of the residential homes comprising the Project within four years of the Closing Date.

Financial And Operational Highlights

Annual Financial Performance

As 5500 Property has no other activity other than the development of the land under development, it has no operating results during the periods being presented.

As at	December 31, 2023	December 31, 2022
Total assets	$ 68,081,432	$ 30,552,644
Long term financial liabilities	40,727,880	Nil

Annual Results of Operations

5500 Property is currently in the pre-servicing of the subdivision phase with this phase anticipated to start 2nd quarter of 2025. With costs incurred during the periods noted above having been capitalized as part of the property under development, the analysis of the results of operations shall focus on the Statement of Financial Position and Cash Flows. 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.

Land Under Development

As at	December 31, 2023	December 31, 2022	Difference
Land acquisition	$ 64,728,280	$ —	$ 64,728,280
Development costs	684,905	—	684,905
Financing costs	2,607,908	—	2,607,908
	$ 68,021,093	$ —	$ 68,021,093

In 2022, 5500 Property signed the purchase and sale agreements that closed in 2023. In 2022, 5500 Property made deposits on the land acquisition totaling $30,532,315.

In April 2023, the 5500 Property acquired the 5500 Asset for a total cost of $64.7 million, including transaction costs. Management does not anticipate this line item to increase as management does not anticipate acquiring additional land for this project. This line item will eventually be reduced as the cost associated with the land for the homes that are sold are removed from inventory as they are sold. The recovery of this cost is expected to be more than twelve months.

During the year ended December 31, 2023, 5500 Property capitalized $684,905 in pursuing the development of the land under development. Management anticipates incurring an additional $2.4 million prior to being able to break ground. Management anticipates this line item to increase over time as significant investments are made in the development of the project. This line item will eventually be reduced as the cost associated with the development of the land and the cost associated with the construction of the homes are removed from inventory as the homes are sold. The recovery of this cost is expected to be more than twelve months.

During the year ended December 31, 2023, 5500 Property capitalized $2,607,908 in financing costs related to the revolving and non-revolving term loans that mature in March 2025. These financing costs are directly related to the cost of carrying the land during the development phase of the project and shall continue to be capitalized. Management anticipates this line item to increase over time as 5500 Property has determined that having a certain amount of debt to leverage the owners' contribution is an acceptable capital risk management tool. This line item will eventually over time increase during the construction phase prior to it being reduced as the cost associated with financing the project is removed from inventory as the homes are sold. The recovery of this cost is expected to be more than twelve months.

As of September 30, 2024, the land value was appraised by a third party at $79.4 million, approximately 30.55% greater than its book value as of December 31, 2023.

Term Loans

As at	December 31, 2023	December 31, 2022	Difference
Revolving term loan	$ 2,716,893	$ Nil	$ 2,716,893
Non-revolving term loan	38,010,987	Nil	38,010,987
	$ 40,727,880	$ Nil	$ 40,727,880

Upon acquiring the 5500 Asset, 5500 Property obtained two credit facilities: (i) a $38,250,000 non-revolving term loan and (ii) a $3,750,000 revolving term loan. The interest rate on the term loans is prime plus 1.25% per annum with no principal payments due until maturity being March 31, 2025, with an effective interest rate of approximately 8.99% at the time of issuance. In establishing these credit facilities, 5500 Property incurred $409,208 in deferred charges that are amortized over the life of the loan. As of December 31, 2023, there remained $239,013 (December 31, 2022 - $Nil) to amortize.

Annual Analysis of Cash Flows

For the years ending	December 31, 2023	December 31, 2022	Difference
Cash flows (used in) operating activities	$ (37,006,495)	$ (30,552,644)	$ (6,453,851)
Cash flows (used in) investing activities	—	—	—
Cash flows from financing activities	37,013,640	30,552,644	6,460,996
Increase (decrease) in cash	$ 7,145	$ —	$ 7,145

The period-over-period difference in the cash outflow used in operating activities was primarily driven by the purchase of the property and costs relating to its further development in 2023 whereas in 2022 the use was for the deposits on land acquisition,. Management anticipates that there will be continued use of cash towards the development of the property until the dollar value of the homes sold exceeds the cost of building the homes.

The period-over-period difference in the cash outflow from financing activities was primarily driven using the credit facilities of $40,966,893 in 2023 versus the contribution of funds from the Co-owners in 2022 of $30,552,644 for a net variance of $6,460,996 or 21.1%. Management anticipates that more debt will be used as the project further invests in the servicing of the property and the building of the homes as well as the equity via the Offering.

Interim Analysis of Quarterly Results of Operations

The following table sets forth, for each quarter ended on the date indicated, for the past eight quarters, information relating to 5500 Property's net revenue, loss from continuing operations and net loss as prepared in accordance with IFRS.

	Revenue	Income (Loss) from continuing operations	Net Income (Loss)
June 30, 2024	$ Nil	$ Nil	$ Nil
March 31, 2024	Nil	Nil	Nil
December 31, 2023	Nil	Nil	Nil
September 30, 2023	Nil	Nil	Nil
June 30, 2023	Nil	Nil	Nil
March 31, 2023	Nil	Nil	Nil
December 31, 2022	Nil	Nil	Nil
September 30, 2022	Nil	Nil	Nil

5500 Property's financial performance for the six-month periods ended June 30, 2024, and June 30, 2023, is summarized below

5500 Property is currently in the pre-construction phase with anticipated construction starting in the 2nd quarter of 2025. As costs incurred during the periods noted above have been capitalized as part of the property under development, the analysis of the results of operations shall focus on the Statement of Financial Position and Cash Flows. 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.

Land Under Development

As at	June 30, 2024	December 31, 2023	Increase - $	Increase - %
Land acquisition	$ 64,728,280	$ 64,728,280	$ —	0.0 %
Development costs	986,817	684,905	301,912	44.1%
Financing costs	4,457,683	2,607,908	1,849,775	70.9%
	$ 70,172,780	$ 68,021,093	$ 2,151,687	3.2%

In April 2023, 5500 Property acquired a tract of land for a total cost of $64.7 million, including transaction costs. Management does not anticipate this line item to increase as management does not anticipate acquiring additional land for this project. This line item will eventually be reduced as the cost associated with the land for the homes that are sold are removed from inventory. The recovery of this cost is expected to be more than twelve months.

During the six-month ended June 30, 2024, 5500 Property capitalized $301,912 in pursuing the development of the land under development. Management anticipates incurring an additional $1.4 million prior to being able to break ground. Management anticipates this line item to increase over time as significant investments are made in the development of the project. This line item will eventually be reduced as the cost associated with the development of the land and the cost associated with the construction of the homes are removed from inventory as the homes are sold. The recovery of this cost is expected to be more than twelve months.

During the six-month ended June 30, 2024, 5500 Property capitalized $1,849,775 in financing costs related to the revolving and non-revolving term loans that mature in March 2025. These financing costs are directly related to the cost of carrying the land during the development phase of the project and shall continue to be capitalized. Management anticipates this line item to increase over time as 5500 Property has determined that having a certain amount of debt to leverage the owners' contribution is an acceptable capital risk management tool. This line item will eventually over time increase during the construction phase prior to it being reduced as the cost associated with financing the project is removed from inventory as the homes are sold. The recovery of this cost is expected to be more than twelve months.

As of September 30, 2024, the land value was appraised by a third-party at $79.4 million, approximately 26.54% greater than its book value as of June 30, 2024.

Term Loans

As at	June 30, 2024	December 31, 2023	Difference	Difference %
Revolving term loan	$ 3,750,000	$ 2,716,893	$ 1,033,107	38.0%
Non-revolving term loan	38,103,709	38,010,987	92,722	0.2%
	$ 41,853,709	$ 40,727,880	$ 125,829	2.8%

Upon acquiring the 5500 Asset, 5500 Property obtained two credit facilities: (i) a $38,250,000 non-revolving term loan and (ii) a $3,750,000 revolving term loan. The interest rate on the term loans is prime plus 1.25% per annum with no principal payments due until maturity being March 31, 2025, with an effective interest rate of approximately 8.99%. In establishing these credit facilities, the Co-ownership incurred $409,208 in deferred charges that are amortizing over the life of the loan. As of June 30, 2024, there remained $146,291 (December 31, 2022 - $239,013) to amortize.

Interim Analysis of Cash Flows

For the Six-month Period Ending	June 30, 2024	June 30, 2023	Difference - $	Diff. - %
Cash flows (used in) operating activities	$ (2,163,369)	$ (34,871,331)	$ 32,707,962	93.8%

Cash flows (used in) investing activities	—	—	—	0.0%
Cash flows from financing activities	2,156,595	35,005,932	(32,849,337)	(93.8%)
Increase (decrease) in cash	$ (6,774)	$ 134,601	$ (141,375)	(105.0%)

The period-over-period difference of the cash outflow used in operating activities was primarily driven by the purchase of the property that occurred in 2023 versus the costs relating to the development and carrying costs that have since been capitalized.

The period-over-period difference of the cash outflow from financing activities was primarily driven by the establishment of the credit facilities mentioned above in 2023, and some drawdown of the facility that occurred in 2024.

Liquidity

Upon the closing of the REDT's indirect acquisition of the 5500 Asset, the REDT is anticipating renewing the current term loans and using approximately $40-60 million of the proceeds to reduce part of the debt on the Stouffville Development with the balance for working capital in the development of the properties.

Capital Resources

In order to finance the future development of the Property, the REDT may seek to raise additional funds until cash flow from the sale of the homes is sufficient to fund the balance of the development. The timing and ability of the REDT to fulfill this objective will depend on the willingness of lenders to finance the construction of residential homes.

Off-Balance Sheet Arrangements

As of the date of this Markham MD&A, 5500 Property did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of 5500 Property including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Transactions With Related Parties

5500 Property does not employ key management personnel.

The following loan guarantee fee was charged by one of the directors of Torca UMV Inc.:

For the three month periods ended June 30,	2024	2023
Deferred financing charges – Plazacorp Investments Limited, related by common director	$ —	$ 113,918

For the six month periods ended June 30,	2024	2023
Deferred financing charges – Plazacorp Investments Limited, related by common director	$ —	$ 113,918

Due to Related Parties is principally comprised of amounts outstanding relating to funds being advanced for operations which are interest-free and due on demand.

Amounts due as at	June 30, 2024	December 31, 2023
Due to Related Parties – Helmsbridge Holding ULC, related by common director	$ 716,500	$ —

All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties.

Significant Accounting Policies

A summary of 5500 Property's accounting policies are described within the 5500 Property Financial Statements that are included in this prospectus.

5.3 Stouffville Management's Discussion and Analysis

This Management's Discussion and Analysis ("**Stouffville MD&A**") outlines the operating strategies, risk profile considerations, business outlook and analysis of its results of operations and financial conditions for 11859 McCowan Co-ownership ("**11859 Property**") and 12029 McCowan Co-ownership ("**12029 Property**"), (combined the "**Stouffville Development**"). This Stouffville MD&A should be read in conjunction with the Stouffville Development unaudited interim financial statements for the three and six months ended June 30, 2024 (the "**Stouffville Development Interim Financial Statements**"), together with the audited financial statements for the financial years ended December 31, 2023 and December 31, 2022 (the "**Stouffville Development Annual Financial Statements**" and together with the Stouffville Interim Financial Statements, the "**Stouffville Development Financial Statements**") included in this Prospectus.

The Stouffville Development as presented in the Stouffville Development Financial Statements is not a legal entity and represents a real estate development asset owned by 11859 Property and 12029 Property, both co-ownerships. The real estate development assets are located at 11859 McCowan Road, Stouffville, Ontario ("**11859 Asset**") that consist of PT LT 33 CON 7 Markham as in R509431 except for PT7 R262806 Whitchurch-Stouffville and 12029 McCowan Road, Stouffville, Ontario ("**12029 Asset**") that consist of PT LT 34 CON 7(WM), PT 1, PL 65R34903, together with the easement over PT LT 34, CON 7, PT 4, PL 65R34903 as in YR2119414 and PT LTS 33 & 34, CON 7(WM) PTS 2, 3 & 4, PL 65R34903; subject to an easement over PT 4, PL 65R34903 in favour of PT LT 34, CON 7, PT 1, PL65R34903 as in YR2119414 in the town of Whitchurch-Stouffville (Jointly the 11859 Asset and 12059 Asset are the "**Stouffville Assets**").

Cautionary Note Regarding Forward-Looking Information

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

Basis Of Presentation

The Stouffville Development Annual Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS**"). These are the Stouffville Development's first financial statements in accordance with IFRS and the Property adopted IFRS in accordance with IFRS 1, First Time Adoption of International Reporting Standards. The Stouffville Development's first annual IFRS financial statements are those for the year ended December 31, 2022, with a date of transition of January 1, 2022. The Stouffville Development Interim Financial Statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" under IFRS. Unless otherwise stated, amounts expressed in this Stouffville MD&A are in Canadian dollars ($). The Stouffville Development Financial Statements have been prepared on a historical cost basis.

The Stouffville Development Financial Statements have been prepared for the specific purposes of reporting on the financial position, financial performance, changes in owners' surplus (deficit) and cash flows of the Stouffville Development as required by applicable Canadian securities laws.

Business Overview, Objectives and Strategy

The 11859 Asset and 12029 Asset were contributed to the Stouffville Development in November 2021 and are subject to a Minister's Zoning Order ("**MZO**") (O.Reg 770/21). This MZO allows for residential development with varying densities and commercial uses in designated areas of the Stouffville Development, specifically outside the provincially protected Oak Ridges Moraine and Greenbelt regions. Pursuant to Section 51(31) of the Planning Act, Council of the Town of Whitchurch-Stouffville, at its meeting on June 26, 2024, approved the Draft Plan of Subdivision of the Stouffville Development with conditions. The Draft Plan of Subdivision aims to facilitate the development of an agriculturally inspired, mixed-use community. The subdivision will include approximately 468 dwelling units on approximately 145.5 acres, consisting of 362 townhomes, 106 single detached homes, and 297 serviced lots.

Concurrent with the REDT's indirect acquisition of the Stouffville Assets, the REDT intends to commence servicing of the subdivision and then construction is to follow. Following completion of the construction of the homes, the Trust intends to complete a Liquidity Event within 4 years of the Closing Date excluding a potential delay in market conditions.

Financial And Operational Highlights

Annual Financial Performance

The following is selected annual information for the preceding two fiscal years:

Years ended	December 31, 2023	December 31, 2022
Revenues	$ Nil	$ Nil
Loss	(6,494,973)	(4,921,565)

As at	December 31, 2023	December 31, 2022	January 1, 2021
Total assets	$ 105,124,503	$ 95,766,807	$ 88,022,464
Long term financial liabilities	50,481,376	51,954,895	48,904,110

Annual Results of Operations

Stouffville Development is currently in the pre-servicing of the subdivision phase with this phase anticipated to start in the second quarter of 2025.

For the year ended December 31, 2023, Stouffville Development had revenue of $55,555 versus $66,746 the year earlier, for a negative variance of $11,191 or 16.77%. This revenue shall cease once the servicing begins in the second quarter of 2025.

For the year ended December 31, 2023, Stouffville Development had consulting expenses of $Nil versus $80,000 the year earlier, for a positive variance of $80,000 or 100.0%. The expense was related to a failed transaction for which consultants had been engaged. Management does not anticipate that such similar expense shall be incurred going forward as it now has sufficient land to execute its business plan.

For the year ended December 31, 2023, Stouffville Development had insurance expenses of $20,089 versus $18,742 the year earlier, for a negative variance of $1,347 or 7.19%. The expense was related to liability insurance. Upon the start of servicing the property and the subsequent development, it is anticipated that the cost of insurance will increase significantly, however, as there will not be any auxiliary revenues, this amount will all be capitalized to the cost of the development.

For the year ended December 31, 2023, Stouffville Development had an interest expense of $6,493,890 versus $4,805,909 the year earlier, for a negative variance of $1,687,981 or 35.12%. The interest expense relates to interest expense on loans secured by the Stouffville Assets which were not used to fund the improvement or purchase of the Stouffville Assets. The Stouffville Development was able to raise funds by pledging the Stouffville Assets due to the significant appreciation the assets had over the book value. Such expense is not anticipated upon the purchase of these assets by the REDT as all funds will solely be used for the betterment of the assets.

For the year ended December 31, 2023, Stouffville Development had property taxes of $36,549 versus $39,059 the year earlier, for a positive variance of $2,510 or 6.43%. The expense is related to property taxes and as there were auxiliary revenues, the amount is to be expensed in accordance with IFRS. Upon the start of servicing the property and the subsequent development, it is anticipated that the property taxes will all be capitalized to the cost of the development as there will no longer be any auxiliary revenues.

For the year ended December 31, 2023, Stouffville Development had a loss and comprehensive loss of $6,494,973 versus $4,921,565 the year earlier, for a negative variance of $1,573,408 or 31.97%. The increase in loss is related to the increase in interest expense.

Land Under Development

As at	December 31, 2023	December 31, 2022	Difference	Difference
Land contribution by Co-owners	$ 82,741,401	$ 82,741,401	$ Nil	0.0 %
Development costs	4,254,974	1,949,598	2,305,376	118.2
Financing costs	17,908,359	10,716,195	7,192,164	67.1
	$ 104,904,734	$ 95,407,194	$ 9,497,540	10.0 %

During the year ended December 31, 2023, the Stouffville Development capitalized $2,305,376 in pursuing the land draft approval for the land under development obtained on June 26, 2024. Management anticipates incurring approximately an additional $5.0 millionprior to being able to break ground. Management anticipates this line item to increase over time as significant investments are made in the development of the project. This line item will eventually be reduced as the cost associated with the development of the land and the cost associated with the construction of the homes are removed from inventory as the homes are sold. The recovery of this cost is expected to be more than twelve months.

During the year ended December 31, 2023, the Stouffville Development capitalized $7,192,164 in financing costs related to loans that covered the purchase of the Stouffville Development. These financing costs are directly related to the cost of carrying the land during the development phase of the project and shall continue to be capitalized. Management anticipates this line item to increase over time as Stouffville Development has determined that having a certain amount of debt to leverage the owners' contribution is an acceptable capital risk management tool. This line item will eventually increase over time during the construction phase prior to being reduced as the cost associated with financing the project is removed from inventory as the homes are sold. The recovery of this cost is expected to be more than twelve months.

As of September 30, 2024, the Stouffville Development land was appraised by a third-party at $180.0 million, approximately 71.6% greater than its book value as at December 31, 2023.

Mortgages

As at	December 31, 2023	December 31, 2022	Difference	Difference
Mortgage B	$ 30,000,000	$ 30,000,000	$ —	0.0 %
Mortgage C	25,481,376	21,954,895	3,526,481	16.1
Mortgage D	70,503,119	66,449,515	4,053,604	6.1
	125,984,495	118,404,410	7,580,085	6.4
Current portion	75,503,119	66,449,515	9,053,604	16.6
Long-term portion	$ 50,481,376	$ 51,954,895	$ (1,473,519)	(2.8 %)

As of December 31, 2023, the Stouffville Development had $125,984,495 in mortgages versus $118,404,410 on December 31, 2022. The interest is accrued at the rate of 100% on Mortgage C and 50% on Mortgage D. Upon closing of the Transaction, it is anticipated that all of Mortgage C will be repaid as well as $20-30 million towards Mortgage D from the proceeds of the Offering. This will then permit the interest to be capitalized fully on Mortgage D and to extend the maturity date to align with the construction of the project.

Annual Analysis of Cash Flows

For the years ending	December 31, 2023	December 31, 2022	Difference
Cash flows (used in) operating activities	$ (6,684,086)	$ (1,962,204)	$ (4,721,882)
Cash flows from financing activities	6,578,339	2,266,402	4,311,937
Cash flows (used in) investing activities	(12,097)	(128,129)	116,032
Increase (decrease) in cash	$ (117,844)	$ 176,069	$ (293,913)

The period-over-period difference in the cash outflow used in operating activities was primarily driven by the addition to the land under development of $2,210,191 in 2023 versus $1,224,086 a year earlier for a negative difference of $986,105, as well as the interest that was paid of $5,387,969 in 2023 versus $1,003,724 a year earlier for a negative difference of $4,384,245. Management anticipates that there will be continued use of cash towards the development of the property until the dollar value of the homes sold exceeds the cost of building the homes.

The period-over-period difference in the cash outflow from financing activities in 2023 was primarily driven by the owners' contribution of $7,383,839 versus a withdrawal of $9,085,949 a year earlier that was offset by an increase in debt of $11,865,554. Management anticipates that more debt will be used as the project further invests in the servicing of the property and the building of the homes as well as equity via the proposed Offering.

Interim Analysis of Quarterly Results of Operations

The following table sets forth, for each quarter ended on the date indicated, for the past six quarters, information relating to the Stouffville Development's net revenue, loss from continuing operations and net loss as prepared in accordance with IFRS.

	Net Revenue	Income (Loss) from continuing operations	Net Income (Loss)
June 30, 2024	$ 13,800	$ (1,875,244)	$ (1,875,244)
March 31, 2024	13,800	(1,481,882)	(1,481,882)
December 31, 2023	14,155	(2,488,913)	(2,488,913)
September 30, 2023	13,800	(1,182,633)	(1,182,633)
June 30, 2023	13,800	(1,604,162)	(1,604,163)
March 31, 2023	13,800	(1,219,265)	(1,219,265)

Stouffville Development's financial performance for the six-month periods ended June 30, 2024 and June 30, 2023 is summarized below

Stouffville Development is currently in the pre-construction phase with anticipated construction starting in the 2nd quarter of 2025. As costs incurred during the periods noted above have been capitalized as part of the property under development, the analysis of the results of operations shall focus on the Statement of Financial Position and Cash Flows.

Land Under Development

As at	June 30, 2024	December 31, 2023	Increase - $	Increase - %
Land contribution by Co-owners	$ 82,741,401	$ 82,741,401	$ —	0.0 %
Development costs	5,401,935	4,254,974	1,146,961	27.0
Financing costs	21,956,539	17,908,359	4,048,180	22.6
	$ 110,099,875	$ 104,904,734	$ 5,195,141	5.0 %

During the period ended June 30, 2024, the Stouffville Development capitalized $1,146,961 in pursuing the land draft approval for the land under development that was obtained on June 26, 2024. Management anticipates incurring an additional $3.9 million prior to being able to break ground. Management anticipates this line item to increase over time as significant investments are made in the development of the project. This line item will eventually be reduced as the cost associated with the development of the land and the cost associated with the construction of the homes are removed from inventory as the homes are sold. The recovery of this cost is expected to be more than twelve months.

During the period ended June 30, 2024, the Stouffville Development capitalized $4,048,180 in financing costs related to loans that covered the purchase of the Stouffville Development. These financing costs are directly related to the cost of carrying the land during the development phase of the project and shall continue to be capitalized. Management anticipates this line item to increase over time as Stouffville Development has determined that having a certain amount of debt to leverage the owners' contribution is an acceptable capital risk management tool. This line item will eventually increase over time during the construction phase prior to being reduced as the cost associated with financing the project is removed from inventory as the homes are sold. The recovery of this cost is expected to be more than twelve months.

As of September 30, 2024, the Stouffville Development land was appraised by a third-party at $180.0 million, approximately 63.5% greater than its book value as of June 30, 2024.

Term Loans

As at	June 30, 2024	December 31, 2022	Difference	Difference
Mortgage B	$ 30,000,000	$ 30,000,000	$ —	0.0 %
Mortgage C	27,738,697	25,481,376	2,257,321	8.9
Mortgage D	72,759,279	70,503,119	2,256,160	3.2
	130,497,976	125,984,495	4,513,481	3.6
Current portion	105,497,976	75,503,119	29,994,857	39.7
Long-term portion	$ 25,000,000	$ 50,481,376	$ (25,481,376)	(50.5)%

As at June 30, 2024, the Stouffville Development had $130,497,976 in mortgages versus $125,984,495 as at December 31, 2023. The interest is accrued on at a rate of 100% on Mortgage C and 50% on Mortgage D. Upon closing of the Transaction, it is anticipated that all of Mortgage C will be repaid as well as $20-30 million towards Mortgage D from the proceeds of the Offering. This will then permit the interest to be capitalized fully on Mortgage D and to extend the maturity date to align with the construction of the project.

Interim Analysis of Cash Flows

For the Six-month Period Ending	June 30, 2024	June 30, 2023	Difference - $	Diff. - %
Cash flows (used in) operating activities	$ (4,396,724)	$ (3,741,675)	$ (655,049)	(17.5) %
Cash flows from financing activities	4,339,437	3,941,449	397,988	(10.1)
Cash flows (used in) investing activities	—	(7,985)	7,985	100.0
Increase (decrease) in cash	$ (57,285)	$ 191,789	$ (249,076)	129.9%

The period-over-period difference in the cash outflow used in operating activities was primarily driven by the addition to the land under development of $1,122,493 in 2024 versus $1,181,175 during the year-earlier period for a positive variance of $58,682, as well as the interest that was paid of $2,599,708 versus $1,742,659 a year earlier for a negative difference of $857,049. Management anticipates that there will be continued use of cash towards the development of the property until such time as the dollar value of the homes sold exceeds the cost of building the homes.

The period-over-period difference in the cash outflow from financing activities was primarily driven by the advances by related parties of $4,468,839 in 2024 versus the owner’s contributions of $4,725,808 in the year-earlier period. Management anticipates that more debt will be used as the project further invests in the servicing of the property and the building of the homes as well as equity via the Offering.

Liquidity

Upon the closing of the REDT’s indirect acquisition of the 11859 Asset and 12029 Asset, the REDT is anticipating renewing the current term loans that are outstanding in 5500 Property and using approximately $40-60 million of the proceeds to reduce part of the debt on the Stouffville Development with the balance for working capital in the development of the properties.

Capital Resources

In order to finance the future development of the Stouffville Assets, the REDT may seek to raise additional funds until such time as cash flow from the sale of the homes is sufficient to fund the balance of the development. The timing and ability of the REDT to fulfill this objective will depend on the willingness of lenders to finance the construction of residential homes.

Off-Balance Sheet Arrangements

As of the date of this Stouffville MD&A, Stouffville Development did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Stouffville Development including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Transactions With Related Parties

Stouffville Development does not employ key management personnel.

The following expenses were charged by an entity that was related to the Stouffville Development by a common owner:

For the three months ended June 30,	2024	2023
Management Development fee paid to Orca Management Inc. which is related by common ownership	$ 30,000	$ 30,000

For the six months ended June 30,	2024	2023
Management Development fee paid to Orca Management Inc. which is related by common ownership	$ 60,000	$ 80,000

Due to Related Parties is principally comprised of amounts outstanding relating to funds being advanced for operations which are interest-free and due on demand.

Amounts due as at	June 30, 2024	December 31, 2023
Helmsbridge Holding ULC	$ 4,468,839	$ —

All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties.

Significant Accounting Policies

A summary of the Stouffville Development's accounting policies are described within the Stouffville Development Financial Statements that are included in this Prospectus.

6. USE OF PROCEEDS

In connection with the completion of the Offering, the REDT will indirectly acquire an interest in the Project through the Acquisition. The Holding LP will use the Net Sale Proceeds to pay the costs and expenses of the Offering and to fund the development of the Project. The REDT will be responsible for the Agent's Fees, which will be funded by a return of capital from the Holding LP upon closing of the Offering.

Assuming the Minimum Offering is sold, the Gross Sale Proceeds will be $60,000,000 (net proceeds of $56,400,000, before deduction of the expenses of the Offering, which are estimated to be $1,300,000, and assuming the Equity Commitment is satisfied in Holding LP Class B Units). Assuming the Maximum Offering is sold, the Gross Sale Proceeds will be $75,000,000 (net proceeds of $70,500,000, before the deduction of the expenses of the Offering, which are estimated to be $1,300,000 in the case of the Maximum Offering). The Holding LP's net proceeds will be used to fund the development of the Project. The Holding LP may also temporarily hold cash and investments for the purposes of paying its expenses and liabilities and for working capital.

During the fiscal year ended December 31, 2023, the Project did not have any cash flow from operating activities. The REDT 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 REDT's Business – Negative Cash Flow from Operating Activities".

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

($)	Assuming Minimum Offering	Assuming Maximum Offering
Sources of Funds		
Proceeds from sale of Units	$60,000,000	$75,000,000
Proceeds from the Equity Commitment	$15,000,000	
Total Sources of Funds:	$75,000,000	$75,000,000
Use of Funds		
Agent's Fee	$3,600,000	$4,500,000
Investment in the Project	$71,400,000	$70,500,000
Total Use of Funds:	**$75,000,000**	**$75,000,000**

Operating Expenses are forecasted at approximately $250,000 per annum, including advisory fees, audit, tax, legal, transfer agent and other fees. The Holding LP and the REDT will enter into a funding arrangement, pursuant to which the Holding LP will provide the REDT and its subsidiaries with the funds necessary to pay for all such Operating Expenses.

There is also no guarantee that the REDT will be able to complete the proposed development of the Project. See "Risk Factors – Risks Related to Real Estate Industry, the Project and the REDT's Business – Project Risk" 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:

($ millions)	Assuming Minimum Offering	Assuming Maximum Offering
Sources of Funds		
Proceeds to the Holding LP from the Offering Public	$60.0	$75.0
Proceeds from the Equity Commitment	$15.0	$0.0
Pre-IPO Investors Equity	$35.9	$35.9
Deposits(1)	$128.7	$128.7
Financing(2)	$387.4	$387.4
Closing Proceeds(3)	$177.3	$177.3
Total Sources of Funds	**$804.2**	**$804.2**
Uses of Funds		
Agent's Fee	$3.6	$4.5
Land Costs (inclusive of land transfer tax)	$211.5	$211.5
Servicing and Construction(4)	$552.7	$551.8
Financing Costs(5)	$36.3	$36.3
Total Uses of Funds	**$804.2**	**$804.2**

Notes:

(1) Deposits from purchasers of residential homes.
(2) Debt financing on the Project.
(3) Balance due on closing from sales of residential homes.
(4) Inclusive of all land development costs, hard and soft costs, sales and marketing costs (including the Sales Fee), overhead costs, construction costs, contingencies, and the Development and Construction Management Fees.
(5) Inclusive of all financing related costs except the Agent's Fee.

Following the completion of the Offering, the REDT expects there to be sufficient cash to achieve the next significant milestones of the Project relating to site work inclusive of debt available.

In the event that the Project is unable to secure additional debt financing, and such lack of debt financing is determined to be a cost overrun, pursuant to the Holding LP Agreement, the Manager will be obligated to fund such cost overrun through subscriptions for Cost Overrun Units. The REDT 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 – Risks Related to Real Estate Industry, the Project and the REDT's Business – Real Property Ownership and Revenue Risks" and "Risk Factors – Risks Related to Real Estate Industry, the Project and the REDT's Business – Construction and Development Risk".

See "Description of the Activities of the REDT – The Project – Development Plans" for a detailed estimate of project costs and the development timeline for the Project.

7. DESCRIPTION OF SECURITIES

The REDT is offering a minimum of $60,000,000 and a maximum of $75,000,000 of Class A Units and/or Class F Units, at a purchase price of $10.00 per Class A Unit and $10.00 per Class F Unit.

7.1 The REDT

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 the Final 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 REDT during the period of distribution of the Units and will be available following the filing of the Final Prospectus under the REDT'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 REDT consist of a single class of Units issuable in three series: Class A Units, Class C Units and Class F Units. The REDT is authorized to issue an unlimited number of Units of each series, although, following completion of the Offering, the REDT will not seek to raise any further equity from the public and, accordingly, the REDT 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 designed for investors with commission-based accounts. The Class F Units are designed for investors with fee-based accounts and differ from the Class A Units in that the Class F Units are not required to pay a selling concession. The Class C Units are designed for Plazacorp and investors known to Plazacorp in connection with the exercise of the Equity Commitment and differ from the Class A Units and Class F Units in that they are not required to pay any Agent's Fees or 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 and Class F Units to participate in distributions made by the REDT and to receive proceeds upon termination of the REDT, based on such holder's share of the Proportionate Class A Interest, Proportionate Class C Interest and Proportionate Class F Interest, respectively, and (ii) a proportionate allocation of income or loss of the REDT in accordance with the terms of the Declaration of Trust. None of the Units will be listed on a stock exchange. Furthermore, it is prohibited for the Units to be listed on any stock exchange, over-the-counter bulletin board, quotation and trade reporting system, alternative trading system, or any other public market, trading system or organized facility on which securities that are qualified for public distribution are listed or traded, other than a facility that is operated solely to carry out the issuance of the Units or their redemption, acquisition or cancellation by the REDT. See "– Non-Certificated Inventory System and Transfers of Units".

On termination or liquidation of the REDT, 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 and Proportionate Class F Interest, respectively, all of the assets of the REDT remaining after payment of or provisions made for all debts, liabilities and liquidation expenses of the REDT.

The REDT is prohibited from offering Units to the public following 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 REDT, 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 REDT or the REDT'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 transfer of Units that would result in such units being transferred on a "public market" (as defined for purposes of the SIFT Rules) will be void *ab initio*. In addition, none of the Units may be directly or indirectly listed or traded on any stock exchange, over-the-counter bulletin board, quotation and trade reporting system, alternative trading system, or any other public market, trading system or organized facility on which securities that are qualified for public distribution are listed or traded, other than a facility that is operated solely to carry out the issuance of the Units or their redemption, acquisition or cancellation by the REDT.

The REDT shall inform its transfer agent, registrar, the Agent and CDS of the transfer restrictions and of the prohibition against listing or trading provided for in the Declaration of Trust. The REDT and each Unitholder, including any agents or beneficial owners thereof, must not take any action or make any omission that may cause or permit any Unit to be listed or traded in contravention of the foregoing prohibition.

Limitation on Non-Resident Ownership

In order for the REDT to maintain its status as a "mutual fund trust" under the Tax Act, the REDT must not be established or maintained primarily for the benefit of Non-Residents. 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. It is the intent of the Trustees to initially pay cash distributions out of the available cash flow, in an aggregate amount per year that are no less than 50% of the taxable income of the REDT from the Project in a particular year, however there are no assurances that there will be sufficient available cash flow to pay such cash distributions.

The REDT will aim to realize a targeted pre-tax investor net compounded annualized return of at least 20% equating to a total pre-tax investor net return over four years from the Closing Date of approximately 110% net of fees (including the Promote Fee and Asset Management Fee) on the REDT's indirect investment in the Project. 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 net compounded annualized return" is calculated based on the estimated net pre-tax cash flow expected to be generated from the Project considering revenues and 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 Promote Fee. This supplementary measure does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

Commencing on sale of homes in the Project, the REDT intends to declare and pay to Unitholders cash distributions out of the available operating cash flow of the REDT (to the extent declared by the Trustees and otherwise 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 REDT to make such cash distributions and the actual amount distributed will depend on the development of the Project, the expenses and requirements of the REDT and its Subsidiaries (as defined herein), and the timing of sales of homes in the Project, as applicable, and will be subject to various other factors, including those referenced in the "Risk Factors" section of this Prospectus.

The achievement of the realize a targeted pre-tax investor net compounded annualized return of at least 20% equating to a total pre-tax investor net return over four years from the Closing Date of approximately 110% net of fees (including the Promote Fee and Asset Management Fee) on the REDT's indirect investment in the Project, is based on the following assumptions:

Set out below is a high-level summary of the expected revenues and expenditures for the Project:

($ millions)	**The Project**
Forecasted Net Revenue, Constructed Homes	
Townhouses	$589.0
Singles	$374.3
Premiums	$25.7
Forecasted Serviced Lots Revenue	$25.0
Forecasted Total Net Revenue[(1)]	**$1,013.9**
Forecasted Project Costs[(2)]	$804.2
Total Project Profit	**$209.7**

Notes:

(1) Approximately $348.9 million of forecasted total net revenue is attributable to the Markham portion of the Project and approximately $665.1 million of forecasted total net revenue is attributable to the Stouffville portion of the Project.

(2) Inclusive of all project costs. Approximately $276.6 million of forecasted project costs are attributable to the Markham portion of the Project and approximately $527.6 million of forecasted total project costs is attributable to the Stouffville portion of the Project.

Following closing of the Offering and the Acquisition, the REDT will initially own all of the issued and outstanding Holding LP Class A Units.

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

The REDT will be entitled to receive all the Distributable Cash from the Holding LP, less any amounts to be paid to the Pre-IPO Investors on the Holding LP Class B Units and the amount of any Promote Fee. See “Description of Securities – The Holding LP – Cash Flow Distributions”.

After (i) payment of all expenses of the REDT and its Subsidiaries (including the Development and Construction Management Fee and the Sales Fee but excluding the Promote Fee), (ii) payment of the Minimum Return of 8.0% compounded per annum by the REDT to Unitholders and the payment of an equivalent minimum return to the Pre-IPO Investors, and (iii) payment of the Asset Management Fee, the Development Manager, will, in addition to the Pre-IPO Investors’ pro rata share of distributions from the Project, be entitled to receive a payment equal to 20% of all cash that would have been available for distribution by the Project, as the Promote Fee. Thereafter, after payment of the Secondary Minimum Return of 20.0% compounded per annum by the REDT to Unitholders and the payment of an equivalent secondary minimum return to the Pre-IPO Investors, the Development Manager will, in addition to the Pre-IPO Investors’ pro rata share of distributions from the Project, be entitled to receive a payment equal to 80% of all cash that would have been available for distribution by the Project, as the Promote Fee.

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 REDT attributable to each series and determined, from time to time, as follows:

(a) the product of the Proportionate Class A Interest and the balance of the Distributable Cash Flow (the “**Distributable Cash Flow Balance**”) shall be distributed to the holders of Class A Units, *pro rata* in accordance with their respective proportionate shares;

(b) the product of the Proportionate Class C Interest and the Distributable Cash Flow Balance shall be distributed to the holders of Class C Units, pro rata in accordance with their respective proportionate shares; and

(c) the product of the Proportionate Class F Interest and the Distributable Cash Flow Balance shall be distributed to the holders of Class F Units, pro rata in accordance with their respective proportionate shares.

The aggregate Minimum Return, after payment of all expenses of the Project, the REDT and its Subsidiaries, (i) is based on an 8.0% per annum compounded return on the Gross Sale Proceeds received by the Holding LP from the Offering, and (ii) is a preferred return, payable prior to payment of any amounts pursuant to the Promote Fee and Asset Management Fee, but (iii) is not guaranteed and, depending on the success of the Project, may not be paid at all. The aggregate Secondary Minimum Return, after payment of all expenses of the Project, the REDT and its Subsidiaries (including the Asset Management Fee and a portion of the Promote Fee), (i) is based on a 20.0% per annum compounded return on the Gross Sale Proceeds received by the Holding LP from the Offering, and (ii) is a preferred return, payable prior to payment of the increased percentage of distributions payable pursuant to the Promote Fee, but (iii) is not guaranteed and, depending on the success of the Project, may not be paid at all.

The REDT may designate for the purposes of the Tax Act capital gains realized by the REDT as a result of the redemption of Units (including any capital gains realized by the REDT 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 REDT, subject to the Allocation to Redeemers Rule. In addition, on the redemption of Units, the REDT 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 REDT 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 for purposes of the Tax Act but, for greater certainty, will not reduce the aggregate amount paid to the redeeming Unitholder in connection with the redemption. The Manager does not intend to cause the REDT to designate capital gains to redeeming Unitholders to the extent that the Allocation to Redeemers Rule, which limits the ability of the REDT to deduct taxable capital gains allocated to redeeming Unitholders in certain circumstances, 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 REDT, net realized taxable capital gains of the REDT, REDT capital or other items in such amounts as the Board, in its absolute discretion, may 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 REDT shall include the non-taxable portion of the capital gains of the REDT which are included in such distribution.

If, on a Distribution Payment Date, the Board determines that the REDT 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 REDT, after any other distributions made in the year, there would remain in the REDT additional net income or net realized capital gains, the REDT will be required, unless the Board otherwise determines, 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 REDT 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 REDT

On the termination of the REDT, the assets of the REDT 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 REDT 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 REDT, to pay all of the liabilities of the REDT and to establish reserves as the Board considers necessary for the contingent liabilities of the REDT; 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, and (iii) Proportionate Class F Interest, respectively, and within each series pro rata based upon the number of Units held.

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

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 REDT.

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 and Class F 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 REDT 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 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 Promote Fee, 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 REDT 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 REDT or the creation of further classes of Units;

(e) other than (i) in connection with the issuance of the Cost Overrun Units or (ii) pursuant to the Acquisition, the issuance of equity by any Subsidiaries of the REDT or the issuance of equity of the Holding LP;

(f) a reduction in the amount payable on any outstanding Units upon termination of the REDT;

(g) an increase in the liability of any Unitholders;

(h) any extension of the Term (other than pursuant to the exercise of the two discretionary 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; or

(j) the alteration or elimination of any voting rights pertaining to any outstanding Units.

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 REDT enters into a transaction that is subject to review under MI 61-101, and as a result requires approval from each series of Units, voting separately as a class, the REDT intends to apply to the 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 series 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. There can be no assurance that such relief will be granted by the applicable securities regulatory authorities on conditions satisfactory to the REDT or at all.

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 REDT

In order to provide Unitholders with liquidity, the Manager intends to complete the Project and sell all of the residential homes comprising the Project within four years of the Closing Date, subject to two discretionary 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 REDT.

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 discretionary one-year extensions exercisable at the discretion of the Manager) by Special Resolution of the Unitholders, subject to approval by the Board, and shall be automatically extended in the event that substantially all remaining residential homes are under contract to be sold in order to complete such sales.

In the event the Term is extended, returns to investors may be different than the targeted pre-tax investor net compounded annualized return of at least 20%. In particular, if the Term is extended beyond the four years, the Minimum Return and Secondary Minimum Return will continue to compound, resulting in a higher threshold necessary for the Promote Fee to be triggered, and in the event the Minimum Return and/or Secondary Minimum Return had previously been triggered, could result in a decrease in Promote Fee payments. Furthermore, the Asset Management Fee will no longer accrue following the expiry of the Term, unless the Term is extended as a result of the automatic extension noted above. However, as the Asset Management Fee is only payable in the event the Minimum Return is achieved, an extension to the Term that results in the Minimum Return not being achieved will also ensure that the Asset Management Fee is not paid. An extension to the Term may also result in additional cash distributions from operations to Unitholders assuming that the Term is extended and homes are sold during such extension.

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

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 REDT;

(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) 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;

(d) 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;

(e) 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;

(f) 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;

(g) maintain, or permit the Manager to take such steps as may be desirable or necessary to maintain, the status of the REDT 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

(h) make amendments as are required to undertake an internal reorganization involving the sale, lease, exchange or other transfer of the assets of the REDT as a result of which, based on the advice of counsel, the REDT has substantially the same interest, whether direct or indirect, in the REDT Property that it had prior to the reorganization and includes an amalgamation, arrangement or merger of the REDT 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 REDT’s next quarterly MD&A.

Information and Reports

The REDT 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 REDT 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 REDT 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 REDT'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 REDT'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 REDT will not be required to file an annual information form and the REDT does not currently intend to do so voluntarily. The Declaration of Trust does not require the REDT to, and the REDT does not intend to, call and hold annual general meetings of Unitholders and, accordingly, the REDT does not expect to annually file and send Unitholders a management information circular.

If a material change occurs in the affairs of the REDT, including in respect of the affairs of its Subsidiaries, the REDT 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 REDT 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 REDT 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 REDT, 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 REDT 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 quarterly at the option of Unitholders by written notice to the REDT.

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 REDT at any time. Units shall be considered to be tendered for redemption on the date (the "**Unit Redemption Date**") that the REDT has, to the satisfaction of the Board, received the Unit Redemption Notice and further documents or evidence the REDT 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 REDT will redeem the Units specified in such Unit Redemption Notice. The redemption price payable per Unit in respect of each series of Units will be based on the proportionate interest of the REDT attributable to each series, determined as follows:

(a) the redemption price per Class A Unit is equal to the Redemption Value of the REDT on the Unit Redemption Date multiplied by the Proportionate Class A Interest divided by the total number of outstanding Class A Units;

(b) the redemption price per Class C Unit is equal to the Redemption Value of the REDT multiplied by the Proportionate Class C Interest divided by the total number of outstanding Class C Units; and

(c) the redemption price per Class F Unit is equal to the Redemption Value of the REDT multiplied by the Proportionate Class F Interest divided by the total number of outstanding Class F Units.

The redemption proceeds payable on the Class A Units and Class F Units will be based on the Net Asset Value. 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 REDT by cash payment in respect of the redemption of Units for the calendar quarter shall not exceed $50,000 in the aggregate; and

(b) the total amount payable by the REDT 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 REDT of the redemption price of Units will reduce the amount of cash available to the REDT 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 REDT shall satisfy the redemption of such Units by way of an *in specie* distribution of unsecured subordinated promissory notes of the REDT or a Subsidiary of the REDT, as determined by the Board in its sole discretion. Promissory notes distributed by the REDT on a redemption may be illiquid and generally will not be a qualified investment for trusts governed by Plans. In those circumstances, adverse tax consequences will generally 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 REDT may designate for the purposes of the Tax Act capital gains realized by the REDT as a result of the redemption of Units (including any capital gains realized by the REDT on an *in specie* redemption of Units by way of a distribution of unsecured subordinated promissory note of a Subsidiary of the REDT) as being paid to the redeeming Unitholders, with the result that the taxable portion of such gains generally may be deductible by the REDT, subject to the Allocation to Redeemers Rule. In addition, on the redemption of Units, the REDT 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 REDT 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 for purposes of the Tax Act but, for greater certainty, will not reduce the aggregate amount paid to the redeeming Unitholder in connection with the redemption. The Manager does not intend to cause the REDT to designate capital gains to redeeming Unitholders to the extent that the Allocation to Redeemers Rule, which limits the ability of the REDT to deduct taxable capital gains allocated to redeeming Unitholders in certain circumstances, 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.

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

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

Powers and Responsibilities of the Board of Trustees

The Board has exclusive authority to manage the operations and affairs of the REDT and to make all decisions regarding the business of the REDT, and has authority to bind the REDT. 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 REDT and the conduct of the affairs of the REDT, including without limitation:

(a) holding REDT Property in safekeeping; retaining moneys, securities, property, assets or investments; investing moneys from time to time forming part of the REDT Property (as such term is defined in the Declaration of Trust);

(b) lending money or other REDT Property, whether secured or unsecured;

(c) paying properly incurred expenses out of REDT Property;

(d) depositing moneys from time to time forming part of the REDT Property in accounts;

(e) possessing and exercising rights, powers and privileges pertaining to ownership of or interest in REDT Property;

(f) holding legal title to REDT Property;

(g) approving the application for the listing on any stock exchange of any Units or other securities of the REDT, and doing all things which in the opinion of the Board may be necessary or desirable to effect or maintain such listing or listings;

(h) reinvesting income and gains of the REDT and taking other actions besides the mere protection and preservation of the REDT Property;

(i) ensuring compliance with applicable securities legislation;

(j) preparing and filing or causing to be prepared and filed all requisite returns, reports and filings;

(k) monitoring the REDT's status as a "mutual fund trust" within the meaning of the Tax Act;

(l) providing all requisite office accommodation and associated facilities;

(m) providing or causing to be provided to the REDT all other administrative and other services and facilities required by the REDT;

(n) maintaining or causing to be maintained complete records of all transactions in respect of the investment portfolio of the REDT;

(o) prescribing any instrument provided for or contemplated by the Declaration of Trust;

(p) remitting distributions to Unitholders;

(q) appointing the auditors of and registrar and transfer agent for the REDT; and

(r) except as prohibited by law, delegating from time to time to the REDT'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 REDT and pay them compensation out of the REDT 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 REDT 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 REDT. 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 REDT (and the directors and officers of any affiliated entity) will be indemnified out of the REDT 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 REDT 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 their 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 their failure to act honestly and in good faith with a view to the best interests of the REDT, or as a result of their 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 their 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 REDT 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 REDT, or an affiliate of the REDT, must disclose in writing to the REDT 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 their remuneration as a Trustee or one for indemnity or insurance. Where a Trustee fails to disclose their 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 REDT for any profit or gain realized, provided that if the Trustee is acting honestly and in good faith, they will not be accountable to the REDT 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 REDT 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 Plazacorp or its affiliates or any related party of the REDT has any direct or indirect interest, whether as owner, operator or manager, other than pursuant to the Holding LP Interest Purchase Agreement;

(b) a material change to any agreement with Plazacorp, its affiliates or any related party of the REDT or any renewal, extension or termination thereof or any increase in any fees (including any transaction fees) or distributions payable thereunder, excluding the Development and Construction Management Fee, Sales Fee and Promote Fee contemplated in this Prospectus;

(c) any new fees or arrangements to be entered into with Plazacorp, its affiliates or any related party of the REDT that are not contemplated in the Management Agreement and excluding the Development and Construction Management Fee, Sales Fee and Promote Fee 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 REDT, 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 Plazacorp, its affiliates or any related party of the REDT related to the Project; and

(g) determining whether to exercise the REDT's rights (as the indirect holder of the Holding LP Class A Units) to replace the general partner of the Holding LP.

In connection with any transaction involving the REDT, 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 REDT.

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 REDT 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 REDT. 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 REDT are entitled to receive, subject to certain conditions and limitations, a share of the REDT'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 REDT 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 REDT.

7.2 The Holding LP

The following is a summary only of certain of the material provisions that will be contained in the Holding LP Agreement.

The rights and obligations of the Holding GP and the parties holding the Holding LP Units will be governed by the Holding LP Agreement, as it will be amended and restated on or before the Closing Date, among the Holding GP, the Pre-IPO Investors, and the REDT, and all persons who subsequently become limited partners of the Holding LP. Following the Acquisition, assuming the Maximum Offering is achieved, the REDT will have an indirect 67.7% interest in the Holding LP and assuming the Minimum Offering is sold, and that the Equity Commitment is fully satisfied by the issuance of Holding LP Class B Units, the REDT will have an indirect 54.1% interest in the Holding LP.

Capital in the Holding LP

The capital of the Holding LP consists of an unlimited number of Holding LP Class A Units, an unlimited number of Holding LP Class B Units and an unlimited number of Cost Overrun Units, plus the general partner interest held by the Holding GP as general partner. The Holding LP Class A Units will be held by the REDT, representing the REDT's indirect interest in the Project, and the Holding LP Class B Units will be held by the Pre-IPO Investors and/or investors subscribing pursuant to the Equity Commitment. 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 the Holding LP will be allocated to the holders of the Holding LP Units. For tax and accounting purposes, net income for each fiscal year of the Holding LP will be allocated to the holders of the Holding LP Units and the Holding GP, as general partner of the Holding LP, in the same manner and in the same priorities in which income received from the Holding LP is ultimately distributed to such partners (or that would have been distributed in the year if there were sufficient distributions).

Cash Flow Distributions

To the extent cash flow permits, and subject to any restrictions imposed on the Holding LP by any lenders under any debt financing, the Holding LP is expected to pay and distribute, from time to time, all cash flow from its investment in the Project that is not reinvested into further development of the Project. Cash flow will be distributed at the discretion of the Holding GP, with 0.0001% distributed to the Holding GP, to a maximum of $1,000 in a single fiscal year, and with the balance distributed to the limited partners of the Holding 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 the Holding LP of the Holding LP Class A Units:

(i) first, to the holder of the Holding LP Class A Units until such holder (in its capacity as such and without regard to any distributions made on any other class of the Holding 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 the Holding LP by such holder;

(ii) second:

(A) 20% to the Development Manager as the Promote Fee, plus applicable sales tax; and

(B) 80% to the holder of the Holding LP Class A Units,

until such holder of the Holding LP Class A Units (in its capacity as such and without regard to any distributions made on any other class of the Holding LP Units held by it, if any) has received, in the aggregate, an amount equal to the Secondary Minimum Return; and

(iii) thereafter:

(A) 80% to the Development Manager as the Promote Fee, plus applicable sales tax; and

(B) 20% to the holder of the Holding LP Class A Units,

(b) as to that portion of each dollar of Distributable Cash as is equal to the proportionate interest in the Holding LP of the Holding LP Class B Units:

(i) first, to the holders of the Holding LP Class B Units, as a reduction of capital (to the extent of the capital contributed by each such holder to the Holding LP), on a pro rata basis in accordance with their respective proportion of the Holding LP Class B Units, until the holders of the Holding LP Class B Units (in their capacity as such and without regard to any distributions made on any other class or classes of the Holding 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 Development Manager as the Promote Fee, plus applicable sales tax; and

(B) 80% to the holders of the Holding LP Class B Units on a pro rata basis in accordance with their respective proportion of the Holding LP Class B Units,

until the holders of the Holding LP Class B Units (in their capacity as such and without regard to any distributions made on any other class of the Holding 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) 80% to the Development Manager as the Promote Fee, plus applicable sales tax; and

(B) 20% to the holders of the Holding LP Class B Units on a pro rata basis in accordance with their respective proportion of the Holding LP Class B Units, and

(c) as to that portion of each dollar of Distributable Cash as is equal to the proportionate interest in the Holding 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 the Holding 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 the Holding 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 Development Manager as the Promote Fee, plus applicable sales tax; 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 the Holding 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) 80% to the Development Manager as the Promote Fee, plus applicable sales tax; and

(B) 20% 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 to the holder of the Holding LP Class A Units, on a look-through basis, with reference to the entitlements of the Units of the REDT on a class-by-class basis, such that, in the event that the Holding LP has made distributions of Distributable Cash pursuant to the foregoing that are sufficient to allow the REDT to satisfy the Minimum Return or Secondary Minimum Return in respect of any class of Units of the REDT (the "**Satisfied REDT Units**"), then that portion of the cash otherwise distributable to the holder of the Holding LP Class A Units that is equal to the respective proportionate interest of the class of Units of the REDT of the Satisfied REDT Units shall, in the case of the Minimum Return and/or the Secondary Minimum Return having been satisfied, be paid as the Promote Fee to the Development Manager 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 net 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 net 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 the Holding 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 foregoing, the Holding 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 Holding LP, the assets of the Holding 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 Holding LP Agreement and all expenses incurred in the winding-up of the Holding LP;

(b) second, to pay all of the liabilities of the Holding LP, including any loans or advances made by its limited partners and any amounts owing to the Holding GP in respect of costs and expenses owing to it as general partner;

(c) third, to establish such reserves as the Holding GP as general partner considers necessary; and

(d) fourth, to pay to the partners of the Holding LP any unpaid portion of the distributions noted in (a) and (b) under "Description of Securities – The Holding LP – Cash Flow Distributions".

Alternatively, the holders of the Holding LP Units of the Holding LP may approve by a resolution of $66^{2}/_{3}$% of each voting class of the Holding LP Units distributions of all assets of the Holding LP, in which event the Holding GP and each holder of the Holding LP Units shall, subject to the provisions of the Holding LP Agreement, be entitled to receive an undivided interest in each and every asset of the Holding 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 the Holding LP will be required to make additional capital contributions to the Holding 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, the Manager has agreed, among other things, to subscribe for Cost Overrun Units in order to fund such cost overrun. The Manager has irrevocably committed to subscribe for the Cost Overrun Units, and to pay the full subscription price in respect thereof, as and when required.

The REDT 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 REDT's interest in the applicable Project. See "Risk Factors".

Management of the Holding LP

The Holding GP, as general partner of the Holding LP, will have exclusive authority over the management of the Holding LP, the conduct of its affairs, and the management and disposition of the property of the Holding LP, except for certain limited matters being subject to votes of the holders of the Holding LP Units and certain Investment Restrictions and Operating Policies contained in the Declaration of Trust, as described under "Investment Restrictions and Operating Policies". The Holding GP will not have any rights to vote. Trustees of the REDT will be prohibited from forming a majority of the board of directors of the Holding GP.

Removal of the Holding GP

Holders of the Holding LP Class A Units may, by Ordinary Resolution and upon not less than 30 days' written notice to the Holding GP, remove the Holding GP as general partner of the Holding LP without cause, and may immediately remove the Holding GP for cause, if such cause is not remedied after reasonable notice from the holders of the Holding LP Class A Units. In either such case, the holders of the Holding LP Class A 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 Holding LP Agreement and indemnified for any damages and expenses with respect to events which occur in relation to the Holding LP after the appointment of the new general partner.

Transfer of the Holding LP Units

The transfer of the Holding LP Units will be subject to a number of restrictions, including: (i) the Holding LP Units may not be transferred except to an affiliate in accordance with the terms of the Holding LP Agreement; (ii) any transfer of Holding LP Units that would result in such units being transferred on a "public market" (as defined for purposes of the SIFT Rules) will be void *ab initio*, and (iii) no transfer of the Holding LP Units will be accepted by the Holding GP unless a transfer form and power of attorney, duly completed and signed by the registered holder of the Holding LP Units has been remitted to the Holding GP. In addition, a transferee of the Holding LP Units must provide to the Holding GP such other instruments and documents as the Holding GP may require, in appropriate form, completed and executed in a manner acceptable to the Holding GP and must pay the administration fee, if any, required thereby. No transfer of the Holding LP Units may be made if it would result in the Holding LP becoming a "SIFT partnership" for purposes of the Tax Act or if the transferee is an Excluded Person (which includes a Non-Resident). A transferee of a Holding LP Unit will not become a partner or be admitted to the Holding LP and will not be subject to the obligations and entitled to the rights of a partner under the Holding LP Agreement until the foregoing conditions are satisfied and such transferee is recorded on the Holding LP's register of partners.

Amendments to the Holding LP Agreement

The Holding LP Agreement may be amended by a resolution of $66^2/_3$% of each voting class of the Holding LP Units, except for certain amendments which require unanimous approval of holders of the Holding LP Units and certain other amendments which require (only and not in addition) the approval of 50% of the Holding LP Class A Units. Matters requiring unanimous approval of holders of the Holding 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 the Holding LP Units; and (iii) changing the Holding LP from a limited partnership to a general partnership. Matters requiring approval of 50% of the Holding LP Class A Units include: (i) any removal of or change to the Holding GP, (ii) any amendment to the terms and conditions of the Holding LP Class A Units, (iii) the issuance of any additional Holding LP Class A Units, (iv) the creation of any class of the Holding LP Units having rights equal to or greater than those attaching to the Holding LP Class A Units, (v) an amendment to the amending clause in respect of the Holding LP Class A Units, (vi) approval of certain material transactions entered into with related parties of Plazacorp, and (vii) to consent to any action that would adversely affect the Holding LP Class A Units, as applicable, and any interests therein.

The Holding GP may also make amendments to the Holding LP Agreement without the approval or consent of the limited partners to reflect, among other things: (i) a change in the name of the Holding LP or the location of the principal place of business or registered office of the Holding LP; (ii) the admission, substitution, withdrawal or removal of limited partners in accordance with the Holding LP Agreement; (iii) a change that, as determined by the Holding GP, is reasonable and necessary or appropriate to qualify or continue the qualification of the Holding LP as a limited partnership in which the limited partners have limited liability under Applicable Laws; (iv) a change that, as determined by the Holding GP, is reasonable and necessary or appropriate to enable the Holding 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 Holding LP Agreement which may be defective or inconsistent with any other provision contained in the Holding LP Agreement or which should be made to make the Holding 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 Holding GP, as a general partner, may be made without the consent of the Holding 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 REDT:

Description of Security	Number Authorized to be Issued	Number Outstanding and Carrying Value as at November 1, 2024	Number Outstanding and Carrying Value after Offering	
			(Assuming Minimum Offering)	(Assuming Maximum Offering)
Initial contribution by Plazacorp, as settlor	Unlimited	$10.00	$10.00	$10.00
Class A Units, Class C Units and Class F Units	Unlimited	Nil	$60,000,000[(1)]	$75,000,000[(1)]

Note:

(1) The number of Class A Units, Class C Units and Class F Units outstanding after the Offering will be the number of Class A Units, Class C Units and Class F Units purchased which equals $60,000,000 in the case of the Minimum Offering ($75,000,000, in the event the Equity Commitment is exercised in full and satisfied entirely in Class C Units) and $75,000,000 in the case of the Maximum Offering.

8.2 Long-Term Debt

The Project will target a maximum leverage equal to a loan-to-cost ratio of approximately 70% of the cost to develop the Project, and will be restricted to incurring additional indebtedness if such debt would exceed an 80% loan-to-cost ratio.

As at October 31, 2024, long-term debt for the Markham portion of the Project consists of $43,458,000, consisting of balances owing to Plazacorp as well as a mortgage with a Canadian chartered bank, and long-term debt for the Stouffville portion of the Project consists of $143,966,275 owed to Plazacorp, other secured lenders, unsecured creditors and accounts payable. The proceeds of the Offering will initially be used to repay indebtedness, and the REDT intends to incur additional long-term debt to finance construction of the Project. The debt owing to Plazacorp will be converted into Holding LP Class B Units as described herein.

9. PRIOR SALES

There have been no prior sales of securities of the REDT, other than the initial Class A Unit issued to Plazacorp, as the settlor of the REDT in return for the initial contribution of $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 REDT 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
Jordan Bizouati	Trustee	Vice President, Investments & Asset Management, Osmington Inc.	November 1, 2024 to present
Lionel Dubrofsky	Independent Trustee	Chairman, Uniboard	November 1, 2024 to present
Robert Jacobs	Trustee	President, Towncorp Properties Inc.	November 1, 2024 to present
Heather Kirk	Independent Trustee	President, Key Living	November 1, 2024 to present
Darin Rayburn	Independent Trustee	President - Real Estate Equity Partners, KV Capital	November 1, 2024 to present
Anthony Heller	Chief Executive Officer	President, Plazacorp	–
Scott McLellan	Chief Operating Officer	Chief Operating Officer, Plazacorp	–

Claude Ayache	Chief Financial Officer	President, Exadyn Consultants Inc. Chief Financial Officer, Findev Inc. Chief Financial Officer, First Lithium Minerals Corp.	–

Note:

(1) The individuals acting in the capacity of the REDT's executive officers are not employed by the REDT or any of its Subsidiaries, but rather are employees of the Manager or an affiliate of the Manager and provide services to the REDT and the Holding LP on behalf of the Manager, pursuant to the Management Agreement.

Personal Profiles

Set out below is a biography of each of the Trustees and executive officers of the REDT, as applicable, for the past five years or more.

Jordan Bizouati, Trustee

Mr. Bizouati is Vice President of Investments and Asset Management at Osmington Inc. where he is responsible for managing Osmington's existing investments and evaluating new investment opportunities in real estate, venture capital and private equity. He joined Osmington in 2014 and has over ten years of experience in real estate investments and development. Mr. Bizouati holds a Bachelor of Business Administration with Honours degree from the Schulich School of Business.

Lionel Dubrofsky, Independent Trustee

Mr. Dubrofsky is a seasoned executive with extensive expertise in manufacturing, acquisitions, management, and leadership. For more than 40 years, he served as President of Kaycan, a leading manufacturer and distributor of exterior residential building materials with over 60 locations and 1800 employees across North America and Europe. Currently, he is Chairman of Uniboard, a leading North American manufacturer of particle board, MDF, and TFL comprising of 5 manufacturing plants and over 800 employees. Lionel also leads First Roots Inc., his family office, and brings deep experience in industrial real estate in North America. Lionel is deeply involved in philanthropy. He graduated from McGill University with a Bachelor of Commerce in 1982.

Robert Jacobs, Trustee

Mr. Jacobs was a member of Credit Suisse First Boston's ("**CSFB**") Principal Transactions Group. Based in NYC, the Principal Transactions Group ("**PTG**") was the largest bank fund of its kind, with US$24 billion under management. PTG's mandate encompassed all areas of real-estate investing and lending activities, including the acquisition and sale of assets, joint ventures with both public and private real estate companies, loan origination and the first CMBS mortgage pass-through transactions. While at CSFB, he participated in the underwriting, origination and securitization of over US$1 billion in assets. Mr. Jacobs, through Towncorp Developments Inc., owns and is involved in the development of commercial and residential real-estate in and around the GTA. Towncorp has participated in the development of over 1,500 residential units in the GTA.

Heather Kirk, Independent Trustee

Ms. Kirk brings more than 25 years of diverse real estate and capital markets experience, including in asset management, mergers and acquisitions, investments, financing, capital raising, and corporate strategy, to her role as Trustee. Currently, she holds the position of President at Key Living (since April 2024), a company whose focus is on providing affordable and accessible homeownership opportunities through coownership. Prior to joining Key, Ms. Kirk was Chief Investment Officer at Revera Inc. (from 2022 to 2024), a leading provider of seniors housing across Canada, the U.S. and the U.K., former Senior Vice President and Chief Financial Officer of Groupe Sélection (from 2020 to 2022) and former Chief Financial Officer of Cominar REIT (from 2018 to 2020), Quebec's largest commercial landlord. Ms. Kirk also currently serves as a trustee of Minto Apartment REIT (TSX: MI-UN.TO, where she is Chair of the Audit Committee and is a member of the Compensation, Governance and Nominating Committee. Prior to her corporate career, Ms. Kirk spent 20 years in the banking industry and was Managing Director of equity research at BMO Capital Markets, where as an equity analyst she covered Canadian real estate investment trusts. Prior to her role at BMO Capital Markets, Ms. Kirk spent ten years at National Bank Financial Inc., where she served as Director, real estate equity research following on her years as a real estate investment banker. Ms. Kirk's diverse experience includes investments, capital raising, financing, strategy and restructuring, as well as property operations. She received her Bachelor of Commerce from Concordia University and is a designated Chartered Financial Analyst®.

Darin Rayburn, Independent Trustee

Mr. Rayburn is currently Real Estate Equity Partners President at KV Capital, and has been active in real estate development for over 33 years formerly holding numerous roles with Cambridge Shopping Centres, Oxford Properties Group and Melcor Developments Ltd. He was previously CEO of TSX-listed Melcor Real Estate Development Trust (from 2019 to 2021) and President and CEO of TSX-listed Melcor Developments Ltd. (from 2017 to 2021), having spent more than 19 years in various roles at Melcor. He has a deep well of experience at the senior executive level, including C-suite roles, across real estate asset classes and regions. Mr. Rayburn's accomplishments outside of KV Capital include publicly listing a REIT, numerous rounds of capital raising and holding the position of President and CEO of a $2B asset value, publicly traded real estate development company. Within KV Capital, his roles include relationship-building and maintenance with investors, real estate developers and stakeholders, operational facilitator, and providing a breadth of knowledge regarding business valuation and financial forecasting to cover contingencies during due diligence and investment planning. Mr. Rayburn launched the inaugural KV Real Estate Equity Partners Fund 1 in November 2022 and successfully capital raised and invested $46.5 million over a 14 month period. Following on the positive momentum from the first fund, KV RE Fund 2 was recently launched in August 2024. He received his Bachelor of Arts in Economics and Political Science from the University of Alberta and holds the ICD.D designation from the Institute of Corporate Directors.

Anthony Heller, Chief Executive Officer

Mr. Heller is the President, director and principal of Plazacorp, an active high-rise residential real estate developer in Toronto and more broadly, the Greater Toronto Area. Mr. Heller formed Plazacorp in 1981 and has been in the real estate business for the past 40+ years. Mr. Heller is responsible for the overall management of Plazacorp. Over the past 15+ years, Plazacorp has completed or undertaken over $7 billion in real estate development, representing approximately 12,000 residential units. Plazacorp currently has 2,400 units under construction. In 2011, Plazacorp was the top developer in Toronto by sales volume.

Scott McLellan, Chief Operating Officer

Mr. McLellan is the Chief Operating Officer of Plazacorp. With over 30 years of experience in the residential real estate industry in Canada and USA, Mr. McLellan joined Plazacorp in 2009 where he, among other initiatives, transformed the company's brand, leading to Plazacorp becoming one of Canada's leading residential developers with a strategic focus placed on customer care and quality. Prior to entering the real estate industry, Mr. McLellan was a professional hockey player, notably playing right wing for the Boston Bruins in the 1982-1983 season.

Claude Ayache, Chief Financial Officer

Mr. Ayache has over 35 years of experience, including more that 20 at the CEO, CFO and Director level of various public companies in Canada and the United States, such as CSE-listed First Lithium Minerals Corp. and TSXV-listed Findev Inc. Mr. Ayache provides various public companies and reporting issuers with the necessary support to meet the increasing demand of their applicable regulatory regimes. Via Mr. Ayache's consulting company, Exadyn, Mr. Ayache provides assistance in developing financial projections and business plans for entrepreneurs seeking the support of a strong financial executive with extensive public company experience as well as turn-around and operational experience on an as needed basis to both public and private enterprises in order to ensure successful execution.

Security Holdings of Trustees and Executive Officers

Following completion of the Offering, the Trustees and executive officers of the REDT, as a group, are not expected to beneficially own, control or direct, directly or indirectly, any of the REDT's issued and outstanding Units, but will, as a group, control or direct, or have ownership of, a 21.8% indirect equity interest in the Project (assuming the Maximum Offering).

Insurance Coverage for Trustees and Officers and Indemnification

The REDT and its Subsidiaries will obtain or cause to be obtained a policy or policies of insurance for the Trustees and executive officers of the REDT and each of its corporate Subsidiaries. Under such policy or policies, each REDT 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 REDT and its Subsidiaries, and their trustees, directors and officers, as applicable. In addition, the REDT 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 REDT or promoter of the REDT 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 REDT or promoter of the REDT or any Unitholder holding a sufficient number of securities to affect materially the control of the REDT, 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 REDT or promoter of the REDT, or a Unitholder holding a sufficient number of securities to affect materially the control of the REDT:

(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 REDT) 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. THE MANAGER AND THE MANAGEMENT AGREEMENT

11.1 The Manager

The REDT will be managed by Plazacorp Willowgrove REDT Management Inc., a subsidiary of Plazacorp. The Manager will be primarily engaged in the management of the REDT and in the development and construction of the Project.

Plazacorp is one of Toronto's leading residential development companies, holding an impressive record of being involved in over 40 transactions of high-value residential projects, totaling close to 12,000 residential units. Plazacorp was among the first condominium developers in Toronto to include finishes such as granite counters and floors, marble bathroom counters and floors, under-mount sinks, porcelain tile, and stainless steel appliances as standard features rather than costly upgrades. Plazacorp has developed many shopping centres, mixed-use commercial-residential projects, and residential condominiums. Plazacorp's communities can be found in many of Toronto's most desirable urban neighbourhoods including Yorkville, North Toronto, King West, Queen West, Lawrence Park, Liberty Village, the St. Lawrence Neighbourhood, Harbourfront, Mt. Pleasant Village and more. Plazacorp is led by a team of seven executives with vast experience across all sectors of real estate developments. The teams operate alongside each other to deliver results that lead to successful investment outcomes.

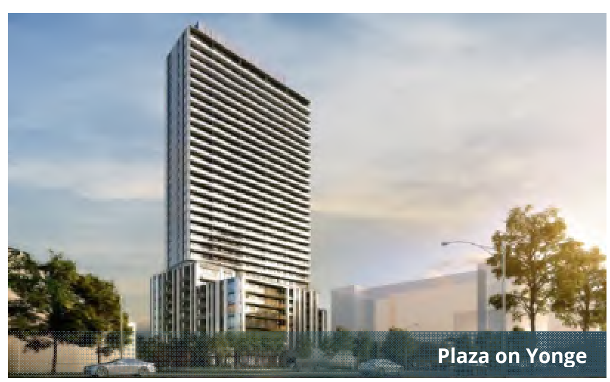
Plazacorp's success is attributable to a number of factors, including prudent site identification, careful selection of consultants and other real estate professionals, an in-depth understanding of the municipal and planning process resulting in expedited municipal approvals and construction performance in a cost-effective and timely manner. Plazacorp and its officers and directors have (either alone or with others, or with other companies) been active in the development, construction, sale and design of the following select, notable projects:

Year	Project	# of Units	Revenue	Status
2011	West Harbour City	1,337	$453m	Completed
2013	King Liberty Village	1,633	$524m	Completed
2015	Ivory	343	$122m	Completed
2017	Musee	437	$171m	Completed
2019	50 at Wellesley Station	379	$181m	Completed
2020	The Met	572	$205m	Completed
2021	1 Yorkville	589	$348m	Completed
2021	Mississauga Square	406	$172m	Completed
2024	Plaza Midtown	549	$330m	Completed
2024	Theatre District Condos	646	$554m	Completed
Under Construction	Bijou on Bloor	186	$252m	Under Construction
Under Construction	5858 Yonge Street	409	$353m	Under Construction
Under Construction	400 King West	617	$546m	Under Construction
Pre-Construction	9900 Markham	736	Pre-Construction	Pre-Construction

Plazacorp's ground-up developments, such as the 47-storey King West condominium and 32-storey Plaza on Yonge condominium community, are examples of Plazacorp's intent to grow its portfolio with accretive residential development projects across the Greater Toronto Area.

Representative Projects


400 King West


Plaza on Yonge

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 REDT's issuer profile on SEDAR+ at www.sedarplus.com.

Pursuant to the terms of the Management Agreement to be entered into among the REDT, the Holding LP and the Manager, the Manager will be appointed as the sole and exclusive manager of the affairs of the REDT and the Holding LP, and in turn, the Project. For greater certainty, the REDT will receive management services only from the Manager. The Manager will provide the REDT and the Holding LP with the strategic, advisory, asset management, administrative, property management, construction management and administrative services necessary to manage the day-to-day operations of the REDT 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 REDT, including exercising the standard of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

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 REDT and the Holding LP, (b) liaising with legal and tax counsel, (c) maintaining ongoing relationships with real estate brokers and lenders in respect of debt financing for the Project, (d) conducting continuous analysis of market conditions to monitor the REDT's indirect investment in the Project, (e) advising the REDT with respect to property sales, (f) providing investor communication and reporting services to the REDT, and (g) doing all such other acts or things and entering into agreements or documents on behalf of the REDT to seek to achieve the investment objectives of the REDT.

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 REDT. 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 Anthony Heller, as Chief Executive Officer, Scott McLellan, as Chief Operating Officer and Claude Ayache, as Chief Financial Officer, to the REDT.

The term of the Management Agreement will continue, subject to earlier termination in certain circumstances, until the winding-up or dissolution of the REDT. The Management Agreement can be terminated early in certain circumstances, including (i) upon the dissolution, liquidation, bankruptcy, insolvency or winding-up of the Manager; (ii) in the event that Plazacorp no longer controls 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 REDT 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 REDT 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, the Holding LP will pay the Manager an asset management fee (the "**Asset Management Fee**") equal to 1.0% per annum of the aggregate of the Gross Sale Proceeds and the Pre-IPO Investors Equity (plus applicable sales tax). The Asset Management Fee will accrue on a monthly basis until the Minimum Return is achieved, following which the Asset Management Fee shall be payable to the Manager.

11.3 Potential Conflicts of Interest (Manager, Development Manager, Trustees and Officers)

The Manager is owned directly and controlled by Plazacorp. Pursuant to the Management Agreement, the Manager will be receiving various fees and payments from the REDT (through the Holding LP) in respect of the asset management and other services provided thereunder in respect of the Project, and the Manager will be entitled to cost reimbursement pursuant to the Management Agreement. The Development Manager will be a limited partnership of which the Pre-IPO Investors will be limited partners, and of which the general partner will be an affiliate of Plazacorp. The Development Manager will be entitled to the Development and Construction Management Fee, Sales Fee and Promote Fee. In addition, each of: Anthony Heller (Chief Executive Officer), Scott McLellan (Chief Operating Officer) and Claude Ayache (Chief Financial Officer) are officers of the REDT.

None of the officers or trustees of the REDT will be in any way limited by the REDT or affected in their ability to carry on other business ventures for their own account and for the accounts of others, other than pursuant to any duties they owe to the REDT, in their capacity as Trustees and/or officers of the REDT, and is now, and intends in the future to be, engaged in the development of, investment in and management of other real estate properties. The foregoing individuals will not have any obligation to account to the REDT or the Unitholders for profits made in such other activities.

The agreements that the REDT enters into with each of the Manager and the Development Manager may be amended upon agreement between the parties, subject to Applicable Laws and approval in certain cases of the independent Trustees.

Plazacorp and the Trustees and executive officers of the REDT, the Manager and the Development Manager may be involved in other ventures in the Canadian real estate sector with similar investment objectives to the REDT that may lead to conflicts of interest between Plazacorp, such Trustees, executive officers of the REDT, the Manager, the Development Manager and the REDT. As a result, the REDT may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the REDT 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 REDT's Business – Potential Conflicts of Interest with Respect to the Trustees and Executive Officers of the REDT". The Declaration of Trust contains provisions respecting potential conflicts of interest that may arise with Trustees. See "Description of Securities – The REDT – 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 REDT 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 REDT. See "Risk Factors – Risks Related to Real Estate Industry, the Project and the REDT's Business – Potential Conflicts of Interest with Respect to the Manager, the Development Manager and their Affiliates".

12. PRINCIPAL SECURITYHOLDERS

After giving effect to the Offering, to the best of the knowledge of the REDT, 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 REDT is newly formed and has not completed a financial year. For the period from formation on November 1, 2024 to the date of this Prospectus, no compensation was paid by the REDT to the Trustees or to the executive officers of the REDT. The REDT intends to pay Lionel Dubrofsky, Heather Kirk and Darin Rayburn annual compensation in the amount of $15,000. Jordan Bizouati and Robert Jacobs will not be compensated for serving as Trustees. No compensation will be paid by the REDT to the executive officers of the REDT. 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 REDT will be attributable to the services provided by such individuals to the REDT.

Long Term Incentive Plan, Stock Appreciation Rights and Stock Option Grants

The REDT 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 REDT. The REDT does not and will not have any stock appreciation rights or incentive plans. The REDT has not issued and will not issue any stock options to any executive officer of the REDT or Trustee.

Pension Plan Benefits

The REDT 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 REDT 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 REDT from any of the Trustees or executive officers of the REDT 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 REDT or any of its subsidiaries.

15. AUDIT COMMITTEE AND CORPORATE GOVERNANCE

15.1 Audit Committee

The audit committee of the REDT comprises Lionel Dubrofsky, Heather Kirk and Darin Rayburn. Lionel Dubrofsky, Heather Kirk and Darin Rayburn are “independent” and “financially literate” within the meanings of sections 1.4 and 1.6 of NI 52-110, respectively. See the biographies of Lionel Dubrofsky, Heather Kirk and Darin Rayburn 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 REDT 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 REDT’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 Promote Fee and other data available to the REDT. 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 REDT 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 REDT and public disclosure documents containing financial information and reporting on such review to the Board, review of the REDT’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 REDT 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 REDT is newly established and has not yet had a fiscal year end. As a result, there have been no fees billed to the REDT by its auditors, BDO Canada LLP, in respect of the REDT's last two fiscal years.

15.2 Corporate Governance

Jordan Bizouati, Lionel Dubrofsky, Robert Jacobs, Heather Kirk and Darin Rayburn are the Trustees. Heather Kirk is the Chair of the Board. Lionel Dubrofsky, Heather Kirk and Darin Rayburn are independent. Robert Jacobs is determined to be non-independent given his relationship with Plazacorp and the Manager, as well as his interests in the Promote Fee. Jordan Bizouati is determined to be non-independent given his employment with Osmington Inc. and Osmington Inc.'s interest in the Promote Fee. 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 REDT's assets and operations, as if the Trustees were the sole absolute legal and beneficial owners of the REDT'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 REDT.

The mandate of the Board is one of stewardship and oversight of the REDT 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 REDT, (ii) approving major decisions regarding the REDT, (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 REDT'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 REDT as a holder of the Holding LP Class A 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 REDT 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 REDT's business, the role of the Board and its committees and the contributions that individual Trustees are expected to make.

Heather Kirk as the Chair of the Board will preside over all meetings of the Board and lead the Board in reviewing and assessing the adequacy of, and effectiveness in, fulfilling its mandate. The Chair of the Board also is responsible for the management, development and effective performance of the Board and provide leadership to the Board in carrying out its duties.

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 REDT 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 who render services to the REDT and/or its Subsidiaries. The objective of the Code of Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the REDT and its Subsidiaries. The Code of Conduct will address honest and ethical conduct, conflicts of interest, confidentiality, protection and proper use of the REDT'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 REDT'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 REDT 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 REDT 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 REDT. The Insider Trading Policy will also prohibit insiders and other persons who are subject to the policy from trading in securities of the REDT 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 REDT's interim or annual financial statements. Additional black-out periods may also be prescribed from time to time by the REDT's administrators of the Insider Trading Policy at any time at which it is determined there may be undisclosed inside information concerning the REDT 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 REDT 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 their office honestly, in good faith and in the best interests of the REDT 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 REDT 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 REDT 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 their 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)

Building homes with care and consideration for the environment, people and communities is a core focus of Plazacorp.

With a strong need for housing supply in Canada, building homes benefits the economy by addressing the social need for housing, stimulating local economic growth, and encouraging sustainable construction practices to reduce environmental impact.

Plazacorp will aim to build energy-efficient and low-carbon homes with Energy Star appliances that will help with reduced energy usage and greenhouse-gas ("**GHG**") emissions. Building more sustainable homes means focusing on the Development Manager's GHG emissions-reduction strategy. From the products the Development Manager selects, to the Development Manager's construction efforts and the long-term operation of the REDT's homes, the REDT's activities emit GHGs. Special consideration is given to the envelopes of the homes to decrease weather impact and reduce the amount of energy needed to heat or cool a home. An airtight home is better able to maintain heat in the winter and cool in the summer, which saves money and energy. Plazacorp also intends to select more efficient mechanical and electrical equipment or new technology to increase efficiency.

When it comes to customer satisfaction, Plazacorp continues to strive for excellence. Plazacorp follows a rigorous quality-assurance process during construction and on completion to be certain homes meet standards. Then, before the sale of any home closes, Plazacorp undertakes a thorough pre-delivery inspection (PDI) to help ensure that homebuyers are delighted with their new home.

Adjacent to the site of the Project are wetlands and preserving natural features. Including local plants and wildlife near our developments is a priority for Plazacorp and is integral to planning and preparation. The REDT will strive to protect and sometimes enhance natural systems during the development process.

Plazacorp's founder Anthony Heller is also involved in various philanthropic initiatives.

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 $75,000,000 of Class A Units and/or Class F Units at a price of $10.00 per Class A Unit and Class F Unit. The terms of the Offering were determined by negotiation between the Agent and the Manager, on behalf of the Holding LP and the REDT.

There is no market through which the Units may be sold and Purchasers may not be able to resell Units purchased under this Prospectus. This may affect the pricing of the Units, the transparency and availability of trading prices, the liquidity of the Units, and the extent of issuer regulation No market for the Units is expected to develop. See "Risk Factors". As at the date of this Prospectus, the REDT 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 Inc., 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 $10,000 in respect of the Class A Units and Class F Units. The Closing Date will not proceed unless all preconditions to the closing of the Acquisition 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. In connection with the closing of the Offering, the REDT will subscribe for Holding LP Class A Units and in exchange will deliver the Units to be sold pursuant to the Offering to the Holding LP. At the Initial Closing, the day prior to the closing of the Offering, the Holding LP will sell, pursuant to the Final Prospectus, at least 100 Class A Units to at least 150 Purchasers. The day following the Initial Closing, the Holding LP and the REDT will complete the Offering of the Units. In the event that the Offering does not close despite the Initial Closing having closed, the Units sold by the Holding LP pursuant to the Initial Closing shall be automatically redeemed by the REDT in return for the purchase price of $10.00 per Unit paid by the purchasers of such Units.

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 REDT 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 ●, 2024 or such later date as the REDT and the Agent may agree, but in any event not later than ●, 2024. There will be no closing of the Offering unless the Minimum Offering is achieved. 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 ●, 2024, 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 REDT, sold by the Holding LP 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 and/or Class F Units. The Agent's Fee for the Class A 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.

As of the date hereof, the Agent does not beneficially own, directly or indirectly, any securities of the REDT. 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 REDT.

17. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the REDT, 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 REDT and the Agent and is not affiliated with the REDT 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 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 dispositions of properties as being on capital or income account will depend on the specific facts and circumstances relating to each such property. Accordingly, no assurances can be given as to the nature of such gains and losses. However, counsel has been advised, and this summary assumes, that (a) the REDT's interest in the Holding LP will be held on capital account, and (b) that the Holding LP will carry on a business of developing and selling the Project, such that income of the Holding LP arising from such business (including gains and losses in respect thereof) will be on income account.

This summary is based on the facts set out in this Prospectus, certificates as to certain factual matters from an officer of the REDT (the "**Officer Certificate**") and from the Agent (the "**Agent Certificate**" and together with the Officer Certificate, the "**Certificates**"), 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.

For the purposes of this summary and the section "Eligibility for Investment", above, a reference to the REDT is a reference to Plazacorp Willowgrove Residential Real Estate Development Trust only and is not a reference to any other REDT Entity, including the Holding LP, and a reference to "Units" does not include Class C Units.

Status of the REDT

Qualification as a "Mutual Fund Trust"

This summary assumes the REDT will qualify at all relevant times as a "mutual fund trust" within the meaning of the Tax Act and that the REDT 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 REDT 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 Initial Closing and at all times thereafter, and to file the necessary election pursuant to subsection 132(6.1) of the Tax Act so that the REDT will qualify as a "mutual fund trust" throughout its first taxation year. If the REDT were not to qualify as a "mutual fund trust" at all times, the income tax considerations for the REDT and Holders may be materially and adversely different from those described below.

The SIFT Rules

The SIFT Rules tax certain publicly-traded or listed trusts and partnerships in a manner similar to corporations and tax certain distributions from such trusts and partnerships as taxable dividends from a taxable Canadian corporation.

The SIFT Rules apply to a trust or partnership that is a "SIFT trust" or "SIFT partnership" (each as defined in the Tax Act) and its investors. A SIFT trust (or partnership) is generally defined as a Canadian resident trust (or a "Canadian resident partnership", as defined in the Tax Act) if "investments" (as defined in the Tax Act for purposes of the SIFT Rules) in the trust (or partnership) are listed or traded on a stock exchange or other "public market" (as defined in the Tax Act for purposes of the SIFT Rules), and the trust (or partnership) holds one or more "non-portfolio properties" (as defined in the Tax Act). Each of the REDT and the Holding LP is expected to hold non-portfolio property.

However, because the SIFT Rules do not apply to a trust or partnership that does not have "investments" (as defined in the Tax Act for purposes of the SIFT Rules) listed or traded on a stock exchange or other "public market" (as defined in the Tax Act for purposes of the SIFT Rules) (the "**Public Market Exemption**"), provided that the Units and the Holding LP Units are not and will not be listed or traded on a stock exchange or other "public market", the REDT will not be a SIFT trust and the Holding LP will not be a SIFT partnership. In this connection, the Declaration of Trust and the Holding LP Agreement will provide that any transfer of Units or Holding LP Units, as applicable, that would result in such units being transferred on a "public market", as defined for purposes of the SIFT Rules, will be void *ab initio* – see "The REDT – Non-Certificated Inventory System and Transfers of Units" and "The Holding LP – Transfer of the Holding LP Units".

Pursuant to the SIFT Rules, a SIFT trust is not permitted to deduct any amount that it pays or makes payable to its beneficiaries in respect of its aggregate (i) net income from businesses it carries on in Canada; (ii) net income (other than taxable dividends received by the SIFT trust) from its non-portfolio properties; and (iii) net taxable capital gains from dispositions of non-portfolio properties. Distributions which a SIFT trust is unable to deduct will be taxed in the SIFT trust at rates of tax which approximate the combined federal and provincial corporate income tax rates. Distributions of a SIFT trust's income that are not deductible to the SIFT trust will be treated as taxable dividends received from a taxable Canadian corporation. A Unitholder that receives such a distribution will be required to include the distribution in income as a dividend, subject to the enhanced gross-up and dividend tax credit rules normally applicable to eligible dividends received from a taxable Canadian corporation. In general, distributions that are paid as returns of capital will not be subject to the SIFT Rules.

This summary assumes that each of the REDT and the Holding LP will qualify for the Public Market Exemption at all relevant times, and that neither the REDT nor the Holding LP will be a SIFT trust or a SIFT partnership, as applicable. Should these assumptions not be correct, the income tax consequences for Holders may be materially and adversely different from those described in this summary - among other differences, the REDT or the Holding LP may be subject to tax which approximates federal and provincial corporate income taxation, and certain amounts distributed by the REDT may be included in the income of Unitholders for purposes of the Tax Act as taxable dividends.

Taxation of the REDT

The REDT 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 the income of the Holding LP for the Holding LP's fiscal period ending on or before the REDT'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 REDT is the calendar year.

Generally, distributions to the REDT from the Holding LP in excess of its allocated share of the income (including the full amount of any capital gain) of the Holding LP for a fiscal period will result in a reduction in the adjusted cost base to the REDT of its Holding Class A LP Units by the amount of such excess. If, as a result, the adjusted cost base to the REDT of its Holding LP Class A Units at the end of a fiscal period of the Holding LP would otherwise be a negative amount, the REDT would be deemed to realize a capital gain at the Holding LP's fiscal period end equal to the absolute value of such negative amount, and the adjusted cost base to the REDT of its Holding LP Class A Units would then be increased to nil.

A distribution by the REDT of unsecured promissory notes of a Subsidiary of the REDT upon an *in specie* redemption of Units will be treated as a disposition by the REDT of such property for proceeds of disposition equal to the fair market value thereof. The REDT 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 and assuming such property is held on capital account.

In computing its income or loss for purposes of the Tax Act, the REDT 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 REDT 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.

Recent amendments to the Tax Act (the "**EIFEL Rules**") generally limit the deductibility of interest and financing expenses of a Canadian resident corporation or trust that is not an "excluded entity" to a fixed ratio of tax EBITDA (as calculated in accordance with the EIFEL Rules). If the EIFEL Rules apply to the REDT, the amount of interest and other financing expenses otherwise deductible by the REDT may be reduced and the taxable component of distributions by the REDT to its Unitholders may be increased accordingly. The REDT does not expect there to be a material increase to the taxable component of distributions to Unitholders as a result of the EIFEL Rules.

Generally, under the Declaration of Trust, unless the Board otherwise determines, an amount equal to the amount necessary to eliminate the REDT'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 REDT, but excluding capital gains arising in connection with a distribution of unsecured subordinated promissory notes of a Subsidiary of the REDT upon an *in specie* redemption of Units or a Unitholder's proportionate share at the time of the redemption of any capital gains realized by the REDT in the taxation year in which the redemption occurred, which are designated by the REDT to redeeming Unitholders, will be payable in the year to Unitholders. Where such income of the REDT 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 REDT payable to Unitholders, whether in cash, additional Units or otherwise, will generally be deductible by the REDT in computing its income.

Losses incurred by the REDT cannot be allocated to Unitholders, but may be carried forward and deducted by the REDT in computing its taxable income in future years in accordance with the detailed rules and limitations in the Tax Act.

The REDT 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 REDT'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 REDT as a result of a redemption of Units (including any capital gains realized by the REDT on an *in specie* redemption of Units) may, at the discretion of the Board, be treated as income paid or made payable to the redeeming Unitholder in the applicable year. In addition, on the redemption of Units, the REDT 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 REDT in the taxation year in which the redemption occurred. However, the REDT generally will not be entitled to a deduction in computing its income under the Tax Act 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 Board 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 REDT to non-redeeming Unitholders may be adversely affected. Counsel has been advised that the REDT intends, to the extent possible, to administer the redemption of Units in such a manner that no deduction by the REDT should be denied under the Allocations to Redeemers Rule.

Counsel has been advised that the REDT intends to make sufficient distributions in each year of its net income for tax purposes and net realized capital gains so that the REDT 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 Holding LP

The Holding LP is generally not subject to tax under the Tax Act. Each partner of the Holding LP, including the REDT, 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 the Holding LP (subject, in the case of a loss, to the application of the "at-risk rules" described below) for the fiscal period of the Holding LP ending in, or coincidentally with, such taxation year, whether or not such partner has received any distributions from the Holding LP in the year. For this purpose, the income or loss of the Holding LP from any source will be computed for each fiscal period as if the Holding LP was a person resident in Canada and will be allocated to its partners, including the REDT, on the basis of their respective shares of that income or loss as provided for in the Holding LP Agreement. The fiscal period of the Holding LP ends on December 31 of each year.

The Holding LP will acquire the Units it sells to Unitholders in the Offering with a cost to the Holding LP that is equal to the proceeds realized by the Holding LP on the sale of Units to Unitholders. Accordingly, the Holding LP should not realize a gain or loss in connection with the sale of Units in the Offering.

The Holding LP's income will include income arising in connection with the Project, including gains arising on the disposition of portions of development of the Project, and other income arising in connection with the Project. Counsel has been advised that the Holding LP will generally take the position that it carries on a business of developing and selling the Project and, accordingly, income of the Holding LP arising from such business (including gains and losses in respect thereof) will be earned on income account. In computing the income or loss of the Holding LP for purposes of the Tax Act, deductions may generally be claimed in respect of interest on the Holding LP's debts incurred for the purpose of earning income from a business (including development of the Project) or property, operating and development expenses of the Holding LP, and administrative and other expenses incurred for the purpose of earning income from a business or property, including the Asset Management Fee and Promote Fee, to the extent such outlays are reasonable and not capital in nature and subject to other applicable restrictions in the Tax Act. Deductibility of losses allocated to the REDT by the Holding LP may be restricted by the at-risk rules, as described below.

Counsel has been advised that in computing income for the purposes of the Tax Act, and except as otherwise determined, the Holding LP intends to claim the maximum discretionary deductions that are available to it under the Tax Act, except that the Holding LP shall in no case claim any discretionary deductions to the extent that such claims would result in, or increase the amount of, the denial of any deductions for its partners pursuant to the at-risk rules, as described below.

Generally, distributions to the REDT, in excess of its allocated share of the income (including the full amount of any capital gains) of the Holding LP for a fiscal period will result in a reduction of the adjusted cost base of the REDT's interest (including any interest represented by Holding LP Class A Units) in the Holding LP by the amount of such excess, as described above. If at the end of any fiscal period of the Holding LP, the adjusted cost base of the interest (including any interest represented by Holding LP Class A Units) in the Holding LP held by the REDT would otherwise be a negative amount, the REDT 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 interest (including any interest represented by Holding LP Class A Units) in the Holding LP held by the REDT will be increased by the amount of such deemed capital gain to nil.

Where applicable, the EIFEL Rules require a trust that is a member of a partnership that incurs interest and financing expenses to recognize an offsetting income inclusion in respect of all or a portion of the trust's share of such expenses. Under the EIFEL Rules, the REDT 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 Holding LP, and the taxable component of distributions by the REDT to Unitholders may be increased accordingly. The REDT does not expect there to be a material increase to the taxable component of distributions to Unitholders as a result of the EIFEL Rules.

At-risk rules

The Tax Act contains rules (the "**at-risk rules**") which, in general, limit the ability of a limited partner, such as the REDT, of a partnership, such as the Holding LP, 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 the partnership's fiscal period will be equal to 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.

The REDT's share of any loss of the Holding LP that is not deductible by the REDT as a result of the application of the at-risk rules is considered to be a "limited partnership loss" in respect of the Holding LP for that year.

Such limited partnership loss may generally be carried forward and deducted by the REDT in a subsequent taxation year against income for that year to the extent that the REDT's at-risk amount at the end of the Holding LP's last fiscal period ending in that year exceeds the REDT's share of any loss of the Holding LP for that fiscal period, subject to and in accordance with the provisions of the Tax Act.

Taxation of Holders

REDT Distributions

A Holder will generally be required to include in computing income for a particular taxation year the portion of the REDT's net income for a taxation year ending on or before the taxation year-end of the Holder, including net realized taxable capital gains (if any), that the REDT pays or makes payable to the Holder in the taxation year of the REDT, 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. In this connection, the REDT intends to pay cash distributions out of the available cash flow, in an aggregate amount per year that are no less than 50% of the taxable income of the REDT from the Project in a particular year, however there are no assurances that there will be sufficient available cash flow to pay such distributions. See – "See "Description of Securities – The REDT – Distributions".

Provided that the REDT makes appropriate designations under the Tax Act, net taxable capital gains realized by the REDT that are paid or payable, or deemed to be paid or payable, by the REDT 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.

The non-taxable portion of the REDT's net realized capital gains that are paid or payable to a Holder in a taxation year will not be included in computing the Unitholder's income for the year and, where the taxable portion has been designated to the Unitholder, will not reduce the adjusted cost base of Units held by the Unitholder. Any other amount in excess of the net income and net taxable capital gains of the REDT that is paid or payable, or deemed to be paid or payable, by the REDT 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 (other than as proceeds of disposition or deemed 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. See the discussion under "Taxation of Capital Gains and Capital Losses" below.

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 REDT that the Holder is otherwise required to include in income, including any capital gain realized by the REDT in connection with a redemption which the REDT 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 REDT redeems Units, the Holder will also be required to include in income any taxable capital gains that the REDT realizes on or in connection with an *in specie* distribution of unsecured promissory notes of a Subsidiary of the REDT or proportionate share at the time of the redemption of any taxable capital gains realized by the REDT in the taxation year in which the redemption occurred, in either case, which are designated to such Holder. The proceeds of disposition to the redeeming Holder will be equal to the fair market value of the notes distributed by the REDT less any income or capital gain realized by the REDT in connection with such redemption and designated to such Holder. The cost of any notes distributed by the REDT to a Holder upon a redemption of Units will be equal to the fair market value of those notes or that property 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 REDT to a Holder on a redemption of Units generally will not be "qualified investments" under the Tax Act for trusts governed by Plans. See "Eligibility for Investment".

A consolidation of Units of the REDT 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

Subject to the Capital Gains Amendments discussed below, 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 REDT to the Holder in the year, and must generally 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 a 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.

Capital Gains Amendments

Pursuant to Tax Proposals that would amend certain parts of the capital gains regime (the "**Capital Gains Amendments**"), the capital gains inclusion rate generally applicable for the purposes of determining a taxpayer's taxable capital gains and allowable capital losses for a particular taxation year is proposed to be increased from one-half to two thirds. Where allowable capital losses in excess of taxable capital gains realized in a taxation year are applied against taxable capital gains realized in another taxation year for which a different inclusion rate applies, the amount of the net capital loss that can be applied against the taxable capital gains in that year will be adjusted to match the inclusion rate used to compute those taxable capital gains.

The income of a Holder that is an individual (other than certain trusts) for a particular taxation year in which the increased rate applies will be subject to certain adjustments which are intended to effectively reduce such a Holder's net inclusion rate to the original one-half for up to $250,000 of net capital gains realized (or deemed to be realized) by such Holder in the year that are not offset by an amount in respect of capital losses carried back or forward from another taxation year.

Refundable CCPC Tax

A Holder that is, throughout its taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) or that is "substantive CCPC" (as defined in the Tax Act) 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 from 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 REDT to the Holder). Holders that are corporations are advised to consult their own tax advisors concerning the potential impact of such provisions.

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 REDT paid or payable, or deemed to be paid or payable, to the Holder and that is designated as net taxable capital gains.

18. 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 REDT, 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 REDT to be reported to the CRA, unless the investments are held within a Plan. The CRA is expected to provide that information to the IRS.

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.

19. 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 REDT's business, operating results and financial condition could be seriously harmed and Purchasers may lose all of their investment. Risks affecting the REDT 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:

19.1 Risks Related to Real Estate Industry, the Project and the REDT's Business

An investment in Units is an investment in Canadian real estate through the REDT'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 REDT:

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 developed successfully, that the operations of the REDT will be profitable or that cash 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. The REDT's revenues as well as the marketability and value of the Project will depend on many factors beyond the control of the REDT, including, without limitation: (i) changes in general economic conditions (such as the availability, terms and cost of financing); (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) competition from other available properties; (v) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (vi) changes in governmental rules and fiscal policies; (vii) various uninsured or uninsurable risks; (viii) civil unrest; (ix) acts of God and natural disasters; and (x) 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.

Any financing procured for the Project could or will require debt service payments. Future profits, if any, will depend upon various factors, including the growth of Markham, Stouffville and the Greater Toronto Area generally, 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.

The likelihood of success of the REDT 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 REDT fails to address any of these risks or difficulties adequately, its investment performance likely will suffer. There is no assurance that the REDT can operate profitably or that the REDT 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 residential development projects, including: (i) the potential that the REDT may fail to recover expenses already incurred if it abandons the development of the Project; (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 may be greater than anticipated, thereby adversely affecting the REDT's cash flow and liquidity projections; (iv) the cost and timely completion of construction (including risks beyond the REDT's control, such as weather, labour conditions, labour and material shortages and increased labour and materials costs); (v) contractor and subcontractor disputes, strikes, labour disputes or supply disruptions; (vi) delays with respect to obtaining additional required permits and governmental approvals; (vii) changes in real estate, tax, zoning, environmental and land use laws; (viii) environmental risks, including environmental conditions not identified in due diligence and future environmental concerns; (ix) the REDT's ability to complete property sales or otherwise dispose of residential homes 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 REDT's development activities on favourable terms or at all.

The Project's viability and profitability are also dependent on certain development approvals and construction timelines being met. If there should be a significant delay in the provision of services to meet the construction timeline or construction of the Project, the Project's viability and/or profitability may be materially adversely affected.

The Project is also interconnected with other development projects in the geographic area. If the developers of such development projects do not cooperate with respect to shared servicing and other matters that arise during the development of the Project, the Project's viability and/or profitability may be materially adversely affected.

The above risks could result in substantial unanticipated delays or increased costs and expenses and, under certain circumstances, could prevent the initiation of development activities or the completion of development activities once undertaken and affect the operation, profitability and viability of the Project. 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 REDT's cash flows, financial condition or results of operations and its ability to make distributions to Unitholders in the future.

Financing Risks

If a default occurs under any debt financing, the lender could exercise its rights including, without limitation, foreclosure or sale of the Project.

Project Risk

In connection with closing of the Offering, the REDT 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 $804.2 million. If the Project is unable to be developed, there could be a material adverse effect on the REDT's business, cash flows, financial condition and results of operations and ability to make distributions to Unitholders in the future. The REDT does not expect to have cost overruns and the Manager has budgeted contingencies for the Project. However, in the event of a future incremental equity requirement or cost overrun requiring additional equity, the Manager has agreed, among over things, to subscribe for Cost Overrun Units. However, there can be no guarantee that the Manager 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 successful. The potential return to investors depends on the revenues generated by the Project, the pace of sales of the homes being developed under the Project, expenses incurred, costs and time to construct the Project. However, there can be no assurance that such business activities will generate revenues sufficient to meet the return objectives of the REDT.

The Project will be subject to the risks inherent in the marketing, construction and sale of residential homes in Markham and Stouffville, Ontario (including the pace of sales during the Term), including, but not limited to, the inability to obtain construction 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 property market in Markham and Stouffville, Ontario) and general economic conditions, 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, 2023, the Project did not have any 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 Manager acquiring Cost Overrun Units. 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 such 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 REDT does not anticipate that the Project will generate positive cash flows from operations until its completion.

General Competition from Other Real Property Developers

The market for residential homes in Markham and Stouffville, Ontario is competitive, and the Project faces competition with numerous developers continuously undertaking and marketing projects in such market. In the future, this level of competition may increase if and as existing developers become more successful and new developers 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 or other attractive features in any given properties’ catchment area, which may heighten competition for purchasers. Local market conditions play a significant role in how competition affects the Project, in particular on the prices the Project is able to set. In the face of competition, the Project may lose existing and potential residential home buyers, and there may be pressure to discount sale prices below what would otherwise be charged in order to attract buyers. As a result, the Project’s revenues may decrease, which could impair the REDT’s ability to satisfy debt service obligations and its ability to pay distributions.

Environmental Matters

Under various environmental laws, the Holding 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 the Holding LP by third parties. In addition, if hazardous substances are located on, in, under or released from, the Project, the Holding 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 the Holding LP to study, contain, stop and/or remedy any contamination, resolving liabilities to third parties or responding to changed conditions, could have a material adverse effect on the REDT’s business, financial condition and results of operations which may impact the REDT’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 Markham and Stouffville, Ontario and GTA Real Estate Market

The Project is subject to the risks associated with fluctuations in or the volatility of the Markham and Stouffville, Ontario real estate market, and the real estate market of the GTA more broadly. The demand for newly constructed residential homes in Markham and Stouffville, Ontario, and in the GTA generally, is affected by numerous factors, including, but not limited to, interest rates, mortgage rules, rates of immigration to Canada (and to the GTA in particular), the supply of residential homes (including the supply of residential homes in the GTA), and general economic conditions. The Markham and Stouffville, Ontario real estate market is subject to change, and there can be no assurance that demand for newly constructed residential homes in Markham and Stouffville, Ontario will not decline. In addition, recent changes to federal immigration policy that reduced the number of immigrants permitted entry to Canada, and the number of residents granted permanent residency, could adversely affect the demand for residential homes in Markham and Stouffville, Ontario and the GTA. A decrease in demand for, or increase in the supply of, residential homes in Markham and Stouffville, Ontario, or in the GTA, could materially adversely affect the pace of the sales of the homes to be developed pursuant to the Project, the pricing of such homes and the profitability of their sale, and the Project's viability, and, as a result, the Project could be temporarily delayed or cancelled altogether.

Immigration and Population Growth

The Project is subject to the risks associated with the demand for residential homes in Markham and Stouffville, Ontario, and in the GTA generally, which is affected by numerous factors, including, but not limited to, population growth and immigration. While Canada's population grew by 3.2% in 2023 to nearly 40.8 million, primarily driven by increases in immigration in recent years, the federal government has recently announced significant reductions in the number of permanent residents to be accepted in 2025, reducing its previous target of 500,000 to 395,000, with the intent to reduce the number of new permanent residents accepted annually to 365,000 by 2027. This follows an earlier decision by the federal government to reduce the number of international student study permits granted by 35% in 2024, and by an additional 10% in 2025.[61] These reductions, and any further potential reductions which may be announced in the medium term, could adversely affect population growth and the demand for residential homes in Markham and Stouffville, Ontario and the GTA. A decrease in demand for residential homes in Markham and Stouffville, Ontario, or in the GTA, could materially adversely affect the Project's viability, and, as a result, the Project could be temporarily delayed or cancelled altogether.

Geographic Concentration and Local Economic Conditions

The Project is located in Markham and Stouffville, Ontario. As such, the REDT is susceptible to local economic conditions, including the economic conditions of the GTA generally, which impact the supply of and demand for residential 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 REDT owned a more geographically diversified real estate portfolio. An important part of the REDT's business plan is based on the belief that property values for residential properties in such market will continue to improve over the next several years. There can be no assurance as to the extent property values in such market 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 REDT's ability to execute its business plan may be adversely affected, which could adversely affect the REDT's financial condition and operating results.

Natural Disasters and Severe Weather

The Project may be impacted by natural disasters and severe weather, including floods, hurricanes, fires, earthquakes, storms, rising temperatures and other climate-related events, beyond the REDT's control. Depending on their severity, these events could cause significant damage to the Project, interruptions to the construction and development of the Project and increased insurance costs to insure the Project. There may be adverse impacts to the REDT's business if there is disruption or destruction in connection with any of these events, regardless of cause, and the REDT may, as a result, require additional time to complete the construction of the Project and may also be required to incur significant unanticipated costs to manage the impact

[61]https://www.ctvnews.ca/politics/federal-government-to-further-limit-number-of-international-students-1.7042841#:~:text=It's%20the%20government's%20latest%20immigration,the%202024%20target%20of%20485%2C000

of these events. There is also a possibility that the REDT's ability to generate revenues from the Project could be significantly impaired by any disruption or destruction due to any such natural disasters and severe weather-related events.

Regulation and Changes in Applicable Laws

The Project is subject to laws and regulations at the federal, provincial and local level governing the ownership of real property, zoning, building standards, 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 to 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 REDT 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 Project or the restrictions on discharges or other conditions; or (ii) other governmental rules and regulations or enforcement policies affecting the development 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 purchasers.

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 REDT 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 REDT 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 REDT 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, 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. 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.

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 capital. 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 the Holding LP. Failure by the Holding LP to access required capital could have a material adverse effect on the REDT's business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders.

Fluctuations in Interest Rates and Capitalization Rates

Debt financing 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.

Limited Recourse Against Property Vendor

Purchasers of Units under this Prospectus will not have a direct statutory right or any other rights against the Pre-IPO Investors, as vendors of the Project. The sole remedy of the REDT and any of its securityholders will be through the REDT bringing an action against the Pre-IPO Investors for any breach under the Holding LP Interest Purchase Agreement. The Pre-IPO Investors' liability to the REDT under the purchase agreements for breach of representations and warranties is capped at $1,350,000 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 $75,000.

In addition, the Pre-IPO Investors, as vendors, have not made any representation to the REDT, and is not making any representation to investors in the Offering, as to the disclosure in this Prospectus constituting full, true and plain disclosure of all material facts related to the Project, as applicable, or that this Prospectus does not contain a misrepresentation with respect to the Project. Accordingly, the Pre-IPO Investors, as vendors, will not have any liability to investors in the Offering if the Prospectus disclosure relating to the Project does not meet such standard or contains a misrepresentation.

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 the Project in relation to activities that took place prior to the REDT'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 was required to be quickly liquidated, the proceeds to the REDT 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 REDT'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 or property sales to be completed at a lower price. There can be no assurance that the fair market value of the Project will not decrease in the future.

Independent Appraisals

The REDT retained the Appraiser to provide independent estimates of the market value excluding construction soft costs in respect of the Project. See "Description of the Activities of the REDT – The Project – Independent Appraisals". Caution should be exercised in the evaluation and use of appraisal results, which are estimates of market value excluding construction soft costs at a specific point in time. In general, appraisals such as the Independent Appraisals represent only the analysis and opinion of qualified experts as of the effective date of such appraisals and are not guarantees of present or future value. There is no assurance that the assumptions employed in determining the appraised value of the Project are correct as of the date of the Prospectus or that such valuations actually reflect an amount that would be realized upon a current or future sale of the Project or that any projections included in the Independent Appraisals will be attainable. In addition, the Independent Appraisals in respect of the Project each have an effective date of September 30, 2024. As prices in the real estate market fluctuate over time in response to numerous factors, the market value excluding construction soft costs in respect of the Project shown on the Independent Appraisals may be an unreliable indication of their current market value excluding construction soft costs. As such, the associated risk may not yet be priced into the real estate market. Readers of the Independent Appraisals should note the data and comparables used in the Independent Appraisals are data points that occurred in the past and there is projection risk associated with using lagging indicators, and the opinions in the Independent Appraisals are as of a specific point in time and may change in the near term.

Economic Environment

The REDT 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 property sales of residential homes therein, thereby impacting the Project's ability to generate revenues. In addition, fluctuation in interest rates or other financial market volatility may restrict the availability of financing for future prospective purchasers and could potentially reduce the value of the Project and the revenues realized upon the sale of residential homes therein.

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. The effects of disruptive geopolitical events could affect the economies and securities markets of countries in which Plazacorp 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 (each a "**Health Crisis**") could adversely impact the REDT, 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; 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 the reputation or attractiveness of that market. All of these occurrences may have a material adverse effect on the business, cash flows, financial condition and results of operations of the Project.

19.2 Risks Related to the REDT

Holding Entity Structure

As a holding entity, the REDT's ability to meet its obligations, including payment of Operating Expenses and distributions, depends on the receipt by the REDT 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 REDT's Subsidiaries and the distribution of those earnings and other funds to the REDT. The payment of distributions by certain of the REDT'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 REDT's business will be conducted through its Subsidiaries.

Distributions may be Reduced or Suspended

Although the REDT intends to distribute its available cash to Unitholders, such cash distributions may be reduced or suspended.

The Minimum Return payable to holders of Class A Units, Class C Units and Class F 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 development and investment markets generally and therefore the availability and stability of the distributions to Unitholders. Moreover, while the Minimum Return is 8.0% compounded per annum and the Secondary Minimum Return is 20.0% compounded per annum, it may not be equal to 8.0% or 20.0%, as applicable, and does not mean that Unitholders should expect to receive an 8.0% or 20%, as applicable, compounded return per annum and return of their Gross Sale Proceeds before the Promote Fee becomes payable.

Reliance on Assumptions

The REDT's investment objectives and the Manager's strategy have been formulated based on the Manager's analysis and expectations regarding recent economic developments in Canada and the future of the Canadian real estate market generally. Such analysis may be incorrect and such expectations may not be realized.

Payment of Minimum Return and Promote Fee

The amounts calculated as being distributable to Unitholders for purposes of determining the Promote Fee are not the same as the amounts that will be distributed to Unitholders pursuant to the Declaration of Trust.

General Litigation

In the normal course of the REDT'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 REDT and, as a result, could have a material adverse effect of the REDT's assets, liabilities, business, financial condition and results of operations. Even if the REDT 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 REDT's business operations, which could have a material adverse effect on the REDT's business, cash flow, financial condition and results of operations and ability to make distributions to Unitholders. The Development Manager has also agreed to provide the REDT with certain indemnities in respect of certain tax matters relating to the Acquisition. Recourse under such indemnity is to be limited to amounts payable to the Development Manager pursuant to the Development Management Agreement. The REDT may not be able to successfully enforce or recover against any of the indemnities provided by the Development Manager and any such indemnities may not be sufficient to fully indemnify the REIT or may otherwise expire in accordance with their terms.

Potential Conflicts of Interest with Respect to the Trustees and Executive Officers of the REDT

The Trustees will, from time to time, in their individual capacities, deal with parties with whom the REDT may be dealing, or may be seeking investments similar to those desired by the REDT. The interests of these persons could conflict with those of the REDT. Pursuant to the Declaration of Trust, all decisions to be made by the Board which involve the REDT 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 REDT 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 Plazacorp. While the executive officers of the REDT also owe fiduciary and legal duties to the REDT 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 REDT, 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 REDT will be resolved in favour of the REDT. See "The Manager and the Management Agreement – Potential Conflicts of Interest (Manager, Trustees and Officers)".

Potential Conflicts of Interest with Respect to the Manager and its Affiliates

The Manager is a wholly owned subsidiary of Plazacorp, whose sole purpose is to provide services as manager of the REDT. The Development Manager will be a limited partnership of which the Pre-IPO Investors will be limited partners, and of which the general partner will be an affiliate of Plazacorp. While the Manager owes fiduciary, legal and financial duties to the REDT and its Unitholders and the Holding LP, and the Development Manager owes certain duties to the Holding LP, Plazacorp, any of the Pre-IPO Investors or any of their respective affiliates and associates may, at any time, engage in the development of, investment in and management of other real estate properties, which may lead to conflicts of interest between the Manager, as a wholly owned subsidiary of Plazacorp, the Development Manager, and the REDT. Neither Plazacorp nor any of the other Pre-IPO Investors will have any obligation to account to the REDT, the Holding LP or the Unitholders for profits made in such other activities. See "The Manager and the Management Agreement – Potential Conflicts of Interest (Manager, Development Manager, Trustees and Officers)".

Purchasers of Units pursuant to this Offering must rely on the judgement and good faith of the shareholders, directors, officers and employees of the Manager, the Development Manager and their affiliates in resolving the aforementioned conflicts of interest as they may arise.

Insurance Coverage May be Inadequate

The REDT 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 REDT 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 REDT's assets will be reduced by any such uninsured loss. In addition, other than any working capital reserve or other reserves the REDT may establish, it has no source of funding to contribute to repairing or reconstructing any uninsured damaged property.

Reliance on the Manager

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. Moreover, the historical performance of other projects managed by the Manager 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 REDT or the Project.

Limited Operating History

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

19.3 Risks Related to the Offering

Limited Liquidity of Units

There is 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 REDT 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 REDT intends to complete the development of the Project and sale of the residential homes contained therein within four years of the Closing Date (subject to any applicable, permitted extensions), there can be no assurance that the REDT will be wound up or that Unitholders will receive a return of their Gross Sale 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 $75,000,000 of Class A Units and/or Class F Units are sold pursuant to this Offering, Plazacorp or other investors known to Plazacorp will fund the rest of the required equity for the development of the Project through the Equity Commitment by acquiring Holding LP Class B Units or Class C Units of the REDT. In such circumstances, either the REDT's proportionate interest in the Project or an investor's proportionate interest in the REDT will be reduced accordingly.

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 REDT to be remote in the circumstances, that a Unitholder could be held personally liable for the obligations of the REDT to the extent that claims are not satisfied out of the assets of the REDT. It is intended that the affairs of the REDT will be conducted to seek to minimize such risk wherever possible.

Nature of Investment

The Units represent a fractional interest in the REDT and do not represent a direct investment in the REDT's assets and should not be viewed by investors as direct securities of the REDT'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 REDT equivalent to the OBCA or the CBCA which sets out the rights and entitlements of shareholders of corporations in various circumstances. As well, the REDT 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.

19.4 Risks Related to Redemptions

Use of Available Cash

The payment in cash by the REDT of the redemption price of Units will reduce the amount of cash available to the REDT 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 REDT is limited to $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 unsecured subordinated promissory notes of the REDT or a Subsidiary of the REDT, as determined by the Board in its sole discretion. Notes issued or distributed by the REDT on a redemption may be illiquid and generally will not be a qualified investment for trusts governed by Plans. In those circumstances, adverse tax consequences will generally 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. 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.

19.5 Risks Related to Canadian Tax

Mutual Fund Trust Status

For the REDT 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 REDT 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 REDT 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. For instance, in such a case, the Units will cease to be qualified investments for Plans at that time. Furthermore, the REDT may become subject to alternative minimum tax under section 127.5 of the Tax Act and to tax under Part XII.2 of the Tax Act. In addition, Unitholders may become subject to provincial taxes, such as Ontario land transfer tax, in respect of the Units.

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, except in limited circumstances. 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 restrictions on the ownership of Units intended to limit the number of Units held by Non-Residents, such that 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).

The restrictions on the issuance of Units by the REDT to Non-Residents may negatively affect the REDT’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 price at which Units can be sold.

Non-Resident Holders

The Tax Act may impose additional withholding or other taxes on distributions made by the REDT 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. **This Prospectus does not describe the consequences under the Tax Act to Non-Residents of acquiring, holding or disposing of Units, which may be materially and adversely worse than the consequences to Canadian resident Unitholders. Prospective Purchasers who are Non-Residents should consult their own tax advisors.**

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 which may be issued by the REDT on a redemption of Units or other property 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.

The SIFT Rules

Although, as of the date hereof, management expects that the REDT will not be a SIFT trust, and that the Holding LP will not be a SIFT partnership, because the Units and the Holding LP Units are not and will not be listed or traded on a stock exchange or other public market (within the meaning of the SIFT Rules) at all relevant times, there can be no assurance that the REDT or the Holding LP will not to be subject to the tax imposed by the SIFT Rules in 2024 or future years. In this connection, the Declaration of Trust and the Holding LP Agreement will provide that any transfer of Units or Holding LP Units, as applicable, that would result in such units being transferred on a “public market”, as defined for purposes of the SIFT Rules, will be void *ab initio*. Please refer to the discussion under “Certain Canadian Federal Income Tax Considerations – Status of the REDT – The SIFT Rules”.

If the SIFT Rules were to apply to the REDT or the Holding LP, they may have an adverse impact on the REDT and the Unitholders, on the value of the Units, on the ability of the REDT or the Holding LP 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 REDT pays cash distributions in a particular year, it is expected that the REDT will make sufficient distributions (in the form of additional Units if cash distributions are not paid) to ensure that the REDT is not subject to non-refundable tax under Part I of the Tax Act for the year. In particular, to the extent that the Holding LP generates income for purposes of the Tax Act without positive cash flow (due to such income being used to fund the repayment of loans or other non-deductible expenses), then it is expected that the REDT's allocated share of such income will be made payable to Unitholders in the form of additional Units. Accordingly, Unitholders may be subject to tax under the Tax Act on their share of the REDT's income regardless of whether cash distributions are paid. In this connection, the REDT intends to pay cash distributions out of the available cash flow, in an aggregate amount per year that is no less than 50% of the taxable income of the REDT from the Project in a particular year, however there are no assurances that there will be sufficient available cash flow to pay such distributions.

Loss Restriction Event

Pursuant to rules in the Tax Act, if the REDT 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 REDT 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 REDT 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 REDT, 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 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.

Change of Law

There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof or the administrative policies and assessing practices of the CRA will not be changed in a manner that adversely affects the REDT or Unitholders. Any such change could increase the amount of tax payable by the REDT or the other REDT 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 REDT or the sale of Units.

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 their legal, tax and financial advisors prior to making an investment in the Units. The Units should only be purchased by persons who can afford to lose all of their investment.

20. PROMOTER

Plazacorp is considered to be the promoter of the REDT by reason of its initiative in organizing the business of the REDT and taking the steps necessary for the public distribution of the Units, as well as its ownership of the Manager and control of the Development Manager. Prior to Closing, other than the initial Class A Unit issued to Plazacorp, as settlor of the REDT (which will be automatically redeemed upon closing of the Offering), Plazacorp does not, nor do its trustees or officers, beneficially own, control or direct, directly or indirectly, any Units. In connection with the Offering, Plazacorp is not disposing of any interests it will have in the Project and Plazacorp will not receive any of the net proceeds of the Offering on closing of the Offering.

21. LEGAL PROCEEDINGS

To the REDT's knowledge, there are no legal proceedings or regulatory actions material to the REDT 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 REDT to be contemplated. There have been no penalties or sanctions imposed against the REDT 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 REDT and the REDT has not entered into any settlement agreements before a court relating to provincial securities legislation or with any securities regulatory authority since its formation.

22. INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The REDT was only recently formed and has not carried on any business to date. Plazacorp will not receive any of the proceeds of the Offering or Acquisition and all proceeds from the Offering will be allocated to fund the development of the Project. 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 REDT, 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 REDT 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 REDT or any of its Subsidiaries, except that the REDT issued one Class A Unit to the Manager on the formation of the REDT. As disclosed herein:

(a) the REDT will be managed by the Manager pursuant to the Management Agreement (see "The Manager and the Management Agreement" and "Trustees and Executive Officers") and the Manager will be entitled to the aggregate Asset Management Fee from the REDT and the Holding LP, which will only be payable following achievement of the Minimum Return; and

(b) the Development Manager will be entitled to the Development and Construction Management Fee, the Sales Fee and the Promote Fee. See "Description of Securities – The REDT – Distributions".

23. AUDITOR

The auditors of the REDT are BDO Canada LLP, 222 Bay Street, Suite 2200, Toronto, Ontario.

The auditors of each of the financial statements of 5500 19th Avenue Co-Ownership for the years ended December 31, 2023 and the period from October 27, 2022 to December 31, 2022, the carve-out financial statements of Flato Upper Markham Village for the years ended December 31, 2022 and 2021 and the period from January 1, 2023 to April 10, 2023, and the combined financial statements of the Stouffville Development for the years ended December 31, 2023 and 2022 are KPMG LLP, 333 Bay Street, Suite 4600, Toronto, Ontario.

24. 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 REDT".

25. MATERIAL CONTRACTS

The following are the only material agreements, other than contracts entered into in the ordinary course of business, which the REDT 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 10 Wanless Avenue, Suite 201, Toronto, Ontario M4N 1V6 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 REDT".

(b) The Holding LP Agreement – described in “Description of Securities – The Holding LP”.

(c) The Holding LP Interest Purchase Agreement – described in “Description of the Activities of the REDT – The Project – The Holding LP Interest Purchase Agreement”.

(d) The Development Management Agreement – described in “The Project – The Development Management Agreement”.

(e) Management Agreement – described in “The Manager and the Management Agreement – The Management Agreement”.

(f) Agency Agreement – described in “Plan of Distribution – Agency Agreement”.

26. 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 REDT or of an associate of the REDT, or is a promoter of the REDT or of any associate of the REDT.

Certain information relating to the Independent Appraisals 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 REDT, its associates or its affiliates and no interests in property of the REDT, 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 REDT, by Stikeman Elliott LLP, on behalf of the Agent. 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 REDT, its associates or its affiliates and no interests in property of the REDT, 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 REDT, its associates or its affiliates and no interests in property of the REDT, its associates or its affiliates.

BDO Canada LLP has prepared its audit report in respect of the REDT’s statement of financial position, statement of changes in net assets and statement of cash flows which are included in this Prospectus. BDO Canada 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.

KPMG LLP has prepared its audit report in respect of financial statements of 5500 19th Avenue Co-Ownership for the years ended December 31, 2023 and the period from October 27, 2022 to December 31, 2022, the carve-out financial statements of Flato Upper Markham Village for the years ended December 31, 2022 and 2021 and the period from January 1, 2023 to April 10, 2023, and the combined financial statements of the Stouffville Development for the years ended December 31, 2023 and 2022 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.

27. PURCHASERS’ STATUTORY RIGHTS AND OTHER CONTRACTUAL RIGHTS

Securities legislation in certain of the provinces of Canada provides Purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after the later of (a) the date that the REDT (i) filed the prospectus or any amendment on SEDAR+ and a receipt is issued and posted for the document, and (ii) issued and filed a news release on SEDAR+ announcing that the document is accessible through SEDAR +, and (b) the date that the Purchaser has entered into an agreement to purchase the securities or a contract to purchase or a subscription for the securities. In several of the provinces of Canada, the securities legislation further provides a Purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the Purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the Purchaser within the time limit prescribed by the securities legislation of the Purchaser’s province. The Purchaser should refer to any applicable provisions of the securities legislation of the Purchaser's province for the particulars of these rights or consult with a legal advisor.

INDEX TO THE FINANCIAL STATEMENTS

Financial Statements
(Expressed in Canadian dollars)

PLAZACORP WILLOWGROVE RESIDENTIAL REAL ESTATE DEVELOPMENT TRUST

As at and for the one-day period ended November 1, 2024 (date of formation)

Independent Auditor's Report

To the Trustees of Plazacorp Willowgrove Residential Real Estate Development Trust

Opinion

We have audited the financial statements of Plazacorp Willowgrove Residential Real Estate Development Trust (the "Trust"), which comprise the statement of financial position as at November 1, 2024, and the statements of changes in net assets and cash flows for the one-day period then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at November 1, 2024, and its statement of changes in net assets and its cash flows for the one-day period then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust'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 Trust'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 Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

●, 2024

PLAZACORP WILLOWGROVE RESIDENTIAL REAL ESTATE DEVELOPMENT TRUST

Statement of Financial Position
(Expressed in Canadian Dollars)

November 1, 2024 (date of formation)

Assets

Cash	$ 10
Net assets attributed to unitholders (note 3)	$ 10

See accompanying notes to financial statements.

PLAZACORP WILLOWGROVE RESIDENTIAL REAL ESTATE DEVELOPMENT TRUST

Statement of Changes in Net Assets
(Expressed in Canadian Dollars)

One-day period ended ended November 1, 2024 (date of formation)

Net assets attributable to unitholders, beginning of period	$	–
Issuance of unit		10
Net assets attributable to unitholders, end of period	$	10

See accompanying notes to financial statements.

PLAZACORP WILLOWGROVE RESIDENTIAL REAL ESTATE DEVELOPMENT TRUST

Statement of Cash Flows
(Expressed in Canadian Dollars)

One-day period ended ended November 1, 2024 (date of formation)

Cash flows from financing activities:	
Proceeds from issuance of unit	$ 10
Increase in cash, being cash, end of period	$ 10

See accompanying notes to financial statements.

Plazacorp Willowgrove Residential Real Estate Development Trust (the "Trust") is a newly created Trust pursuant to a Declaration of Trust dated November 1, 2024, and is governed by the laws of the Province of Ontario. The Trust was formed for the purpose of indirectly owning an interest in a development project to develop two residential subdivisions comprising 676 residences (467 townhomes and 209 single detached homes), and 297 serviced lots in Markham and Stouffville, Ontario (the "**Project**").

To date, the Trust has not had any 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 10 Wanless Avenue, Suite 201, Toronto, Ontario M4N 1V6, Canada.

1. Basis of presentation:

(a) Statement of compliance:

The Trust's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and using material accounting policies described herein.

The financial statements were approved by the Trustees on ___________.

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 Canadian dollars, which is the functional currency of the Trust.

2. Material accounting policy information:

(a) Cash and cash equivalents:

Cash includes cash on hand and is measured at amortized cost.

3. Units:

The Trust is authorized to issue various classes of Trust interests. Initially, an unlimited number of Class A Units and Class F Units have been authorized for issuance. The Class A Units and Class F Units shall be denominated in Canadian dollars.

The Declaration of Trust contains certain redemption rights requiring the Trust to repurchase the initial unit issued and, therefore, it is considered a puttable instrument 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 events:

The Trust entered into an agency agreement dated ___________ , pursuant to which it filed a final prospectus dated ___________ in each of the provinces of Canada in connection with its initial public offering to sell a minimum of $60,000,000 and a maximum of $75,000,000 of Class A Units and/or Class F Units at a price of $10 per Class A Unit and Class F Unit (the "Offering"). Costs related to the Offering include agents' fees of $0.60 for each Class A Unit and Class F Unit.

The closing of the transactions contemplated by this prospectus is scheduled to occur in ___________

Concurrent with or immediately following closing of the Offering, the Trust has agreed to indirectly acquire an interest in the Project.

5500 19th AVENUE CO-OWNERSHIP

UNAUDITED INTERIM FINANCIAL STATEMENTS

JUNE 30, 2024

5500 19th AVENUE CO-OWNERSHIP

UNAUDITED INTERIM FINANCIAL STATEMENTS

JUNE 30, 2024

CONTENTS

5500 19th AVENUE CO-OWNERSHIP
UNAUDITED INTERIM STATEMENTS OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at	**June 30, 2024**	**December 31, 2023**
ASSETS		
Cash	$ 371	$ 7,145
Accounts receivable	73,039	51,335
Prepaid expenses	11,483	1,859
Land under development (Note 4 & 6)	70,172,780	68,021,093
	$ 70,257,673	$ 68,081,432
LIABILITIES AND OWNERS' SURPLUS		
Liabilities		
Accounts payables and accrued liabilities	271,877	344,953
Revolving term loan	3,750,000	2,716,893
Non-revolving term loan	38,103,709	38,010,987
Due to related party (Note 6)	716,500	—
	42,842,086	41,072,833
Owners' surplus	27,415,587	27,008,599
	$ 70,257,673	$ 68,081,432

Subsequent Event (Note 12)

Approved by the Owners:

/s/ "*Robert Jacobs*"
Robert Jacobs, Director

/s/ "*Berardino Quinto*"
Berardino Quinto, Director

See accompanying notes to the financial statements.

5500 19th AVENUE CO-OWNERSHIP
UNAUDITED INTERIM STATEMENTS OF CHANGES IN OWNERS' SURPLUS
(All Amounts are in Canadian Dollars)

For the Six Months Ended June 30,	2024	2023
Balance, January 1,	$ 27,008,599	$ 30,552,644
Contributions (Withdrawals)	406,988	(3,926,704)
Net loss and comprehensive loss	—	—
Balance, June 30,	$ 27,415,587	$ 26,625,940

See accompanying notes to the financial statements.

5500 19th AVENUE CO-OWNERSHIP
UNAUDITED INTERIM STATEMENTS OF CASH FLOWS
(All Amounts are in Canadian Dollars)

For the six months ended June 30,	**2024**	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	$ —	$ —
Net change in operating assets and liabilities		
Accounts receivables	(21,704)	(21,505)
Prepaid expenses	(9,624)	18,059
Accounts payable and accrued liabilities	(73,076)	84,502
Deposit on land acquisition	—	(1,267,685)
Additions to land under development	(301,912)	(32,988,500)
Interest paid	(1,757,053)	(696,202)
CASH FLOWS USED IN OPERATING ACTIVITIES	(2,163,369)	(34,871,331)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances related parties	716,500	—
Advances from revolving term loan	1,033,107	1,091,844
Advances from non-revolving term loan	—	38,250,000
Finance costs	—	(409,208)
Contributions (Withdrawals) by owners	406,988	(3,926,704)
CASH FLOWS USED FROM FINANCING ACTIVITIES	2,156,595	35,005,932
NET (DECREASE) INCREASE IN CASH	(6,774)	134,601
CASH – Beginning of the period	7,145	—
CASH – End of the period	$ 371	$ 134,601

See accompanying notes to the financial statements.

1. Nature of Organization

Description of the Business

5500 19th Avenue Co-Ownership (the "**Co-ownership**") is a co-ownership between Orca McCowan Inc., 2862276 Ontario Inc. and Cranson Capital UMV Limited Partnership (formerly Cranson Capital Real Estate Development LP) (the "**Co-owners**") created pursuant to a Joint Venture Agreement dated October 27, 2022 under the name 5474 19th Avenue Co-Ownership. Subsequently, the Co-Ownership changed its name to 5500 19th Avenue. The Co-Ownership is governed by the laws of the Province of Ontario. The Co-Ownership was formed for the purpose of owning a 100% interest in the construction development project located at 5500 19th Avenue, Markham, Ontario (the "**Property**") as further defined in Note 4.

The registered and head office of the Co-Ownership is 20 Holly Street, Suite 103, Toronto, Ontario, M4S 3B1.

To date, there have been no operations other than the re-zoning and pre-development costs for the Property. During all periods presented in the Financial Statements, the Property was controlled by the Co-Owners. The Co-ownership has entered into an initial public offering process through the Ontario Securities Commission. The transaction contemplates an offering of trust units of the Plazacorp Willowgrove Residential Real Estate Development Trust (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 the Property (the "**IPO Transaction**").

2. Basis of Presentation

***Going Concern and Basis of* Accounting**

These Financial Statements have been prepared on a going concern basis, which contemplates that the Co-ownership 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, 2023, the Co-Ownership had a working capital deficiency of $42,757,193 (December 31, 2023 – working capital deficiency of $284,614), primarily from the incurred land development costs. The Co-ownership 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 term loans, 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 term loans and other liabilities, including its general operations, as they come due will be satisfied from either the IPO Transaction, by further refinancing of the term loans or by additional contributions from the Co-owners. The Co-ownership may also receive continued financial support from the Co-owners or obtain additional financing to alleviate the financing concerns. Although the Co-ownership has been successful in the past at obtaining term loans and receiving the support of the Co-owners, there can be no assurance that the Co-ownership will be able to obtain these in the future. These matters represent material uncertainties that may cast significant doubt on the Co-ownership's ability to continue as a going concern.

These Financial Statements do not reflect the adjustments to the carrying amounts of assets and liabilities that might be necessary should the Co-ownership be unable to continue as a going concern. These adjustments may be material.

Statement of Compliance

These Financial Statements have been prepared by management in accordance with International Accounting Standards ("**IAS**") 34 – Interim Financial Reporting under IFRS Accounting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and using accounting policies described herein.

These financial statements ("**Financial Statements**") were approved by the Co-owners on •, 2024.

Basis of Measurement
The financial statements have been prepared on the historical cost basis.

Critical Judgments and Estimates
The preparation of 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 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 Financial Statements include the following:

(i) 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 acquisition as no core processes were acquired.

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) Land under development
As inputs into the determination of estimated net realizable value, management engages an independent valuator to provide an appraisal of the land under development using the comparable sales method and uses an internal valuation process to fair value the development activity to date based primarily on costs incurred. The significant assumptions used when determining the net realizable value of land under development include the selection of comparable transactions and market value per unit of measure.

3. Material Accounting Policy Information

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

Land Under Development and cost of revenues
Land under development is stated at the lower of cost and net realizable value. Cost includes land acquisition, land development, and home construction costs, including interest, real estate taxes, and certain direct and indirect overhead costs related to development and construction. For those communities for which construction and development activities have been idled, applicable interest and real estate taxes are expensed as incurred. Land acquisition and development costs are allocated to individual lots using an average lot cost determined based on the total expected land acquisition and development costs and the total expected home closings for the community. The specific identification method is used to accumulate home construction costs.

Interest is capitalized into homebuilding inventories. Cost of revenues includes the construction cost, average lot cost, and estimated warranty costs applicable to the home. Sales commissions are classified within selling, general, and administrative expenses. The construction cost of the home includes amounts paid through the closing date of the home, plus an accrual for costs incurred but not yet paid. Total community land acquisition and development costs are based on an analysis of budgeted costs compared with actual costs incurred to date and estimates to complete. Adjustments to estimated total land acquisition and development costs for the community affect the amounts costed for the community's remaining lots.

Inventory is tested for impairment when events and circumstances indicate that the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale (net recoverable amount) may be less than its carrying amount. Such indicators include gross margins or sales paces significantly below expectations, construction costs or land development costs significantly in excess of budgeted amounts, significant delays or changes in the planned development or strategy for the community, and other known qualitative factors. Impairment charges are recorded for those communities whose carrying values exceed their net recoverable amount.

Income taxes

The Co-ownership, as presented in these financial statements, is not a legal entity. As such, any income tax liabilities will be reported by the Owners. In certain instances, the Co-ownership may be subject to certain provincial and local taxes.

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 Co-ownership's business model and by the characteristics of the financial asset's contractual cash flows.

The following summarizes the Co-ownership's classification and measurement of financial assets and financial liabilities:

Financial assets/liabilities	Classification
Cash	Amortized cost
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Revolving Term Loan	Amortized cost
Non-revolving Term Loan	Amortized cost

Financial assets and financial liabilities are initially recognized when the Co-ownership 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.

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 Co-ownership 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 Co-ownership's contractual rights to the cash flows from the financial assets expire, or if the Co-ownership 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 financial statement date with net gains and losses, including interest or dividend income, recognized in profit and loss.

Financial liabilities are classified as amortized costs 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 Co-ownership'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 Co-ownership does not hold derivative financial instruments for hedging purposes.

Impairment of financial assets
The Co-ownership 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 statements of financial position. Impairment losses, if incurred, would be recorded in administrative expenses in the statements of income and comprehensive income. 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 statements of income and comprehensive income. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

Fair value measurements
The Co-ownership discloses the fair value of its financial instruments. 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 Co-ownership.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interests.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Co-ownership 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 financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;

- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Co-ownership 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 period.

Amendments to IAS 1, Presentation of financial statements ("IAS 1")
On January 23, 2020, the International Accounting Standards Board ("**IASB**") issued amendments to International Accounting Standards ("**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 Co-ownership intends to adopt the Amendments when the standard becomes effective, on January 1, 2024, and are not expected to have a material impact on its financial statements.

4. Land Under Development

In April 2023, the Co-ownership acquired the Property which is located north of 19th Avenue and east of McCowan Road in Markham, Ontario ("**Upper Markham Village**" or "**UMV**"). Under the terms of the purchase agreement, the Co-ownership reconveyed 8 single-family lots and Block 243 to the vendor.

The Property is located at 5500 19th Avenue, Markham, Ontario and consists of part lot 31 concession 7, designated as Part 1 (excluding lots 196 to 203) and Part 3 (excluding Block 243) on Plan 65R40295.

(Expressed in Canadian Dollars)

The changes in property under development are as follows:

Opening Balance, January 1,2023	$	—
Acquisition of land under development		64,728,280
Development costs		684,905
Financing costs capitalized on term loans		2,607,908
Balance, December 31, 2023		68,021,093
Development costs		301,912
Financing costs capitalized on term loans		1,849,775
Balance, June 30, 2024	$	70,172,780

Land under development is expected to be recovered after more than twelve months.

5. Term Loans

On April 4, 2023, the Co-ownership entered into a secured loan agreement with RBC Royal Bank ("**RBC Loan**"). The RBC Loan is comprised of two facilities secured by the Property: (i) a $38,250,000 non-revolving term loan and (ii) a $3,750,000 revolving term loan. The interest rate on the term loans is prime plus 1.25% per annum with no principal payments due until maturity being March 31, 2025, with an effective interest rate of approximately 8.99%. The RBC Loan is guaranteed by a director of Torca UMV Inc. ("**TUMV**") (Note 6). In establishing the RBC Loan, the Co-ownership incurred $409,208 in deferred financing costs that it is amortizing over the life of the loan. As at June 30, 2024, there remained $146,291 (December 31, 2023 - $239,013) in deferred financing costs to amortize.

The following schedule presents the cash flows and non-cash changes within the total loans and borrowings:

Loans and borrowings, January 1, 2023	$	—
Cash flows		
Proceeds from issuance of revolving term loan		2,716,893
Proceeds from issuance of non-revolving term loan		38,250,000
Payments of financing costs		(409,208)
		40,557,685
Non-cash Changes		
Amortization of deferred financing costs		170,195
		170,195
Loans and borrowings, December 31, 2023	$	40,727,880
Cash flows		
Proceeds from issuance of revolving term loan		1,033,107
		1,033,107
Non-cash Changes		
Amortization of deferred financing costs		92,722
		92,722
Loans and borrowings, June 30, 2024	$	41,853,709

Amortization of deferred financing charges of $92,722 have been capitalized to land under development.

(Expressed in Canadian Dollars)

6. Related Party Transactions

The Co-ownership does not employ key management personnel.

In addition to the related party transactions disclosed elsewhere, related party transactions include the following loan guarantee fee charged by one of the directors of TUMV (note 5):

For the three month periods ended June 30,	2024	2023
Deferred financing charges – Plazacorp Investments Limited, related by common director	$ —	$ 113,918

For the six month periods ended June 30,	2024	2023
Deferred financing charges – Plazacorp Investments Limited, related by common director	$ —	$ 113,918

Due to Related Parties are principally comprised of amounts outstanding relating to funds being advanced for operations which are interest-free and due on demand.

Amounts due as at	June 30, 2024	December 31, 2023
Due to Related Parties – Helmsbridge Holding ULC, related by common director	$ 716,500	$ —

All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties.

7. Segment Reporting

The Co-Ownership owns a single land development site located in Ontario, Canada. Management, when measuring the Co-Ownership's performance, does not distinguish or group its operations on a geographical or any other basis. Accordingly, the Co-Ownership has a single reportable segment for disclosure purposes in accordance with IFRS.

8. Contingencies

The Co-Ownership 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.

9. Risk Management

The Co-ownership's activities expose it to market risk and liquidity risk. Risk management is carried out by the management of the Co-ownership. The Co-ownership's overall risk management strategy seeks to minimize potential adverse effects on the Co-ownership'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.

(Expressed in Canadian Dollars)

The RBC Loan is subject to variable interest rates which can result in fluctuations in the cost of borrowing. As at the periods ended June 30, 2024 and December 31, 2023 a 25 basis-point change in interest rates, assuming all other variables are constant, would result in a $105,118 change in the amount of interest incurred by the Co-ownership. Further, higher inflationary pressures can cause 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 Co-ownership has no exposure to currency or other market price risk.

(b) Liquidity risk:
Liquidity risk is the risk that the Co-ownership will encounter difficulty in meeting obligations associated with its financial liabilities, such as bank loans, accounts payable and accrued liabilities that are settled by delivering cash or another financial asset.

The following were the contractual maturities of financial liabilities and other commitments as at June 30, 2024:

		Payments by Periods			
	Carrying Amount	Contractual Cash Flows	< 1 Year	1 - 2 Years	After 3 Years
Accounts payable	$ 271,877	$ 271,877	$ 271,877	$ —	$ —
Revolving term loan	3,750,000	3,750,000	3,750,000	—	—
Non-revolving term loan	38,103,709	38,250,000	38,250,000	—	—
Due to related parties	716,500	716,500	716,500	—	—

The Co-ownership manages its liquidity risk by preparing budgets and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations. The Co-ownership mitigates liquidity risk by maintaining relationships with various lenders, and capital commitments by its owners to fund its liabilities as they become due.

Management believes that the repayment of the term loans which are due no later than March 2025 and future funding of operations will be satisfied from either the IPO Transaction, further refinancing of the term loans or additional contributions from its owners. As disclosed in note 1(a), there is no assurance that these events will occur.

10. Fair Value Measurement

The Co-ownership holds two term loans which bear interest at a variable rate. The carrying value of the term loans at each financial statement date approximates its fair value as the interest rate reacts to current market conditions.

The Co-ownership estimates the fair value of the term loans based on the rates that could be obtained for similar debt instruments with similar terms and maturities. The fair value of the term loans 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 Co-ownership's other financial assets and liabilities, approximate their recorded values due to their short-term nature.

11. Capital Risk Management

The Co-ownership's capital consists of two term loans and owners' surplus.

As at June 30, 2024, the principal amount of outstanding term loans amounted to $42,000,000 (December 31, 2023 - $40,966,893). The Co-ownership'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 Co-ownership 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 Co-ownership'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.

12. Subsequent Event

Subsequent to June 30, 2024, the Co-Ownership entered into an agreement to sell the Property to a subsidiary of the Trust and borrowed an additional $855,000 being advances for operations which are interest-free and due on demand from Helmsbridge Holding ULC.

5500 19th AVENUE CO-OWNERSHIP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023 AND THE PERIOD FROM OCTOBER 27, 2022 TO DECEMBER 31, 2022

5500 19th AVENUE CO-OWNERSHIP

FINANCIAL STATEMENTS

DECEMBER 31, 2023 and 2022

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Co-owners of the of 5500 19th Avenue Co-Ownership,

Opinion

We have audited the financial statements of 5500 19th Avenue Co-Ownership (the "Property"), which comprise:

- the statements of financial position as at December 31, 2023 and December 31, 2022
- the statements of changes in owners' surplus for the year ended December 31, 2023 and the period from October 27, 2022 to December 31, 2022
- the statements of cash flows for the year ended December 31, 2023 and the period from October 27, 2022 to December 31, 2022
- 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 Property as at December 31, 2023 and December 31, 2022 and its financial performance and its cash flows for the year ended December 31, 2023 and the period from October 27, 2022 to December 31, 2022 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 Property 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that in order for the Co-Ownership to fund its operations and meet its obligations, the Co-Ownership requires additional funding.

As stated in Note 2 in the financial statements, these events or conditions, along with other matters as set forth in Note 2 in the financial statements, indicate that material uncertainties exist that may cast significant doubt on the Property's ability to continue as a going concern.

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 Property’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 Property or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property'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 Property'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 Property to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada

5500 19th AVENUE CO-OWNERSHIP
STATEMENTS OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at December 31,		**2023**		**2022**
		ASSETS		
Current Assets				
Cash	$	7,145	$	—
Accounts receivable		51,335		—
Deposit		—		30,532,315
Prepaid expenses		1,859		20,329
Land under development (Note 4 & 6)		68,021,093		—
	$	68,081,432	$	30,552,644
		LIABILITIES AND OWNERS' SURPLUS		
Liabilities				
Accounts payables and accrued liabilities		344,953		—
Revolving term loan		2,716,893		—
Non-revolving term loan		38,010,987		—
		41,072,833		—
Owners' surplus		27,008,599		30,552,644
	$	68,081,432	$	30,552,664

Subsequent Event (Note 12)

Approved by the Owners:

/s/ "*Robert Jacobs*"
Robert Jacobs, Director

/s/ "*Berardino Quinto*"
Berardino Quinto, Director

5500 19th AVENUE CO-OWNERSHIP
STATEMENTS OF CHANGES IN OWNERS' SURPLUS
(All Amounts are in Canadian Dollars)

	Year ended December 31, 2023	Period from October 27, 2022 to December 31, 2022
Balance, beginning of period	$ 30,552,644	$ —
(Withdrawals) Contributions	(3,544,045)	30,552,644
Net loss and comprehensive loss	—	—
Balance, December 31,	$ 27,008,599	$ 30,552,644

See accompanying notes to the financial statements.

5500 19th AVENUE CO-OWNERSHIP
STATEMENTS OF CASH FLOWS
(All Amounts are in Canadian Dollars)

	Year ended December 31, 2023	Period from October 27, 2022 to December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	$ —	$ —
Net change in operating assets and liabilities		
Accounts receivables	(51,335)	—
Prepaid expenses	18,470	(20,329)
Accounts payable and accrued liabilities	344,953	—
Deposit on land acquisition	(1,267,685)	(30,532,315)
Additions to land under development	(33,618,185)	—
Interest paid	(2,432,713)	—
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(37,006,495)	(30,552,644)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from revolving term loan	2,716,893	—
Advances from non-revolving term loan	38,250,000	—
Finance costs	(409,208)	—
Contributions (Withdrawals) by owners	(3,544,045)	30,552,644
CASH FLOWS USED FROM FINANCING ACTIVITIES	37,013,640	30,552,644
NET INCREASE IN CASH	7,145	—
CASH – Beginning of the period	—	—
CASH – End of the period	$ 7,145	$ —

See accompanying notes to the financial statements.

1. Nature of Organization

Description of the Business

5500 19th Avenue Co-Ownership (the "**Co-ownership**") is a co-ownership between Orca McCowan Inc., 2862276 Ontario Inc. and Cranson Capital UMV Limited Partnership (formerly Cranson Capital Real Estate Development LP) (the "**Co-owners**") created pursuant to a Joint Venture Agreement dated October 27, 2022 under the name 5474 19th Avenue Co-Ownership. Subsequently, the Co-Ownership changed its name to 5500 19th Avenue. The Co-Ownership is governed by the laws of the Province of Ontario. The Co-Ownership was formed for the purpose of owning a 100% interest in the construction development project located at 5500 19th Avenue, Markham, Ontario (the "**Property**") as further defined in Note 4.

The registered and head office of the Co-Ownership is 20 Holly Street, Suite 103, Toronto, Ontario, M4S 3B1.

To date, there have been no operations other than the re-zoning and pre-development costs for the Property. During all periods presented in the Financial Statements, the Property was controlled by the Co-Owners. The Co-ownership has entered into an initial public offering process through the Ontario Securities Commission. The transaction contemplates an offering of trust units of the Plazacorp Willowgrove Residential Real Estate Development Trust (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 the Property. (the "**IPO Transaction**").

2. Basis of Presentation

***Going Concern and Basis of* Accounting**

These Financial Statements have been prepared on a going concern basis, which contemplates that the Co-ownership 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, 2023, the Co-ownership had a working capital deficiency of $284,614, primarily from the incurred land development costs. The Co-ownership 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 term loans, 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 term loans and other liabilities, including its general operations, as they come due will be satisfied from either the IPO Transaction, by further refinancing of the term loans or by additional contributions from the Co-owners. The Co-ownership may also receive continued financial support from the Co-owners or obtain additional financing to alleviate the financing concerns. Although the Co-ownership has been successful in the past at obtaining term loans and receiving the support of the Co-owners, there can be no assurance that the Co-ownership will be able to obtain these in the future. These matters represent material uncertainties that may cast significant doubt on the Co-ownership's ability to continue as a going concern.

These Financial Statements do not reflect the adjustments to the carrying amounts of assets and liabilities that might be necessary should the Co-ownership be unable to continue as a going concern. These adjustments may be material.

Statement of Compliance

These Financial Statements have been prepared by management in accordance with IFRS Accounting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**") and using accounting policies described herein.

These financial statements ("**Financial Statements**") were approved by the Co-owners on •, 2024.

Basis of Measurement
The financial statements have been prepared on the historical cost basis.

Critical Judgments and Estimates
The preparation of 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 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 Financial Statements include the following:

(i) 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 acquisition as no core processes were acquired.

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) Land under development
As inputs into the determination of estimated net realizable value, management engages an independent valuator to provide an appraisal of the land under development using the comparable sales method and uses an internal valuation process to fair value the development activity to date based primarily on costs incurred. The significant assumptions used when determining the net realizable value of land under development include the selection of comparable transactions and market value per unit of measure.

3. Material Accounting Policy Information

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

Land Under Development and cost of revenues
Land under development is stated at the lower of cost and net realizable value. Cost includes land acquisition, land development, and home construction costs, including interest, real estate taxes, and certain direct and indirect overhead costs related to development and construction. For those communities for which construction and development activities have been idled, applicable interest and real estate taxes are expensed as incurred. Land acquisition and development costs are allocated to individual lots using an average lot cost determined based on the total expected land acquisition and development costs and the total expected home closings for the community. The specific identification method is used to accumulate home construction costs.

Interest is capitalized into homebuilding inventories. Cost of revenues includes the construction cost, average lot cost, and estimated warranty costs applicable to the home. Sales commissions are classified within selling, general, and administrative expenses. The construction cost of the home includes amounts paid through the closing date of the home, plus an accrual for costs incurred but not yet paid. Total community land acquisition and development costs are based on an analysis of budgeted costs compared with actual costs incurred to date and estimates to complete. Adjustments to estimated total land acquisition and development costs for the community affect the amounts costed for the community's remaining lots.

Inventory is tested for impairment when events and circumstances indicate that the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale (net recoverable amount) may be less than its carrying amount. Such indicators include gross margins or sales paces significantly below expectations, construction costs or land development costs significantly in excess of budgeted amounts, significant delays or changes in the planned development or strategy for the community, and other known qualitative factors. Impairment charges are recorded for those communities whose carrying values exceed their net recoverable amount.

Income taxes
The Co-ownership, as presented in these financial statements, is not a legal entity. As such, any income tax liabilities will be reported by the Owners. In certain instances, the Co-ownership may be subject to certain provincial and local taxes.

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 Co-ownership's business model and by the characteristics of the financial asset's contractual cash flows.

The following summarizes the Co-ownership's classification and measurement of financial assets and financial liabilities:

Financial assets/liabilities	**Classification**
Cash	Amortized cost
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Revolving Term Loan	Amortized cost
Non-revolving Term Loan	Amortized cost

Financial assets and financial liabilities are initially recognized when the Co-ownership 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.

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 Co-ownership 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 Co-ownership's contractual rights to the cash flows from the financial assets expire, or if the Co-ownership 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 financial statement date with net gains and losses, including interest or dividend income, recognized in profit and loss.

Financial liabilities are classified as amortized costs 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 Co-ownership'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 Co-ownership does not hold derivative financial instruments for hedging purposes.

Impairment of financial assets
The Co-ownership 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 statements of financial position. Impairment losses, if incurred, would be recorded in administrative expenses in the statements of income and comprehensive income. 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 statements of income and comprehensive income. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

Fair value measurements
The Co-ownership discloses the fair value of its financial instruments. 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 Co-ownership.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interests.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Co-ownership 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 financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Co-ownership 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.

Amendments to IAS 1, Presentation of financial statements ("IAS 1")

On January 23, 2020, the International Accounting Standards Board ("**IASB**") issued amendments to International Accounting Standards ("**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 Co-ownership intends to adopt the Amendments when the standard becomes effective, on January 1, 2024, and are not expected to have a material impact on its financial statements.

4. Land Under Development

In April 2023, the Co-ownership acquired the Property which is located north of 19th Avenue and east of McCowan Road in Markham, Ontario ("**Upper Markham Village**" or "**UMV**"). Under the terms of the purchase agreement, the Co-ownership reconveyed 8 single-family lots and Block 243 to the vendor.

The Property is located at 5500 19th Avenue, Markham, Ontario and consists of part lot 31 concession 7, designated as Part 1 (excluding lots 196 to 203) and Part 3 (excluding Block 243) on Plan 65R40295.

The changes in property under development are as follows:

(Expressed in Canadian Dollars)

	2023	2022
Opening Balance, beginning of the period	$ —	$ —
Acquisition of land under development	64,728,280	—
Development costs	684,905	—
Financing costs capitalized on term loans	2,607,908	—
Balance, December 31,	$ 68,021,093	$ —

Land under development is expected to be recovered after more than twelve months.

5. Term loans

On April 4, 2023, the Co-ownership entered into a secured loan agreement with RBC Royal Bank ("**RBC Loan**"). The RBC Loan is comprised of two facilities secured by the Property: (i) a $38,250,000 non-revolving term loan and (ii) a $3,750,000 revolving term loan. The interest rate on the term loans is prime plus 1.25% per annum with no principal payments due until maturity being March 31, 2025, with an effective interest rate of approximately 8.99%. The RBC Loan is guaranteed by a director of Torca UMV Inc. ("**TUMV**") (Note 6). In establishing the RBC Loan, the Co-Ownership incurred $409,208 in deferred financing costs that it is amortizing over the life of the loan. As at December 31, 2023, there remained $239,013 (December 31, 2022 - $Nil) in deferred financing costs to amortize.

The following schedule presents the cash flows and non-cash changes within the total loans and borrowings:

	2023	2022
Loans and borrowings, beginning of the period	$ —	$ —
Cash flows		
Proceeds from issuance of revolving term loan	2,716,893	—
Proceeds from issuance of non-revolving term loan	38,250,000	—
Payments of financing costs	(409,208)	—
	40,557,685	—
Non-cash Changes		
Amortization of deferred financing costs	170,195	—
	170,195	—
Loans and borrowings, December 31,	$ 40,727,880	$ —

Amortization of deferred financing charges of $170,195 have been capitalized to land under development.

6. Related Party Transactions

The Co-ownership does not employ key management personnel

In addition to the related party transactions disclosed elsewhere, related party transactions include the following loan guarantee fee charged by one of the directors of TUMV (note 5):

For the year ended December 31,	2023	2022
Deferred financing charges - Plazacorp Investments Limited, related by common director	$ 113,918	$ —

All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties.

(Expressed in Canadian Dollars)

7. Segment Reporting

The Co-Ownership owns a single land development site located in Ontario, Canada. Management, when measuring the Co-Ownership's performance, does not distinguish or group its operations on a geographical or any other basis. Accordingly, the Co-Ownership has a single reportable segment for disclosure purposes in accordance with IFRS.

8. Contingencies

The Co-Ownership 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.

9. Risk Management

The Co-ownership's activities expose it to market risk and liquidity risk. Risk management is carried out by the management of the Co-ownership. The Co-ownership's overall risk management strategy seeks to minimize potential adverse effects on the Co-ownership'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 RBC Loan is subject to variable interest rates which can result in fluctuations in the cost of borrowing. As at the years ended December 31, 2023 and 2022, a 25 basis-point change in interest rates, assuming all other variables are constant, would result in a $101,820 (December 31, 2022 - $Nil) change in the amount of interest incurred by the Co-ownership. Further, higher inflationary pressures can cause 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 Co-ownership has no exposure to currency or other market price risk.

(b) Liquidity risk:
Liquidity risk is the risk that the Co-ownership will encounter difficulty in meeting obligations associated with its financial liabilities, such as bank loans, accounts payable and accrued liabilities 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, 2023:

	Payments by Periods				
	Carrying Amount	Contractual Cash Flows	< 1 Year	1 - 2 Years	After 3 Years
Accounts payable	$ 344,953	$ 344,953	$ 344,953	$ —	$ —
Revolving term loan	2,716,893	2,716,893	—	2,716,893	—
Non-revolving term loan	38,010,987	38,250,000	—	38,250,000	—

The Co-ownership manages its liquidity risk by preparing budgets and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations. The Co-ownership mitigates liquidity risk by maintaining relationships with various lenders, and capital commitments by its owners to fund its liabilities as they become due.

Management believes that the repayment of the term loans which are due no later than March 2025 and future funding of operations will be satisfied from either the IPO Transaction, further refinancing of the term loans or additional contributions from its owners. As disclosed in note 1(a), there is no assurance that these events will occur.

10. Fair Value Measurement

The Co-ownership holds two term loans which bear interest at a variable rate. The carrying value of the term loans at each financial statement date approximates its fair value as the interest rate reacts to current market conditions.

The Co-ownership estimates the fair value of the term loans based on the rates that could be obtained for similar debt instruments with similar terms and maturities. The fair value of the term loans 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 Co-ownership's other financial assets and liabilities approximate their recorded values due to their short-term nature.

11. Capital Risk Management

The Co-ownership's capital consists of two-term loans and the owners’ surplus.

As at December 31, 2023, the principal amount of outstanding term loans amounted to $40,966,893 (2023 - $Nil). The Co-ownership'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 Co-ownership 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 Co-ownership’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.

12. Subsequent Event

Subsequent to December 31, 2023, the Co-Ownership entered into an agreement to sell the Property to a subsidiary of the Trust and borrowed an additional $1,572,000 being advances for operations which are interest-free and due on demand from Helmsbridge Holding ULC, a related party.

FLATO DEVELOPMENTS INC.

FLATO UPPER MARKHAM VILLAGE

INTERIM CARVE-OUT FINANCIAL STATEMENTS

FOR THE PERIOD ENDED APRIL 10, 2023

FLATO UPPER MARKHAM VILLAGE

INTERIM CARVE-OUT FINANCIAL STATEMENTS

APRIL 10, 2023

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Owner of the Flato Upper Markham Village,

Opinion

We have audited the interim carve-out financial statements of the Flato Upper Markham Village (the "Property"), which comprise:

- the interim carve-out statements of financial position as at April 10, 2023 and December 31, 2022
- the interim carve-out statements of changes in owners' (deficit) surplus for the period from January 1 to April 10, 2023 and 2022
- the interim carve-out statements of loss and comprehensive loss for the period from January 1 to April 10, 2023 and 2022
- the interim carve-out statements of cash flows for the period from January 1 to April 10, 2023 and 2022
- and notes to the interim carve-out 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 Property as at March 31, 2023 and December 31, 2022, and its financial performance and its cash flows for the three-month periods ended April 10, 2023 and April 10, 2022 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 Property in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to Note 2 in 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 Property'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 Property or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property'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 Property'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 Property to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

FLATO UPPER MARKHAM VILLAGE
INTERIM CARVE-OUT STATEMENTS OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at	**April 10, 2023**	**December 31, 2022**
ASSETS		
Cash	$ 8,816	$ 25,373
Accounts receivable	37,443	50,818
Land under development (Note 4)	9,494,542	9,400,391
	9,540,801	9,476,582
LIABILITIES AND OWNER'S (DEFICIT) SURPLUS		
Liabilities		
Accounts payables and accrued liabilities	484,304	542,194
Deposits received for land under development	30,400,000	29,132,315
	30,884,304	29,674,509
Owner's (Deficit) Surplus	(21,343,503)	(20,197,927)
	$ 9,540,801	$ 9,476,927

Subsequent Event (Note 12)

Approved on behalf of the Owner:

/s/ "*Shakir Rehmatullah*"
Shakir Rehmatulla

FLATO UPPER MARKHAM VILLAGE
INTERIM
CARVE-OUT STATEMENTS OF CHANGES IN OWNER'S (DEFICIT) SURPLUS
(All Amounts are in Canadian Dollars)

		2023		2022
Balance, January 1,	$	(20,197,927)	$	4,435,436
Withdrawals		(1,143,479)		(18,855,122)
Loss		(2,097)		(2,085)
Balance, April 10,	$	(21,343,503)	$	(14,421,771)

See accompanying notes to the financial statements.

FLATO UPPER MARKHAM VILLAGE
INTERIM
CARVE-OUT STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(All Amounts are in Canadian Dollars)

April 10,	**From January 1 to 2023**	**2022**
Revenues		
Rental Income	$ 1	$ 1
Interest income	24	—
	25	1
Expenses		
Administrative	2,122	2,086
Interest expense	—	—
Marketing	—	—
Professional fees	—	—
	2,122	2,086
Loss and comprehensive loss	$ (2,097)	$ (2,085)

FLATO UPPER MARKHAM VILLAGE
INTERIM
CARVE-OUT STATEMENTS OF CASH FLOWS
(All Amounts are in Canadian Dollars)

From January 1 to April 10,	**2023**	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (2,097)	$ (2,085)
Net change in operating assets and liabilities		
Accounts receivables	13,375	(294,031)
Accounts payable and accrued liabilities	(57,890)	(137,254)
Deposits received for the sale of land under development	1,267,685	19,500,000
Additions to property under development	(94,151)	(113,063)
Interest paid	—	(49,127)
CASH FLOWS FROM OPERATING ACTIVITIES	1,126,922	18,904,440
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of mortgage principal	—	(42,103)
Owners' (Withdrawals) Contributions	(1,143,479)	(18,855,122)
CASH FLOWS USED IN FINANCING ACTIVITIES	(1,143,479)	(18,897,225)
NET INCREASE IN CASH	(16,557)	7,215
CASH – Beginning of the period	25,373	4,450
CASH – End of the period	$ 8,816	$ 11,665

See accompanying notes to the financial statements.

1. Nature of Organization

Description of the Business

The Flato Upper Markham Village (the "**Property**") in these carve-out financial statements is not a legal entity. These carve-out financial statements represent the financial position, financial performance, changes in owner's deficit (surplus) and cash flows of the construction development project located at 5500 19th Avenue, Markham, Ontario which was owned by Flato Upper Markham Village Inc. (the "**Owner**") for all periods presented as further described in note 4.

The registered and head office of the Property is 3621 Highway 7 East, Suite 503, Markham, Ontario, L3R 8X6.

To date, there have been no operations other than the re-zoning and pre-development costs for the Property.

These carve-out financial statements have been prepared on a carve-out basis from the financial statements of the Owner to account solely for the Property which was purchased by the 5500 19th Avenue Co-ownership on April 11, 2023, and which is anticipated to be purchased by Plazacorp Willowgrove Real Estate Development Trust (the "**Trust**"), a newly created, unincorporated close-ended investment trust established under the laws of the Province of Ontario. Following the closing of an initial public offering process, the Trust has agreed to acquire the Property. (the "**IPO Transaction**"). The Property includes eight (8) residential lots and Block 243 which will not be acquired by the Trust but which could not be excluded from the carve-out financial statements as they could not be separately identified during the periods under audit.

In particular, these carve-out financial statements have been prepared for the specific purpose of reporting on the financial position, financial performance, changes in owners' deficit (surplus) and cash flows of the Property for the years presented and have been prepared based on the historical books and records of the Owner as if the Property had been accounted for on a standalone basis, with estimates used, when necessary, for certain allocations. Because the Property was part of a larger entity and was not operating in a separate entity, these carve-out financial statements depict the net assets representing the amount associated specifically with the Property.

Due to the inherent limitations of carving out the assets, liabilities, operations and cash flows of the Property from the Owner, 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 periods presented and, therefore, are not necessarily indicative of future operating results.

2. Basis of Presentation

Statement of Compliance

These Financial Statements have been prepared by management in accordance with IFRS Accounting Standards ("**IAS**") 34 – Interim Financial Reporting under International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

These carve-out financial statements ("**Financial Statements**") were approved by the Owner on •, 2024.

Basis of Measurement

The financial statements have been prepared on the historical cost basis.

Critical Judgments and Estimates

The preparation of 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 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) 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 acquisition as no core processes were acquired.

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) Land under development

As inputs into the determination of estimated net realizable value, management engages an independent valuator to provide an appraisal of the land under development using the comparable sales method and uses an internal valuation process to fair value the development activity to date based primarily on costs incurred. The significant assumptions used when determining the net realizable value of land under development include the selection of comparable transactions and market value per unit of measure.

3. Material Accounting Policy Information

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

Land under development and cost of revenues

Land under development is stated at the lower of cost and net realizable value. Cost includes land acquisition, land development, and home construction costs, including interest, real estate taxes, and certain direct and indirect overhead costs related to development and construction. For those communities for which construction and development activities have been idled, applicable interest and real estate taxes are expensed as incurred. Land acquisition and development costs are allocated to individual lots using an average lot cost determined based on the total expected land acquisition and development costs and the total expected home closings for the community. The specific identification method is used to accumulate home construction costs.

Interest is capitalized into homebuilding inventories. Cost of revenues includes the construction cost, average lot cost, and estimated warranty costs applicable to the home. Sales commissions, when incurred, are classified within selling, general, and administrative expenses. The construction cost of the home includes amounts paid through the closing date of the home, plus an accrual for costs incurred but not yet paid. Total community land acquisition and development costs are based on an analysis of budgeted costs compared with actual costs incurred to date and estimates to complete. Adjustments to estimated total land acquisition and development costs for the community affect the amounts costed for the community's remaining lots.

Inventory is tested for impairment when events and circumstances indicate that the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale (net recoverable amount) may be less than its carrying amount. Such indicators include gross margins or sales paces significantly below expectations, construction costs or land development costs significantly in excess of budgeted amounts, significant delays or changes in the planned development or strategy for the community, and other known qualitative factors. Impairment charges are recorded for those communities whose carrying values exceed their net recoverable amount.

Income taxes

The Owner is a taxable entity and as a result the carve-out financial statements include the income taxes for the Property determined as if it had been a separate legal entity.

Income tax expense comprises current and deferred tax. Tax is recognized in profit or loss except to the extent it relates to a business combination, or items recognized directly in equity or other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to tax payable or receivable in respect of previous years. It is measured using rates enacted or substantively enacted at the reporting date. The current tax also includes any tax arising from dividends.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

There are no current or deferred taxes for the period ended April 10, 2023.

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/liabilities	Classification
Cash	Amortized cost
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Deposits received for land under development	Amortized cost

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.

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 financial statement date with net gains and losses, including interest or dividend income, recognized in profit and loss.

Financial liabilities are classified as amortized costs 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 finance costs, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Finance costs 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.

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 statements of financial position. Impairment losses, if incurred, would be recorded in administrative expenses in the statements of income and comprehensive income. 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 statements of income and comprehensive income. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

Fair value measurements
The Property discloses the fair value of its financial instruments. 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.

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 financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;

- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the 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 period.

Amendments to IAS 1, Presentation of financial statements ("IAS 1")
On January 23, 2020, the International Accounting Standards Board ("**IASB**") issued amendments to International Accounting Standards ("**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 adopted the amendments when the standard became effective, on January 1, 2024, which did not have a material impact on its financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2
On February 12, 2021, the IASB issued Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements) (the "**2021 Amendments**"). The 2021 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

(Expressed in Canadian Dollars)

are themselves material to a company's financial statements. The 2021 Amendments are effective for fiscal years after December 31, 2022.

The Property adopted the 2021 Amendments when the standard became effective, on January 1, 2023, which did not have a material impact on its financial statements.

4. Property Under Development

The Property is located north of 19th Avenue and east of McCowan Road in Markham, Ontario and for the periods under audit consisted of the Owner's 50% undivided interest in development lands consisting of part lot 31 concession 7, Markham as in MA110475 Except Part 12 Expropriation Plan R262806 and save and except Parts 2 and 3 Plan 65R36152, Subject to an Easement as in MA110475, City of Markham. On April 3, 2023, subsequent to the severance of the Property, the Owner's interest in the Property was amended to specifically identify the Property as part lot 31 concession 7, designated as Part 1 and Part 3) on Plan 65R40295.

The changes in property under development are as follows:

Balance, January 1, 2022	$	8,784,891
Development costs		485,500
Financing costs		130,000
Balance, December 31, 2022	$	9,400,391
Development costs		94,151
Balance, April 10, 2023	$	9,494,542

Interest capitalized during the period ended April 10, 2023 was $Nil (December 31, 2022 - $130,000, April 10, 2022 - $49,127).

5. Mortgage Payable

On October 26, 2017, the Property entered into a secured loan agreement with a private lender for $5,375,000 at an interest rate of 4% requiring monthly blended payments of $56,547 with a 25-year amortization due October 2022.

The following schedule presents the cash flows and non-cash changes within the total loans and borrowings:

Loans and borrowings, January 1, 2022	$	4,005,058
Cash flows		
Principal payments of loans and borrowings		(4,005,058)
Loans and borrowings, December 31, 2022 and April 10, 2023	$	—

6. Due to Related Parties

The Property does not employ key management personnel.

(Expressed in Canadian Dollars)

7. Segment Reporting

The Property owns a single land development site located in Ontario, Canada. 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.

8. Commitments and Contingencies

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.

Commitments
The Property is subject to Purchase and Sale Agreements dated January 26, 2022 and February 18, 2022, as amended, for a total sale price of $62,000,000 (see note 12).

9. Risk Management

The Property's activities expose it to market 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 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 that are settled by delivering cash or another financial asset. Liquidity was managed through the completion of the sale of the Property.

The following were the contractual maturities of financial liabilities and other commitments as at April 10, 2023:

	Payments by Periods				
	Total	< 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Accounts payable	$ 484,304	$ 484,304	$ —	$ —	$ —
Deposits received for land under development	30,400,000	30,400,000	—	—	—

The Deposits received for land under development were settled upon the sale of the land on April 11, 2023.

10. Fair Value Measurement

The fair values of the Property's financial assets and liabilities approximate their recorded values due to their short-term nature.

11. Capital Risk Management

The Property's capital consists of deposits received and the owner's (deficit) surplus.

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.

12. Subsequent Event

On April 11, 2023, the Property was sold to the 5500 19^{th} Avenue Co-ownership (Note 4). On July 24, 2024, 8 single-family lots and Block 243 were reconveyed to an affiliate of the Owner.

FLATO DEVELOPMENTS INC.

FLATO UPPER MARKHAM VILLAGE

CARVE-OUT FINANCIAL STATEMENTS

AS AT JANUARY 1, 2021, DECEMBER 31, 2021 AND DECEMBER 31, 2022
FOR THE YEARS ENDED DECEMBER 31, 2022 and DECEMBER 2021

FLATO UPPER MARKHAM VILLAGE

CARVE-OUT FINANCIAL STATEMENTS

JANUARY 1, 2022, DECEMBER 31, 2022 and DECEMBER 31, 2021

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Owner of the Flato Upper Markham Village,

Opinion

We have audited the carve-out financial statements of the Flato Upper Markham Village (the "Property"), which comprise:

- the carve-out statements of financial position as at December 31, 2022, December 31, 2021 and January 1, 2021
- the carve-out statements of changes in owners' (deficit) surplus for the years ended December 31, 2022 and December 31, 2021
- the carve-out statements of loss and comprehensive loss for the years ended December 31, 2022 and December 31, 2021
- the carve-out 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 Property 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 Property in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to Note 2 in 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 Property’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 Property or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property'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 Property'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 Property to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada

FLATO UPPER MARKHAM VILLAGE
CARVE-OUT STATEMENTS OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at	December 31, 2022	December 31, 2021	January 1,2021
	ASSETS		
Cash	$ 25,373	$ 4,450	$ 7,792
Accounts receivable	50,818	12,620	12,480
Land under development (Note 4)	9,400,391	8,784,891	8,493,113
	9,476,572	8,801,961	8,513,385
LIABILITIES AND OWNER'S (DEFICIT) SURPLUS			
Liabilities			
Accounts payables and accrued liabilities	542,194	361,467	182,810
Deposits received for land under development	29,132,315	—	—
Mortgage payable (Note 5)	—	4,005,058	4,182,001
	29,674,509	4,366,525	4,364,811
Owner's (Deficit) Surplus	(20,197,927)	4,435,436	4,148,574
	$ 9,476,572	$ 8,801,961	$ 8,513,385

Subsequent Event (Note 12)

Approved on behalf of the Owner:

/s/ "*Shakir Rehmatullah*"
Shakir Rehmatulla

See accompanying notes to the financial statements.

FLATO UPPER MARKHAM VILLAGE
CARVE-OUT STATEMENTS OF CHANGES IN OWNER'S (DEFICIT) SURPLUS
(All Amounts are in Canadian Dollars)

For the Years Ended	December 31, 2022	December 31, 2021
Balance, January 1,	$ 4,435,436	$ 4,148,574
Contributions (Withdrawals)	(24,622,707)	306,317
Loss	(10,656)	(19,455)
Balance, December 31,	$ (20,197,927)	$ 4,435,436

See accompanying notes to the financial statements.

FLATO UPPER MARKHAM VILLAGE
CARVE-OUT STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(All Amounts are in Canadian Dollars)

For the Years Ended	December 31, 2022	December 31, 2021
Revenues		
Rental Income	$ 1	$ 1
Interest income	31	1
	32	2
Expenses		
Administrative	5,288	15,197
Marketing	5,400	760
Professional fees	—	3,500
	10,688	19,457
Loss and Comprehensive loss	$ (10,656)	$ (19,455)

See accompanying notes to the financial statements.

FLATO UPPER MARKHAM VILLAGE
CARVE-OUT STATEMENTS OF CASH FLOWS
(All Amounts are in Canadian Dollars)

For the Year Ended December 31,	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	$ (10,656)	$ (19,455)
Net change in operating assets and liabilities		
Accounts receivables	(38,198)	(140)
Accounts payable and accrued liabilities	180,727	178,657
Deposits received for the sale of land under development	29,132,315	—
Additions to property under development	(485,500)	(129,247)
Interest paid	(130,000)	(162,531)
CASH FLOWS FROM OPERATING ACTIVITIES	28,648,688	(132,716)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of mortgage principal	(4,005,058)	(176,943)
Owners' (Withdrawals) Contributions	(24,622,707)	306,317
CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES	(28,627,765)	129,374
NET INCREASE IN CASH	20,923	(3,342)
CASH – Beginning of the year	4,450	7,792
CASH – End of the year	$ 25,373	$ 4,450

See accompanying notes to the financial statements.

1. Nature of Organization

Description of the Business

The Flato Upper Markham Village (the "**Property**") in these carve-out financial statements is not a legal entity. These carve-out financial statements represent the financial position, financial performance, changes in owner's deficit (surplus) and cash flows of the construction development project located at 5500 19th Avenue, Markham, Ontario which was owned by Flato Upper Markham Village Inc. (the "**Owner**") for all periods presented as further described in note 4.

The registered and head office of the Property is 3621 Highway 7 East, Suite 503, Markham, Ontario, L3R 8X6.

To date, there have been no operations other than the re-zoning and pre-development costs for the Property.

These carve-out financial statements have been prepared on a carve-out basis from the financial statements of the Owner to account solely for the Property which was purchased by the 5500 19th Avenue Co-ownership on April 11, 2023, and which is anticipated to be purchased by Plazacorp Willowgrove Real Estate Development Trust (the "**Trust**"), a newly created, unincorporated close-ended investment trust established under the laws of the Province of Ontario. Following the closing of an initial public offering process, the Trust has agreed to acquire the Property. (the "**IPO Transaction**"). The Property includes eight (8) residential lots and Block 243 which will not be acquired by the Trust but which could not be excluded from the carve-out financial statements as they could not be separately identified during the periods under audit.

In particular, these carve-out financial statements have been prepared for the specific purpose of reporting on the financial position, financial performance, changes in owners' deficit (surplus) and cash flows of the Property for the years presented and have been prepared based on the historical books and records of the Owner as if the Property had been accounted for on a standalone basis, with estimates used, when necessary, for certain allocations. Because the Property was part of a larger entity and was not operating in a separate entity, these carve-out financial statements depict the net assets representing the amount associated specifically with the Property.

Due to the inherent limitations of carving out the assets, liabilities, operations and cash flows of the Property from the Owner, 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.

2. Basis of Presentation

Statement of Compliance

These Financial Statements have been prepared by management 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 Financial Reporting Standards" ("**IFRS 1**"). An explanation or reconciliation of how the transition to IFRS has affected the Property's carve-out financial position, performance and cash flows have not been presented as the Property has not presented carve-out financial statements in previous years. The date of transition to IFRS was January 1, 2022.

These carve-out financial statements ("**Financial Statements**") were approved by the Owner on •, 2024.

Basis of Measurement
The financial statements have been prepared on the historical cost basis.

Critical Judgments and Estimates
The preparation of 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 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) 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 acquisition as no core processes were acquired.

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) Land under development
As inputs into the determination of estimated net realizable value, management engages an independent valuator to provide an appraisal of the land under development using the comparable sales method and uses an internal valuation process to fair value the development activity to date based primarily on costs incurred. The significant assumptions used when determining the net realizable value of land under development include the selection of comparable transactions and market value per unit of measure.

3. Significant Account Policies

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

Land under development and cost of revenues
Land under development is stated at the lower of cost and net realizable value. Cost includes land acquisition, land development, and home construction costs, including interest, real estate taxes, and certain direct and indirect overhead costs related to development and construction. For those communities for which construction and development activities have been idled, applicable interest and real estate taxes are expensed as incurred. Land acquisition and development costs are allocated to individual lots using an average lot cost determined based on the total expected land acquisition and development costs and the total expected home closings for the community. The specific identification method is used to accumulate home construction costs.

Interest is capitalized into homebuilding inventories. Cost of revenues includes the construction cost, average lot cost, and estimated warranty costs applicable to the home. Sales commissions, when incurred, are classified within selling, general, and administrative expenses. The construction cost of the home includes amounts paid through the closing date of the home, plus an accrual for costs incurred but not yet paid. Total community land acquisition and development costs are based on an analysis of budgeted costs compared with actual costs incurred to date and estimates to complete. Adjustments to estimated total land acquisition and development costs for the community affect the amounts costed for the community's remaining lots.

Inventory is tested for impairment when events and circumstances indicate that the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale (net recoverable amount) may be less than its carrying amount. Such indicators include gross margins or sales paces significantly below expectations, construction costs or land development costs significantly in excess of budgeted amounts, significant delays or changes in the planned development or strategy for the community, and other known qualitative factors. Impairment charges are recorded for those communities whose carrying values exceed their net recoverable amount.

Income taxes

The Owner is a taxable entity and as a result the carve-out financial statements include the income taxes for the Property determined as if it had been a separate legal entity.

Income tax expense comprises current and deferred tax. Tax is recognized in profit or loss except to the extent it relates to a business combination, or items recognized directly in equity or other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to tax payable or receivable in respect of previous years. It is measured using rates enacted or substantively enacted at the reporting date. The current tax also includes any tax arising from dividends.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

There are no current or deferred taxes for the years ending December 31, 2022 and December 31, 2021.

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/liabilities	Classification
Cash	Amortized cost
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Deposits received for land under development	Amortized cost
Mortgage payable	Amortized cost

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.

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 financial statement date with net gains and losses, including interest or dividend income, recognized in profit and loss.

Financial liabilities are classified as amortized costs 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 finance costs, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Finance costs 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.

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 statements of financial position. Impairment losses, if incurred, would be recorded in administrative expenses in the statements of income and comprehensive income. 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 statements of income and comprehensive income. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

Fair value measurements
The Property discloses the fair value of its financial instruments. 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.

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 financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the 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.

Amendments to IAS 1, Presentation of financial statements ("IAS 1")
On January 23, 2020, the International Accounting Standards Board ("**IASB**") issued amendments to International Accounting Standards ("**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 when the standard becomes effective, on January 1, 2024, and are not expected to have a material impact on its financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2
On February 12, 2021, the IASB issued Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements) (the "2021 Amendments). The 2021 Amendments help entities provide useful accounting policy disclosures. The key amendments include requiring entities to disclose

(Expressed in Canadian Dollars)

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 2021 Amendments are effective for fiscal years after December 31, 2022.

The Property intends to adopt the amendments beginning on January 1, 2023, when the 2021 Amendment becomes effective. The Property does not expect it to have a material impact on its financial statements.

4. Property Under Development

The Property is located north of 19th Avenue and east of McCowan Road in Markham, Ontario and for the periods under audit consisted of the Owner's 50% undivided interest in development lands consisting of part lot 31 concession 7, Markham as in MA110475 Except Part 12 Expropriation Plan R262806 and save and except Parts 2 and 3 Plan 65R36152, Subject to an Easement as in MA110475, City of Markham.

The changes in property under development are as follows:

Balance, January 1, 2021	$	8,493,112
Development costs		129,248
Financing costs		162,531
Balance, December 31, 2021		8,784,891
Development costs		485,500
Financing costs		130,000
Balance, December 31, 2022	$	9,400,391

Interest capitalized during the year ended December 31, 2022 was $130,000 (December 31, 2021 - $162,531).

5. Mortgage Payable

On October 26, 2017, the Property entered into a secured loan agreement with a private lender for $5,375,000 at an interest rate of 4% requiring monthly blended payments of $56,547 with a 25-year amortization due October 2022.

The following schedule presents the cash flows and non-cash changes within the total loans and borrowings:

		2022		2021
Loans and borrowings, January 1,	$	4,005,058	$	4,182,001
Cash flows				
Principal payments of loans and borrowings		(4,005,058)		(176,943)
Loans and borrowings, December 31,	$	—	$	4,005,058

6. Due to Related Parties

The Property does not employ key management personnel.

(Expressed in Canadian Dollars)

7. Segment Reporting

The Property owns a single land development site located in Ontario, Canada. 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.

8. Commitments and Contingencies

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.

Commitments
The Property is subject to Purchase and Sale Agreements dated January 26, 2022 and February 18, 2022, as amended, for a total sale price of $62,000,000 (see note 12).

9. Risk Management

The Property's activities expose it to market 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 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 that are settled by delivering cash or another financial asset. Liquidity was managed through the completion of the sale of the Property.

The following were the contractual maturities of financial liabilities and other commitments as at December 31, 2022:

	Payments by Periods				
	Total	< 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Accounts payable	$ 470,532	$ 470,532	$ —	$ —	$ —
Deposits received for land under development	29,132,315	29,132,315	—	—	—

The Deposits received for land under development were settled upon the sale of the land on April 11, 2023.

10. Fair Value Measurement

The fair values of the Property's financial assets and liabilities approximate their recorded values due to their short-term nature.

11. Capital Risk Management

The Property's capital consists of mortgage payable and the owner's (deficit) surplus.

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.

12. Subsequent Event

On April 3, 2023, subsequent to the severance of the Property, the Owner's interest in the Property was amended to specifically identify the Property as part lot 31 concession 7, designated as Part 1 and Part 3) on Plan 65R40295.

On April 11, 2023, the Property was sold to the 5500 19th Avenue Co-ownership (Note 4). On July 24, 2024 8 single family lots and Block 243 were reconveyed to an affiliate of the Owner.

THE STOUFFVILLE DEVELOPMENT

UNAUDITED INTERIM COMBINED FINANCIAL STATEMENTS

JUNE 30, 2024

THE STOUFFVILLE DEVELOPMENT

UNAUDITED INTERIM COMBINED FINANCIAL STATEMENTS

JUNE 30, 2024

CONTENTS

THE STOUFFVILLE DEVELOPMENT
UNAUDITED INTERIM COMBINED STATEMENTS OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at	**June 30, 2024**	**December 31, 2023**
ASSETS		
Cash	$ 58,150	$ 115,437
Amounts receivable	21,708	20,108
Prepaid expenses	7,958	14,793
Land under development (Note 4)	110,099,875	104,904,734
Property and equipment (Note 5)	44,963	69,431
	110,232,654	105,124,503
LIABILITIES AND OWNERS' DEFICIT		
Liabilities		
Accounts payables and accrued liabilities	752,498	1,424,939
Prepaid rent	3,200	3,200
Mortgages (Note 6)	130,497,976	125,984,495
Lease obligations	—	11,418
Due to related parties (Note 7)	4,468,839	—
	135,722,513	127,424,052
Owners' surplus (deficit)	(25,489,859)	(22,299,549)
	$ 110,232,654	$ 105,124,503

Subsequent Events (Note 6 and 13)

Approved on behalf of the Owners:

/s/ "*Robert Jacobs*"
Robert Jacobs, Director

/s/ "*Berardino Quinto*"
Berardino Quinto, Director

See accompanying notes to the financial statements.

THE STOUFFVILLE DEVELOPMENT
UNAUDITED INTERIM COMBINED STATEMENTS OF CHANGES IN OWNERS' DEFICIT
(All Amounts are in Canadian Dollars)

For the Six Months Ended June 30,	**2024**	**2023**
Balance, January 1,	$ (22,299,549)	$ (23,188,415)
Contributions (Withdrawals)	166,816	(4,725,808)
Loss and comprehensive loss	(3,357,126)	(2,823,427)
Balance, June 30,	$ (25,489,859)	$ (21,286,034)

See accompanying notes to the financial statements.

STATEMENTS OF THE STOUFFVILLE DEVELOPMENT
UNAUDITED INTERIM COMBINED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(All Amounts are in Canadian Dollars)

	For the three months ended		For the six months ended	
June 30,	**2024**	**2023**	**2024**	**2023**
Income				
Rental income	$ 13,800	$ 13,800	$ 27,600	$ 27,600
Interest income	—	—	—	—
	13,800	13,800	27,600	27,600
Expenses				
Insurance expense	4,831	5,086	9,768	10,111
Interest expense	1,871,639	1,603,738	3,349,809	2,822,641
Property taxes	12,574	9,138	25,149	18,275
	1,889,044	1,617,962	3,384,726	2,851,027
Loss and comprehensive loss	$ (1,875,244)	$ (1,604,162)	$ (3,357,126)	$ (2,823,427)

See accompanying notes to the financial statements.

THE STOUFFVILLE DEVELOPMENT
UNAUDITED INTERIM COMBINED STATEMENTS OF CASH FLOWS
(All Amounts are in Canadian Dollars)

For the Six Months Ended June 30,	**2024**	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (3,357,126)	$ (2,823,427)
Non-cash expenses		
Financing expenses	3,349,809	2,822,641
Net change in operating assets and liabilities		
Amounts receivable	(1,600)	(7,800)
Prepaid expenses	6,835	(54,800)
Accounts payable and accrued liabilities	(672,441)	(754,455)
Additions to land under development	(1,122,493)	(1,181,175)
Interest paid	(2,599,708)	(1,742,659)
CASH FLOWS USED IN OPERATING ACTIVITIES	(4,396,724)	(3,741,659)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease obligations	(11,418)	(20,439)
Advances from related parties	4,468,839	—
Finance costs	(284,800)	(763,920)
Contributions (Withdrawals) by owners	166,816	4,725,808
CASH FLOWS FROM FINANCING ACTIVITIES	4,339,437	3,941,449
CASH FLOWS USED IN INVESTING ACTIVITIES		
Investment in property and equipment	—	(7,985)
CASH FLOWS USED IN INVESTING ACTIVITIES	—	(7,985)
NET (DECREASE) INCREASE IN CASH	(57,287)	191,789
CASH – Beginning of the period	115,437	233,281
CASH – End of the period	$ 58,150	$ 425,070

1. Nature of Organization

Description of the Business

The Stouffville Development as presented in these combined financial statements (the "**Property**") is not a legal entity. These combined financial statements represent the combination of 11859 McCowan Co-Ownership (the "**11859**") and 12029 McCowan Co-Ownership ("**12029**") (and collectively the "**Co-ownerships**").

11859 is a Co-ownership between Berqui Ltd., MP Queen Holdings Ltd., Allied Brothers Holdings Limited and Towncorp Investments Limited created pursuant to a Joint Venture Agreement dated November 30, 2021, under the name 11861 McCowan Co-Ownership. Subsequently, the Co-ownership changed its name to 11859 McCowan Co-Ownership. 11859 was created for the purpose of owning a 100% interest in the construction development project located at 11859 McCowan Road, Stouffville, Ontario, as further described in note 4.

12029 is a Co-ownership between Berqui Ltd., MP Queen Holdings Ltd., Allied Brothers Holdings Limited and Towncorp Investments Limited created pursuant to a Joint Venture Agreement dated November 30, 2021 under the name 12045 McCowan Co-Ownership. Subsequently, 12045 changed its name to 12029 McCowan Co-Ownership. 12029 was created for the purpose of owning a 100% interest in the construction development project located at 12029 McCowan Road, Stouffville, Ontario, as further described in note 4.

Both Co-ownerships are governed by the laws of the Province of Ontario. For the periods presented both Co-ownerships were under common control and common management.

The registered and head office of the Co-ownerships is 20 Holly Street, Suite 103, Toronto, Ontario, M4S 3B1.

To date, there have been no operations other than the re-zoning and pre-development costs for the Property. The owners of the Property have entered into an initial public offering process through the Ontario Securities Commission. The transaction contemplates an offering of trust units of the Plazacorp Willowgrove Residential Real Estate Development Trust (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 the Property. (the "**IPO Transaction**").

These combined financial statements of the Property have been prepared for the specific purpose of reporting on the financial position, financial performance, changes in owners' surplus and cash flows of the Property for inclusion in a prospectus to be filed by the Trust.

These combined financial statements have been prepared on a combined basis from the books and records of the Co-ownerships and present the financial position, financial performance, changes in owners' surplus (deficit) and cash flows of the Property as of June 30, 2024, and 2023, and during the periods ended June 30, 2024, and 2023, as if the Property had been accounted for on a combined basis.

These combined 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.

2. Basis of Presentation

***Going Concern and Basis of* Accounting**

These 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, 2024, the Property had a working capital deficiency of $110,634,697 primarily from incurred land development costs. The Property has no material 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 mortgages, 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 mortgages and other liabilities, including its general operations, as they come due will be satisfied from either the IPO Transaction, by further refinancing of the mortgages or by additional contributions from the owners of the Co-ownerships (the "**Owners**"). The Property may also receive continued financial support from the Owners or obtain additional financing to alleviate the financing concerns. Although management has been successful in the past at obtaining mortgages and receiving the support of the Owners, there can be no assurance that management 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 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.

Statement of Compliance
These Financial Statements have been prepared by management in accordance with International Accounting Standards ("**IAS**") 34 – Interim Financial Reporting under IFRS Accounting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and using accounting policies described herein.

These financial statements ("**Financial Statements**") were approved by the Owners on •, 2024.

Basis of Measurement
The financial statements have been prepared on the historical cost basis.

Critical Judgments and Estimates
The preparation of 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 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 Financial Statements include the following:

(i) 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 acquisition as no core processes were acquired.

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) Land under development
As inputs into the determination of estimated net realizable value, management engages an independent valuator to provide an appraisal of the land under development using the comparable sales method and uses an internal valuation process to fair value the development activity to date based primarily on costs incurred. The significant assumptions used when determining the net realizable value of land under development include the selection of comparable transactions and market value per unit of measure.

3. Material Accounting Policy Information

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of property and equipment comprises (i) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (ii) any directly attributable cost of preparing the asset for its intended use. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. The following are the estimated maximum useful lives of existing property and equipment

Computer equipment	5 years
Leasehold improvements	2 years
Furniture and fixtures	5 years
Equipment under lease	Lesser of term of lease and useful life

When assets are disposed of, the cost and accumulated depreciation are removed from the respective accounts and any related gain or loss is recognized Statement of Operations and Comprehensive Loss. Maintenance and repairs are expenses as incurred. Significant expenditures, which increase productivity or extend the useful life of the asset, are capitalized.

Available for use is defined as the point at which the related property, plant and equipment is operational, including the possession of any requisite licenses. Depreciation commences at the point the assets are available for use.

At each reporting date, management reviews the carrying amounts of its property and equipment to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Land Under Development and cost of revenues
Land under development is stated at the lower of cost and net realizable value. Cost includes land acquisition, land development, and home construction costs, including interest, real estate taxes, and certain direct and indirect overhead costs related to development and construction. For those communities for which construction and development activities have been idled, applicable interest and real estate taxes are expensed as incurred. Land acquisition and development costs are allocated to individual lots using an average lot cost determined based on

the total expected land acquisition and development costs and the total expected home closings for the community. The specific identification method is used to accumulate home construction costs.

Interest is capitalized into homebuilding inventories. Cost of revenues includes the construction cost, average lot cost, and estimated warranty costs applicable to the home. Sales commissions are classified within selling, general, and administrative expenses. The construction cost of the home includes amounts paid through the closing date of the home, plus an accrual for costs incurred but not yet paid. Total community land acquisition and development costs are based on an analysis of budgeted costs compared with actual costs incurred to date and estimates to complete. Adjustments to estimated total land acquisition and development costs for the community affect the amounts costed for the community's remaining lots.

Inventory is tested for impairment when events and circumstances indicate that the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale (net recoverable amount) may be less than its carrying amount. Such indicators include gross margins or sales paces significantly below expectations, construction costs or land development costs significantly in excess of budgeted amounts, significant delays or changes in the planned development or strategy for the community, and other known qualitative factors. Impairment charges are recorded for those communities whose carrying values exceed their net recoverable amount.

IFRS 16, Leases

At inception of a contract, management assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A right-of-use asset and a lease liability are recognized at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined the Company's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

Management has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. Lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Lease payments received under short-term leases are recognized as income on a straight-line basis over the lease term as part of other income.

Income Taxes

The Property, as presented in these combined financial statements, is not a legal entity. As such, any income tax liabilities will be reported by the owners of the Property. In certain instances, the Property may be subject to certain provincial and local taxes.

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/liabilities	Classification
Cash	Amortized cost
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Mortgages	Amortized cost
Due to related parties	Amortized cost

Financial assets and financial liabilities are initially recognized when the Property becomes a party to the contractual provisions 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.

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 financial statement date with net gains and losses, including interest or dividend income, recognized in profit and loss.

Financial liabilities are classified as amortized costs 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.

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 statements of financial position. Impairment losses, if incurred, would be recorded in administrative expenses in the statements of income and comprehensive income. 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 statements of income and comprehensive income. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

Fair value measurements
The Property discloses the fair value of its financial instruments. 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.

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 financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the 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 period.

(Expressed in Canadian Dollars)

Amendments to IAS 1, Presentation of financial statements ("IAS 1")
On January 23, 2020, the International Accounting Standards Board ("**IASB**") issued amendments to International Accounting Standards ("**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 adopted the Amendments when the standard became effective, on January 1, 2024, and has not recorded any material impact on its financial statements.

4. Land Under Development

Upon the formation of 11859 on November 30, 2021, the Owners contributed the property located at 11859 McCowan Road with the legal description of PT LT 33 CON 7 Markham as in R509431 except PT7 R262806 Whitchurch-Stouffville (subsequently amended to PL 33, CON 7 Markham, Part 1, Plan 65R-40589, Town of Whitchurch-Stouffville).

Upon the formation of 12029 on November 30, 2021, the Owners contributed the property located at 12029 McCowan Road with the legal description of PT LT 34 CON 7(WM), PT 1, PL 65R34903, together with the easement over PT LT 34, CON 7, PT 4, PL 65R34903 as in YR2119414 and PT LTS 33 & 34, CON 7(WM) PTS 2, 3 & 4, PL 65R34903; subject to an easement over PT 4, PL 65R34903 in favour of PT LT 34, CON 7, PT 1, PL65R34903 as in YR2119414 in the town of Whitchurch-Stouffville.

The changes in property under development are as follows:

Opening Balance, January 1, 2023	$ 95,407,194
Development costs	2,305,376
Financing costs capitalized on mortgages	7,192,164
Balance, December 31, 2023	104,904,734
Development costs	1,146,961
Financing costs capitalized on mortgages	4,048,180
Balance, June 30, 2024	$ 110,099,875

Land under development is expected to be recovered after more than twelve months.

(Expressed in Canadian Dollars)

5. Property and equipment

Cost	Furniture & Equipment	Computer Equipment	Leasehold Improvements	Right-of-Use Office Space	Total
Balance, January 1, 2023	$ 9,885	$ 8,957	$ 38,274	$ 71,013	$ 128,129
Addition	2,700	9,397	—	—	12,097
Disposal	—	—	—	—	—
Balance, December 31, 2023	12,585	18,354	38,274	71,013	140,226
Addition	—	—	—	—	—
Disposal	—	—	—	—	—
Balance, June 30, 2024	$ 12,585	$ 18,354	$ 38,274	$ 71,013	$ 140,226
Accumulated Depreciation					
Balance, January 1, 2023	$ 732	$ 738	$ 2,307	$ 17,753	$ 21,530
Depreciation	2,156	3,947	7,655	35,507	49,265
Disposal	—	—	—	—	—
Balance, December 31, 2023	2,888	4,685	9,962	53,260	70,795
Depreciation	1,006	1,882	3,827	17,753	24,468
Disposal	—	—	—	—	—
Balance, June 30, 2024	$ 3,894	$ 6,567	$ 13,789	$ 71,013	$ 95,263
Net Book Value					
December 31, 2023	$ 9,697	$ 13,669	$ 28,312	$ 17,753	$ 69,431
June 30, 2024	8,691	11,787	24,485	—	44,963

The property capitalized $24,468 (2023 - $24,011) in depreciation to development costs.

6. Mortgages

Upon the formation of 11859 on November 30, 2021, the Owners contributed the obligation related to a first mortgage on 11859 McCowan Road initially issued in April 2020 to a private lender ("**Lender A**") in the amount of $14,385,025 at a rate of 9% due April 2022, with an effective interest rate of 13.84% ("**Mortgage A**"). The interest on Mortgage A was capitalized until maturity. In establishing this mortgage originally, $1,057,700 was incurred in deferred charges that were amortized over the life of this loan. At the time of the contribution of this mortgage, there remained $193,124 to be amortized and the amount outstanding was $16,662,975. Mortgage A was settled in April 2022 with the proceeds from the increase in Mortgage D (see below).

Upon the formation of 12029 on November 30, 2021, the Owners contributed the obligation related to two first mortgages on 12029 McCowan Road initially issued in September 2021 to a private lender ("**Lender B**") in the amount of $30,000,000 at a rate of 3% due August 30, 2025, with interest payable monthly, principal repayment of $5,000,000 on August 31, 2024, and the balance at maturity ("**Mortgage B**"). In August 2024, $5,000,000 in principal was reimbursed as per the terms of the agreement which amount was funded via an increase in Mortgage E.

Upon the formation of 12029 on November 30, 2021, the Owners contributed the obligation related to a second mortgage on 12029 Mc Cowan Road initially issued in September 2021 to a private lender ("**Lender A**") in the amount of $18,000,000 at a rate of 15% due August 31, 2023, with an effective interest rate of 17.46% ("**Mortgage C**"). The accrued interest on Mortgage C was capitalized until August 2022 and then monthly payments of $261,170 were to have been made, however in December 2022 the lender agreed to extend the maturity to March 31, 2025 and to capitalize all accrued interest until maturity. In establishing this mortgage, the Property incurred $214,137 in deferred charges that were amortized over the life of this loan. At the time of the contribution of this mortgage, there remained $129,077 to be amortized.

(Expressed in Canadian Dollars)

In December 2021, the Property issued a third mortgage on 12029 to an institutional lender ("**Lender C**") in the amount of $32,000,000 at a rate of equal to Prime plus 5.8% with a minimum rate of 8.25% due December 21, 2022, with an effective interest rate of 10.05% ("**Mortgage D**"). The interest on Mortgage D was capitalized and was payable at maturity. In establishing this mortgage, the Property incurred $453,096 in deferred charges that is to be amortized over the life of this loan. This loan was guaranteed by the Owners.

In March 2022, Mortgage D was increased by $356,295.

In April 2022, the Property further increased the available financing under Mortgage D with Lender C to a total of $67,300,000 due January 1, 2023 and secured by a third mortgage on 12029 of $50,000,000 (Tranche D1-A and D1-B) and by a first mortgage on 11859 of $17,300,000 (Tranche D2). The interest rate for Tranche D1 is split with $40,000,000 at prime plus 5.8% with a minimum rate of 8.25% with $33,368,306 being advanced, and $10,000,000 at a rate of prime plus 7.25% with a minimum rate of 9.95% and Tranche D2 at a rate of prime plus 5.05% with a minimum 7.75% The increase in this credit facility replaced Mortgage A and provided $10,000,000 of additional capital while continuing to have the accrued interest capitalized. Upon increasing Mortgage D, the Property incurred $289,875 in deferred charges that were amortized over the life of the extension providing an effective interest rate of 10.62%. Mortgage D continued to be guaranteed by the Owners.

In June 2022, August 2022, September 2022 and December 2022 additional advances were made under Tranche D1-A in the amount of $306,638, $308,250, $636,878, and $616,939, respectively.

In February 2023, the Property extended the maturity date of Mortgage D to April 2024 with an interest rate of prime plus 5.3% with a minimum rate of 11.25%, with 50% of the accrued interest capitalized. The Property incurred $718,000 in deferred charges that were amortized over the life of this credit facility providing an effective rate of interest of 12.59%. To accommodate the capitalization of the accrued interest the credit facility was increased to $71,800,000. This credit facility is guaranteed by the Owners.

In April 2024, the Property extended the maturity date of Mortgage D to October 2024 with an interest rate of prime plus 5.3% with a minimum rate of 11.25%, with 50% of the accrued interest capitalized. To accommodate the capitalization of the accrued interest the credit facility was increased to $74,100,000. Upon the increase in extension of the credit facility, the property incurred $284,000 in deferred charges that will be amortized over the life of this extension providing an effective interest rate of 12.35%. This credit facility is guaranteed by the Owners.

In August 2024, the Property extended Mortgage D to January 2025 and increased the credit facility by $6,000,000 of which $5,000,000 was advanced to reduce the principal outstanding of Mortgage B. Upon increasing Mortgage D, the Property incurred $225,969 in deferred charges that will be amortized over the life of the extension providing an effective interest rate of 12.21%. This credit facility is guaranteed by the Owners.

The following table provides a summary of the carrying values:

As at	June 30, 2024	December 31, 2023
Mortgage A	$ —	$ —
Mortgage B	30,000,000	30,000,000
Mortgage C	27,738,697	25,481,376
Mortgage D	72,759,279	70,503,119
	130,497,976	125,984,495
Current portion	105,497,976	75,503,119
Long-term portion	$ 25,000,000	$ 50,481,376

The following schedule presents the cash flows and non-cash changes within the total loans and borrowings:

(Expressed in Canadian Dollars)

Loans and borrowings, January 1, 2023	$ 118,404,410
Cash flows	
Payments of financing costs	(763,920)
	(763,920)
Non-cash Changes	
Capitalization of interest	7,702,571
Amortization of deferred financing costs	641,434
	8,344,005
Loans and borrowings, December 31, 2023	125,984,495
Cash flows	
Payments of financing costs	(284,800)
	(284,800)
Non-cash Changes	
Capitalization of interest	4,464,165
Amortization of deferred financing costs	334,116
	4,798,281
Loans and borrowings, June 30, 2024	$ 130,497,976

7. Related Party Transactions

The Property does not employ key management personnel. Management services and strategic oversight of the Property are managed through the development agreement.

In addition to the related party transactions disclosed elsewhere, related party transactions include the following:

For the three months ended June 30,	2024	2023
Management Development fee paid to Orca Management Inc. which is related by common ownership	$ 30,000	$ 30,000

For the six months ended June 30,	2024	2023
Management Development fee paid to Orca Management Inc. which is related by common ownership	$ 60,000	$ 80,000

Due to Related Parties are principally comprised of amounts outstanding relating to funds being advanced for operations which are interest-free and due on demand.

Amounts due as at	June 30, 2024	December 31, 2023
Due to Related Parties – Helmsbridge Holding ULC, related by common director	$ 4,468,839	$ —

All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties.

(Expressed in Canadian Dollars)

8. Segment Reporting

The Property owns a single land development site located in Ontario, Canada. 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.

9. Commitments and Contingencies

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.

Commitments
The Property entered into a development management agreement with Orca Management Inc. ("**Development Manager**"). This development management agreement entitles the Development Manager to a monthly fee of $20,000, which was reduced to a monthly fee of $10,000 as of March 1, 2023.

10. Risk Management

The Property's activities expose it to market risk and liquidity risk. Risk management is carried out by the 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 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 that are settled by delivering cash or another financial asset.

The following were the contractual maturities of financial liabilities and other commitments as at June 30, 2024:

			Payments by Periods		
	Carrying Amount	Contractual Cash Flows	< 1 Year	1 - 2 Years	After 3 Years
Accounts payable	$ 1,032,889	$ 1,032,889	$ 1,032,889	$ —	$ —
Mortgages	130,497,976	130,577,232	105,577,232	25,000,000	—
Due to related parties	4,468,839	4,468,839	4,468,839	—	—

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, and capital commitments by its owners to fund its liabilities as they become due.

(Expressed in Canadian Dollars)

Management believes that the repayment of the mortgages will be satisfied by either the IPO Transaction, further refinancing as it has done previously with the same lenders or additional contributions from its owners. As disclosed in note 1(a), there is no assurance that these events will occur.

11. Fair Value Measurement

The Property issued a number of mortgages that bear interest at from 3% to 15%. The carrying value of the mortgages at each financial statement date approximates their fair value either due to their short-term nature or as a result of the loans being at variable interest rates which react to current market conditions.

The Property estimates the fair value of the mortgages based on the rates that could be obtained for similar debt instruments with similar terms and maturities. The fair value of the mortgages 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 value of the Property's financial instruments are as follows:

As at June 30, 2024	Fair Value	Carrying Value
Mortgage B	$ 28,304,114	$ 30,000,000
Mortgage C	26,830,151	27,738,697
Mortgage D	72,759,279	72,759,279
Loans and borrowings	$ 127,893,545	$ 130,497,976

The fair values of the Property's other financial assets and liabilities approximate their recorded values due to their short-term nature.

12. Capital Risk Management

The Property's capital consists of mortgages and the owners' surplus (deficit).

As at June 30, 2024, the principal amount of outstanding mortgages amounted to $130,577,232. 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.

13. Subsequent Event

Subsequent to June 30, 2024, the Co-ownerships entered into an agreement to sell the Property to a subsidiary of the Trust and borrowed an additional $6,336,640 being advances for operations which are interest-free and due on demand, including $4,036,640 from Helmsbridge Holding ULC.

COMBINED FINANCIAL STATEMENTS OF
THE STOUFFVILLE DEVELOPMENT
AS AT JANUARY 1, 2022 AND
FOR THE YEARS ENDED DECEMBER 31, 2023 and DECEMBER 31, 2022

COMBINED STATEMENTS OF STOUFFVILLE DEVELOPMENT

FINANCIAL STATEMENTS

JANUARY 1, 2022, DECEMBER 31, 2022 and DECEMBER 31, 2023

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Owners of the Stouffville Development,

Opinion

We have audited the combined financial statements of the Stouffville Development (the "Property"), which comprise:

- the combined statements of financial position as at December 31, 2023, December 31, 2022 and January 1, 2022
- the combined statements of changes in owners' deficit for the years ended December 31, 2023 and December 31, 2022
- the combined statements of loss and comprehensive loss for the years ended December 31, 2023 and December 31, 2022
- the combined statements of cash flows for the years ended December 31, 2023 and December 31, 2022
- and notes to the combined 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 Property as at December 31, 2023, December 31, 2022 and January 1, 2022 and its financial performance and its cash flows for the years ended December 31, 2023 and December 31, 2022 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 Property 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that in order for the Property to fund its operations and meet its obligations, the Property requires additional funding.

As stated in Note 2 in the financial statements, these events or conditions, along with other matters as set forth in Note 2 in the financial statements, indicate that material uncertainties exist that may cast significant doubt on the Property'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 2 in 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 Property'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 Property or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property'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 Property'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 Property to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada

THE STOUFFVILLE DEVELOPMENT
COMBINED STATEMENTS OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at	**December 31, 2023**	**December 31, 2022**	**January 1,2022**
ASSETS			
Cash	$ 115,437	$ 233,281	$ 57,212
Amounts receivable	20,108	4,600	—
Prepaid expenses	14,793	15,133	8,824
Land under development (Note 4)	104,904,734	95,407,194	87,956,428
Property and equipment (Note 5)	69,431	106,599	—
	105,124,503	95,766,807	88,022,464
LIABILITIES AND OWNERS' DEFICIT			
Liabilities			
Accounts payables and accrued liabilities	1,424,939	494,614	104,043
Prepaid rent	3,200	3,200	1,600
Mortgages (Note 6)	125,984,495	118,404,410	97,097,722
Lease obligations	11,418	52,998	—
	127,424,052	118,955,222	97,203,365
Owners' surplus (deficit)	(22,299,549)	(23,188,415)	(9,180,901)
	$ 105,124,503	$ 95,766,807	$ 88,022,464

Subsequent Events (Note 6 and 13)

Approved on behalf of the Owners:

/s/ "*Robert Jacobs*"
Robert Jacobs, Director

/s/ "*Berardino Quinto*"
Berardino Quinto, Director

THE STOUFFVILLE DEVELOPMENT
COMBINED STATEMENTS OF CHANGES IN OWNERS' DEFICIT
(All Amounts are in Canadian Dollars)

For the Year Ended December 31,	**2023**	**2022**
Balance, January 1,	$ (23,188,415)	$ (9,180,901)
Contributions (Withdrawals)	7,383,839	(9,085,949)
Loss and comprehensive loss	(6,494,973)	(4,921,565)
Balance, December 31	$ (22,299,549)	$ (23,188,415)

See accompanying notes to the financial statements.

STATEMENTS OF THE STOUFFVILLE DEVELOPMENT
COMBINED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(All Amounts are in Canadian Dollars)

For the Year Ended December 31,		**2023**		**2022**
Income				
Rental income	$	55,200	$	58,200
Interest income		355		8,546
		55,555		66,746
Expenses				
Administrative		—		399
Consulting fees		—		80,000
Insurance expense		20,089		18,742
Interest expense		6,493,890		4,805,909
Professional fees		—		44,202
Property taxes		36,549		39,059
		6,550,528		4,988,311
Loss and comprehensive loss	$	(6,494,973)	$	(4,921,565)

See accompanying notes to the financial statements.

THE STOUFFVILLE DEVELOPMENT
COMBINED STATEMENTS OF CASH FLOWS
(All Amounts are in Canadian Dollars)

For the Year Ended December 31,	**2023**	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (6,494,973)	$ (4,921,565)
Non-cash expenses		
Financing expenses	6,493,890	4,805,909
Net change in operating assets and liabilities		
Amounts receivable	(15,508)	(4,600)
Prepaid expenses	340	(6,309)
Accounts payable and accrued liabilities	930,325	390,571
Prepaid rent	—	1,600
Additions to land under development	(2,210,191)	(1,224,086)
Interest paid	(5,387,969)	(1,003,724)
CASH FLOWS USED IN OPERATING ACTIVITIES	(6,684,086)	(1,962,204)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease obligations	(41,580)	52,998
Advances from mortgages	—	11,865,554
Finance costs	(763,920)	(566,201)
Contributions (Withdrawals) by owners	7,383,839	(9,085,949)
CASH FLOWS FROM FINANCING ACTIVITIES	6,578,339	2,266,402
CASH FLOWS USED IN INVESTING ACTIVITIES		
Additions to property and equipment	(12,097)	(128,129)
CASH FLOWS USED IN INVESTING ACTIVITIES	(12,097)	(128,129)
NET (DECREASE) INCREASE IN CASH	(117,844)	176,069
CASH – Beginning of the year	233,281	57,212
CASH – End of the year	$ 115,437	$ 233,281

See accompanying notes to the financial statements.

1. Nature of Organization

Description of the Business

The Stouffville Development as presented in these combined financial statements (the "**Property**") is not a legal entity. These combined financial statements represent the combination of 11859 McCowan Co-Ownership (the "**11859**") and 12029 McCowan Co-Ownership ("**12029**") (and collectively the "**Co-ownerships**").

11859 is a Co-ownership between Berqui Ltd., MP Queen Holdings Ltd., Allied Brothers Holdings Limited and Towncorp Investments Limited created pursuant to a Joint Venture Agreement dated November 30, 2021, under the name 11861 McCowan Co-Ownership. Subsequently, the Co-ownership changed its name to 11859 McCowan Co-Ownership. 11859 was created for the purpose of owning a 100% interest in the construction development project located at 11859 McCowan Road, Stouffville, Ontario, as further described in note 4.

12029 is a Co-ownership between Berqui Ltd., MP Queen Holdings Ltd., Allied Brothers Holdings Limited and Towncorp Investments Limited created pursuant to a Joint Venture Agreement dated November 30, 2021 under the name 12045 McCowan Co-Ownership. Subsequently, 12045 changed its name to 12029 McCowan Co-Ownership. 12029 was created for the purpose of owning a 100% interest in the construction development project located at 12029 McCowan Road, Stouffville, Ontario, as further described in note 4.

Both Co-ownerships are governed by the laws of the Province of Ontario. For the periods presented both Co-ownerships were under common control and common management.

The registered and head office of the Co-ownerships is 20 Holly Street, Suite 103, Toronto, Ontario, M4S 3B1.

To date, there have been no operations other than the re-zoning and pre-development costs for the Property. The owners of the Property have entered into an initial public offering process through the Ontario Securities Commission. The transaction contemplates an offering of trust units of the Plazacorp Willowgrove Residential Real Estate Development Trust (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 the Property. (the "**IPO Transaction**").

These combined financial statements of the Property have been prepared for the specific purpose of reporting on the financial position, financial performance, changes in owners' surplus (deficit) and cash flows of the Property for inclusion in a prospectus to be filed by the Trust.

These combined financial statements have been prepared on a combined basis from the books and records of the Co-ownerships and present the financial position, financial performance, changes in owners' surplus (deficit) and cash flows of the Property as of December 31, 2023, December 31, 2022, and January 1, 2022, and during the years ended December 31, 2023, and December 31, 2022, as if the Property had been accounted for on a combined basis.

These combined 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.

2. Basis of Presentation

***Going Concern and Basis of* Accounting**

These 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, 2023, the Property had a working capital deficiency of $76,792,338 primarily from incurred land development costs. The Property has no material 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 mortgages, 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 mortgages and other liabilities, including its general operations, as they come due will be satisfied from either the IPO Transaction, by further refinancing of the mortgages or by additional contributions from the owners of the Co-ownerships (the "**Owners**"). The Property may also receive continued financial support from the Owners or obtain additional financing to alleviate the financing concerns. Although management has been successful in the past at obtaining mortgages and receiving the support of the Owners, there can be no assurance that management 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 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.

Statement of Compliance

These Financial Statements have been prepared by management 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 combined financial statements prepared in accordance with IFRS and the Property adopted IFRS in accordance with IFRS 1, "First-time Adoption of International Financial Reporting Standards" ("**IFRS 1**"). An explanation or reconciliation of how the transition to IFRS has affected the Property's combined financial position, performance and cash flows have not been presented as the Property has not presented combined financial statements in previous years. The date of transition to IFRS was January 1, 2022.

These financial statements ("**Financial Statements**") were approved by the Owners on •, 2024.

Basis of Measurement

The financial statements have been prepared on the historical cost basis.

Critical Judgments and Estimates

The preparation of 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 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 Financial Statements include the following:

(i) 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 acquisition as no core processes were acquired.

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) Land under development
As inputs into the determination of estimated net realizable value, management engages an independent valuator to provide an appraisal of the land under development using the comparable sales method and uses an internal valuation process to fair value the development activity to date based primarily on costs incurred. The significant assumptions used when determining the net realizable value of land under development include the selection of comparable transactions and market value per unit of measure.

3. Material Accounting Policy Information

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of property and equipment comprises (i) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (ii) any directly attributable cost of preparing the asset for its intended use. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. The following are the estimated maximum useful lives of existing property and equipment

Computer equipment	5 years
Leasehold improvements	2 years
Furniture and fixtures	5 years
Equipment under lease	Lesser of term of lease and useful life

When assets are disposed of, the cost and accumulated depreciation are removed from the respective accounts and any related gain or loss is recognized Statement of Operations and Comprehensive Loss. Maintenance and repairs are expenses as incurred. Significant expenditures, which increase productivity or extend the useful life of the asset, are capitalized.

Available for use is defined as the point at which the related property, plant and equipment is operational, including the possession of any requisite licenses. Depreciation commences at the point the assets are available for use.

At each reporting date, management reviews the carrying amounts of its property and equipment to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Land Under Development and cost of revenues

Land under development is stated at the lower of cost and net realizable value. Cost includes land acquisition, land development, and home construction costs, including interest, real estate taxes, and certain direct and indirect overhead costs related to development and construction. For those communities for which construction and development activities have been idled, applicable interest and real estate taxes are expensed as incurred. Land acquisition and development costs are allocated to individual lots using an average lot cost determined based on the total expected land acquisition and development costs and the total expected home closings for the community. The specific identification method is used to accumulate home construction costs.

Interest is capitalized into homebuilding inventories. Cost of revenues includes the construction cost, average lot cost, and estimated warranty costs applicable to the home. Sales commissions are classified within selling, general, and administrative expenses. The construction cost of the home includes amounts paid through the closing date of the home, plus an accrual for costs incurred but not yet paid. Total community land acquisition and development costs are based on an analysis of budgeted costs compared with actual costs incurred to date and estimates to complete. Adjustments to estimated total land acquisition and development costs for the community affect the amounts costed for the community’s remaining lots.

Inventory is tested for impairment when events and circumstances indicate that the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale (net recoverable amount) may be less than its carrying amount. Such indicators include gross margins or sales paces significantly below expectations, construction costs or land development costs significantly in excess of budgeted amounts, significant delays or changes in the planned development or strategy for the community, and other known qualitative factors. Impairment charges are recorded for those communities whose carrying values exceed their net recoverable amount.

IFRS 16, Leases

At inception of a contract, management assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A right-of-use asset and a lease liability are recognized at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined the Company's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

Management has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. Lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Lease payments received under short-term leases are recognized as income on a straight-line basis over the lease term as part of other income.

Income Taxes

The Property, as presented in these combined financial statements, is not a legal entity. As such, any income tax liabilities will be reported by the owners of the Property. In certain instances, the Property may be subject to certain provincial and local taxes.

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/liabilities	Classification
Cash	Amortized cost
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Mortgages	Amortized cost

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.

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 financial statement date with net gains and losses, including interest or dividend income, recognized in profit and loss.

Financial liabilities are classified as amortized costs 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.

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 statements of financial position. Impairment losses, if incurred, would be recorded in administrative expenses in the statements of income and comprehensive income. 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 statements of income and comprehensive income. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

Fair value measurements

The Property discloses the fair value of its financial instruments. 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.

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 financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the 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.

Amendments to IAS 1, Presentation of financial statements ("IAS 1")
On January 23, 2020, the International Accounting Standards Board ("**IASB**") issued amendments to International Accounting Standards ("**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 when the standard becomes effective, on January 1, 2024, and are not expected to have a material impact on its financial statements.

4. Land Under Development

Upon the formation of 11859 on November 30, 2021, the Owners contributed the property located at 11859 McCowan Road with the legal description of PT LT 33 CON 7 Markham as in R509431 except PT7 R262806 Whitchurch-Stouffville (subsequently amended to PL 33, CON 7 Markham, Part 1, Plan 65R-40589, Town of Whitchurch-Stouffville).

Upon the formation of 12029 on November 30, 2021, the Owners contributed the property located at 12029 McCowan Road with the legal description of PT LT 34 CON 7(WM), PT 1, PL 65R34903, together with the easement over PT LT 34, CON 7, PT 4, PL 65R34903 as in YR2119414 and PT LTS 33 & 34, CON 7(WM) PTS 2, 3 & 4, PL 65R34903; subject to an easement over PT 4, PL 65R34903 in favour of PT LT 34, CON 7, PT 1, PL65R34903 as in YR2119414 in the town of Whitchurch-Stouffville

The changes in property under development are as follows:

(Expressed in Canadian Dollars)

	2023	2022
Opening Balance, January 1,	$ 95,407,194	$ 87,956,428
Development costs	2,305,376	1,245,616
Financing costs capitalized on mortgages	7,192,164	6,205,150
Balance, December 31,	$ 104,904,734	$ 95,407,194

Land under development is expected to be recovered after more than twelve months.

5. Property and equipment

Cost	Furniture & Equipment	Computer Equipment	Leasehold Improvements	Right-of-Use Office Space	Total
Balance, January 1, 2022	$ —	$ —	$ —	$ —	$ —
Addition	9,885	8,957	38,274	71,013	128,128
Disposal	—	—	—	—	—
Balance, December 31, 2022	9,885	8,957	38,274	71,013	128,128
Addition	2,700	9,397	—	—	12,097
Disposal	—	—	—	—	—
Balance, December 31, 2023	$ 12,585	$ 18,354	$ 38,274	$ 71,013	$ 140,226
Accumulated Depreciation					
Balance, January 1, 2022	$ —	$ —	$ —	$ —	$ —
Depreciation	732	738	2,307	17,753	21,530
Disposal	—	—	—	—	—
Balance, December 31, 2022	732	738	2,307	17,753	21,530
Depreciation	2,156	3,947	7,655	35,507	49,265
Disposal	—	—	—	—	—
Balance, December 31, 2023	$ 2,888	$ 4,685	$ 9,962	$ 53,260	$ 70,795
Net Book Value					
December 31, 2022	$ 9,153	$ 8,219	$ 35,967	$ 53,260	$ 106,599
December 31, 2023	9,697	13,669	28,312	17,753	69,431

The property capitalized $49,265 (2022 - $21,530) in depreciation to development costs.

6. Mortgages

Upon the formation of 11859 on November 30, 2021, the Owners contributed the obligation related to a first mortgage on 11859 McCowan Road initially issued in April 2020 to a private lender ("**Lender A**") in the amount of $14,385,025 at a rate of 9% due April 2022, with an effective interest rate of 13.84% ("**Mortgage A**"). The interest on Mortgage A was capitalized until maturity. In establishing this mortgage originally, $1,057,700 was incurred in deferred charges that were amortized over the life of this loan. At the time of the contribution of this mortgage, there remained $193,124 to be amortized and the amount outstanding was $16,662,975. Mortgage A was settled in April 2022 with the proceeds from the increase in Mortgage D (see below).

Upon the formation of 12029 on November 30, 2021, the Owners contributed the obligation related to two first mortgages on 12029 McCowan Road initially issued in September 2021 to a private lender ("**Lender B**") in the amount of $30,000,000 at a rate of 3% due August 30, 2025, with interest payable monthly, principal repayment of $5,000,000 on August 31, 2024, and the balance at maturity ("**Mortgage B**"). In August 2024, $5,000,000 in principal was reimbursed as per the terms of the agreement which amount was funded via an increase in Mortgage E.

(Expressed in Canadian Dollars)

Upon the formation of 12029 on November 30, 2021, the Owners contributed the obligation related to a second mortgage on 12029 McCowan Road initially issued in September 2021 to a private lender ("**Lender A**") in the amount of $18,000,000 at a rate of 15% due August 31, 2023, with an effective interest rate of 17.46% ("**Mortgage C**"). The accrued interest on Mortgage C was capitalized until August 2022 and then monthly payments of $261,170 were to have been made, however in December 2022 the lender agreed to extend the maturity to March 31, 2025 and to capitalize all accrued interest until maturity. In establishing this mortgage, the Property incurred $214,137 in deferred charges that were amortized over the life of this loan. At the time of the contribution of this mortgage, there remained $129,077 to be amortized.

In December 2021, the Property issued a third mortgage on 12029 to an institutional lender ("**Lender C**") in the amount of $32,000,000 at a rate of equal to Prime plus 5.8% with a minimum rate of 8.25% due December 21, 2022, with an effective interest rate of 10.05% ("**Mortgage D**"). The interest on Mortgage D was capitalized and was payable at maturity. In establishing this mortgage, the Property incurred $453,096 in deferred charges that is to be amortized over the life of this loan. This loan was guaranteed by the Owners.

In March 2022, Mortgage D was increased by $356,295.

In April 2022, the Property further increased the available financing under Mortgage D with Lender C to a total of $67,300,000 due January 1, 2023 and secured by a third mortgage on 12029 of $50,000,000 (Tranche D1-A and D1-B) and by a first mortgage on 11859 of $17,300,000 (Tranche D2). The interest rate for Tranche D1 is split with $40,000,000 at prime plus 5.8% with a minimum rate of 8.25% with $33,368,306 being advanced, and $10,000,000 at a rate of prime plus 7.25% with a minimum rate of 9.95% and Tranche D2 at a rate of prime plus 5.05% with a minimum 7.75% The increase in this credit facility replaced Mortgage A and provided $10,000,000 of additional capital while continuing to have the accrued interest capitalized. Upon increasing Mortgage D, the Property incurred $289,875 in deferred charges that were amortized over the life of the extension providing an effective interest rate of 10.62%. Mortgage D continued to be guaranteed by the Owners.

In June 2022, August 2022, September 2022 and December 2022 additional advances were made under Tranche D1-A in the amount of $306,638, $308,250, $636,878, and $616,939, respectively.

In February 2023, the Property extended the maturity date of Mortgage D to April 2024 with an interest rate of prime plus 5.3% with a minimum rate of 11.25%, with 50% of the accrued interest capitalized. The Property incurred $718,000 in deferred charges that were amortized over the life of this credit facility providing an effective rate of interest of 12.59%. To accommodate the capitalization of the accrued interest the credit facility was increased to $71,800,000. This credit facility is guaranteed by the Owners.

In April 2024, the Property extended the maturity date of Mortgage D to October 2024 with an interest rate of prime plus 5.3% with a minimum rate of 11.25%, with 50% of the accrued interest capitalized. To accommodate the capitalization of the accrued interest the credit facility was increased to $74,100,000. Upon the increase in extension of credit facility, the property incurred $284,000 in deferred charges that will be amortized over the life of this extension providing an effective interest rate of 12.35%. This credit facility is guaranteed by the Owners.

In August 2024, the Property extended Mortgage D to January 2025 and increased the credit facility by $6,000,000 of which $5,000,000 was advanced to reduce the principal outstanding of Mortgage B. Upon increasing Mortgage D, the Property incurred $225,969 in deferred charges that will be amortized over the life of the extension providing an effective interest rate of 12.21%. This credit facility is guaranteed by the Owners.

Carrying Value, as at	December 31, 2023	December 31, 2022	January 1,2022
Mortgage A	$ —	$ —	$ 16,636,609

(Expressed in Canadian Dollars)

Mortgage B	30,000,000	30,000,000	30,000,000
Mortgage C	25,481,376	21,954,895	18,904,109
Mortgage D	70,503,119	66,449,515	31,557,004
	125,984,495	118,404,410	97,097,722
Current portion	75,503,119	66,449,515	48,193,612
Long-term portion	$ 50,481,376	$ 51,954,895	$ 48,904,110

The following schedule presents the cash flows and non-cash changes within the total loans and borrowings:

	2023	2022
Loans and borrowings, January 1,	$ 118,404,410	$ 97,097,722
Cash flows		
Proceeds from issuance of loans and borrowings	—	11,865,554
Payments of financing costs	(763,920)	(566,201)
	(763,920)	11,299,353
Non-cash Changes		
Capitalization of interest	7,702,571	8,851,466
Amortization of deferred financing costs	641,434	1,155,869
	8,344,005	10,007,335
Loans and borrowings, December 31,	$ 125,984,495	$ 118,404,410

7. Related Party Transactions

The Property does not employ key management personnel. Management services and strategic oversight of the Property are managed through the development agreement.

In addition to the related party transactions disclosed elsewhere, related party transactions include the following:

For the year ended December 31,	2023	2022
Management Development fee paid to Orca Management Inc. which is related by virtue of common ownership	$ 140,000	$ 240,000

All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties.

8. Segment Reporting

The Property owns a single land development site located in Ontario, Canada. 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.

9. Commitments and Contingencies

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.

(Expressed in Canadian Dollars)

Commitments
The Property entered into a development management agreement with Orca Management Inc. ("**Development Manager**"). This development management agreement entitles the Development Manager to a monthly fee of $20,000, which was reduced to a monthly fee of $10,000 as of March 1, 2023.

10. Risk Management

The Property's activities expose it to market risk and liquidity risk. Risk management is carried out by the 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 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 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, 2023:

			Payments by Periods		
	Carrying Amount	Contractual Cash Flows	< 1 Year	1 - 2 Years	After 3 Years
Accounts payable	$ 1,705,330	$ 1,705,330	$ 1,705,330	$ —	$ —
Mortgages	125,984,495	126,113,067	75,631,691	50,481,376	—

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, and capital commitments by its owners to fund its liabilities as they become due.

Management believes that the repayment of the mortgages will be satisfied by either the IPO Transaction, further refinancing as it has done previously with the same lenders or additional contributions from its owners. As disclosed in note 1(a), there is no assurance that these events will occur.

11. Fair Value Measurement

The Property issued a number of mortgages that bear interest at from 3% to 15%. The carrying value of the mortgages at each financial statement date approximates their fair value either due to their short-term nature or as a result of the loans being at variable interest rates which react to current market conditions.

(Expressed in Canadian Dollars)

The Property estimates the fair value of the mortgages based on the rates that could be obtained for similar debt instruments with similar terms and maturities. The fair value of the mortgages 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 value of the Property's financial instruments are as follows:

As at December 31, 2023	Fair Value	Carrying Value
Mortgage B	$ 27,294,857	$ 30,000,000
Mortgage C	24,033,586	25,481,376
Mortgage D	70,503,119	70,503,119
Loans and borrowings	$ 121,831,562	$ 125,984,495

The fair values of the Property's other financial assets and liabilities approximate their recorded values due to their short-term nature.

12. Capital Risk Management

The Property's capital consists of mortgages and the owners' surplus (deficit).

As at December 31, 2023, the principal amount of outstanding mortgages amounted to $126,113,067 (2022 - $118,410,496) excluding deferred charges. 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.

13. Subsequent Event

Subsequent to December 31, 2023, the Co-ownerships entered into an agreement to sell the Property to a subsidiary of the Trust and borrowed an additional $10,805,479 being advances for operations which are interest-free and due on demand, including $8,505,479 from Helmsbridge Holding ULC, a related party.

SCHEDULE A
AUDIT COMMITTEE CHARTER

Plazacorp Willowgrove Residential Real Estate Development Trust (the "REDT")

1. Mandate

The primary function of the audit committee (the "**Committee**") is to assist the REDT 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 REDT's financial reporting and internal control system and review the REDT's financial statements;

(b) review the performance of the REDT's external auditors; and

(c) provide an open avenue of communication among the REDT's auditors, the Trustees of the REDT and senior management of the REDT and Plazacorp Willowgrove REDT Management Inc., in its capacity as manager of the REDT (the "**Manager**").

2. Composition

The Committee shall be composed of three Trustees of the REDT as determined by the Trustees of the REDT, two of whom shall be free from any relationship that, in the opinion of the Trustees, would interfere with the exercise of their 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 REDT's financial statements.

(b) The members of the Committee shall be appointed by the Trustees of the REDT. 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 REDT. 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 REDT's financial statements, management's discussion and analysis of financial results ("**MD&A**") and any financial press releases before the REDT 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 REDT's public disclosure of financial information extracted or derived from the REDT's financial statements, other than the REDT'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 REDT, 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 REDT and the Committee as representatives of the unitholders of the REDT.

(3) Recommend to the Trustees of the REDT 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 REDT.

(4) Consult with the external auditor, without the presence of management of the Manager about the quality of the REDT's accounting principles, internal controls and the completeness and accuracy of the REDT'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 REDT's external auditors.

(c) Financial Reporting Processes

(1) In consultation with the external auditor, review with management of the Manager the integrity of the REDT's accounting and financial reporting practices and procedures, both internal and external, and approve, if appropriate, changes to the REDT'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 REDT AND THE PROMOTER

Dated: November 12, 2024

This amended and restated prospectus (which includes the marketing materials included or incorporated by reference) constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec; and this prospectus (which includes the marketing materials included or incorporated by reference) 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 Québec.

PLAZACORP WILLOWGROVE RESIDENTIAL REAL ESTATE DEVELOPMENT TRUST

By: (Signed) "Anthony Heller"
Chief Executive Officer

By: (Signed) "Claude Ayache"
Chief Financial Officer

ON BEHALF OF THE BOARD OF TRUSTEES

By: (Signed) "Robert Jacobs"
Trustee

By: (Signed) "Jordan Bizouati"
Trustee

ON BEHALF OF THE PROMOTER

PLAZACORP INVESTMENTS LIMITED
as Promoter

By: (Signed) "Anthony Heller"
Chief Executive Officer

CERTIFICATE OF THE AGENT

Dated: November 12, 2024

To the best of our knowledge, information and belief, this amended and restated prospectus (which includes the marketing materials included or incorporated by reference) constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec; and to the best of our knowledge, information and belief, this prospectus (which includes the marketing materials included or incorporated by reference) 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 Québec.

CIBC WORLD MARKETS INC.

By: (Signed) “Greg Kay”

Executive Director