A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada but has not yet become final for the purposes of the sale of securities. Information contained in 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.*

PRELIMINARY PROSPECTUS

Initial Public Offering September 10, 2024

Anthem

ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Minimum: $65,000,000 of Class A Units and/or Class F Units

Maximum: $82,000,000 of Class A Units and/or Class F Units

This Prospectus qualifies the distribution (the "**Offering**") of up to an aggregate of $82,000,000 of class A trust units ("**Class A Units**") and/or class F trust units ("**Class F Units**" and, together with the Class A Units, and, if applicable, Class I Units (as defined herein), the "**Units**") of Anthem Citizen Real Estate Development Trust (the "**REDT**"), a newly created, unincorporated investment trust established under the laws of the Province of British Columbia. 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 REDT's investment objectives are to: (a) provide Unitholders (as defined herein) with an opportunity to indirectly own an interest in the mixed-use, transit-oriented Citizen development project located in the Burnaby, British Columbia market, to be built, leased and operated by Anthem (as defined below); (b) declare and pay to Unitholders cash distributions out of the available operating cash flow of the REDT (to the extent available); and (c) achieve a Liquidity Event (as defined herein). 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 REDT[(3)]
Per Class A Unit	$10.00	$0.60	$9.40
Per Class F Unit	$10.00	$0.60	$9.40
Minimum Offering[(4)]	$65,000,000	$3,900,000	$61,100,000
Maximum Offering[(5)]	$82,000,000	$4,920,000	$77,080,000

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 $1,250,000), which will be paid by the Project LP (as defined herein) out of the Net Subscription Proceeds (as defined herein).

(4) The Minimum Offering assumes that $65,000,000 of Class A Units and Class F Units are issued and sold pursuant to this Prospectus, and that no trust units are issued and sold pursuant to a concurrent private placement, but will be calculated based on the subscription proceeds received from the issuance of Class A Units, Class F Units and, if applicable, Class I Units.

(5) The Maximum Offering assumes that $82,000,000 of Class A Units and Class F Units are issued and sold pursuant to this Prospectus, and that no trust units are issued and sold pursuant to a concurrent private placement, but will be calculated based on the subscription proceeds received from the issuance of Class A Units, Class F Units and, if applicable, Class I Units.

The REDT will be managed by Anthem Properties Group Ltd. (the "**Manager**"). See "Corporate Structure – Intercorporate Relationships" and "The Manager and the Management Agreement". A subsidiary of Anthem Developments (Canada) Ltd. ("**Anthem Developments**") and its non-managing co-investment partner are the current owners of the Project (together, the "**Current Owners**"). Anthem Developments has committed to Anthem providing additional equity to the Project, through acquiring Shortfall Units (as defined herein), in an aggregate amount equal to the difference between (a) the gross proceeds raised from the Offering and any concurrent private placements by the REDT, and (b) the Maximum Offering (the "**Equity Commitment**"), which would result in a maximum Equity Commitment of $17,000,000 in the aggregate if only the Minimum Offering is achieved, in order to provide the necessary equity to complete development of the Project.

Pursuant to a concurrent private placement in connection with the Offering or as a distribution pursuant to this Prospectus: (i) the REDT may seek out commitments from certain institutional and other investors to subscribe for class I trust units ("**Class I Units**") on a lead order basis ("**Lead Investors**"); and (ii) if the Maximum Offering is not achieved through the distribution of Units to the public, then Class I Units, or a further class of trust units of the REDT, may be issued to investors known to Anthem, provided that in each of the foregoing cases such trust units are issued for $10.00 per trust unit (with such Agent's Fee and other terms as may be agreed among the REDT, the Agent (as defined below) and the applicable subscriber), and provided that the proceeds of any such issuances, together with the proceeds from the issuance of the Class A Units and Class F Units, do not exceed the Maximum Offering amount. In connection with the Offering, the Current Owners are not disposing of their interest in the Project and will not receive any of the net proceeds of the Offering on closing of the Offering.

Following the completion of the Offering, the REDT will indirectly acquire an interest in the Project through the acquisition of class A limited partnership units of Anthem Metro King Developments Limited Partnership (the "**Project LP**"), which owns 100% of the Project. Assuming the Maximum Offering, the REDT will own a 72.2% limited partner interest in the Project LP and indirect equity interest in the Project, and assuming the Minimum Offering is sold and the maximum Equity Commitment is provided by Anthem through the subscription for Shortfall Units, the REDT will own a 57.3% limited partner interest in the Project LP and indirect 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, and the expenses of the Offering which will be paid by the Project LP) and any concurrent private placements by the REDT, will be invested into the Project LP and used, together with any proceeds from the Equity Commitment (if applicable), 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 Subscription Proceeds (as defined herein), without deduction for the Agent's Fee or any expenses of the Offering borne by the Project LP. Further, following completion of the Offering and any concurrent private placements by the REDT, 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 Anthem through acquiring Cost Overrun Units (as defined herein). See also "Investment Strategy – The Current Owners". Anthem Metro King Developments GP Ltd., a subsidiary of the Manager, is the general partner of the Project LP.

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

There will be no closing unless the Minimum Offering is achieved, being a minimum of $65,000,000 of Class A Units, Class F Units and/or Class I Units (if any) being sold pursuant to the Offering and any concurrent private placement. The distribution under this Offering will not continue for a period of more than 90 days after the date of the receipt obtained from the principal securities regulatory authority for 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.

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 a Liquidity Event, and will be subject to various other factors, including those referenced in the "Risk Factors" section of this Prospectus.

The aggregate Minimum Return (as defined herein), after payment of all expenses of the Project, the REDT and its Subsidiaries, (i) is based on a 15.0% per annum compounded return on the Gross Subscription Proceeds received by the REDT from the issuance of each Unit, and (ii) is a preferred return, payable prior to payment of any amounts in respect of the Current Owners' pre-Offering investment in the Project or pursuant to the Carried Interest and Asset Management Fee (each as defined herein), but (iii) is not guaranteed, is not expected to be paid prior to the occurrence of a Liquidity Event, and may not be paid upon the occurrence of a Liquidity Event or at all. See "Forward-Looking Statements" and "Risk Factors".

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

The REDT will aim to realize a projected targeted pre-tax investor gross compounded annualized return of approximately 18% equating to a total pre-tax investor gross return over five years from the Closing Date of approximately 130% before fees and satisfaction of the Carried Interest on the REDT's indirect investment in the Project upon the completion of a Liquidity Event, as applicable, although these figures will necessarily vary as between classes of Units based on the proportionate entitlements of each class of Units. "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 each taxation year, the income of the REDT paid or made payable to them by the REDT for the taxation year of the REDT ending in or coincidentally with such taxation year. 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 income (including capital gains, if any) 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 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 $150,000 in the aggregate. 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 of the REDT, as determined by the Board in its sole discretion. Property distributed by the REDT upon a redemption is not expected to be liquid and may not be a qualified investment for trusts governed by Plans (as defined herein). In those circumstances, adverse tax consequences may apply to a Unitholder, or a Plan and/or the annuitant, holder, subscriber or beneficiary thereunder or thereof, as a result of the redemption of Units held in a trust governed by a Plan. See “Description of Securities – The REDT – Redemption”, “Risk Factors – Risk Factors – Risks Related to the Offering – Limited Liquidity of Units” and “Risk Factors – Risks Related to Redemptions”.

CIBC World Markets Inc. (the “**Agent**”) conditionally offers the Units on a best efforts basis, subject to prior sale, if, as and when issued by the REDT 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”.

Certain Trustees and officers of the REDT will be affiliated with (or, in the case of Eric Carlson, have an indirect ownership interest in) the Manager, as well as the other Project Manager (as defined herein) entities, and such Trustees and 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 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 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, Project Manager, Trustees and Officers)”, “Risk Factors – Risks Related to the REDT – Potential Conflicts of Interest with Respect to the Manager and the Other Project Manager entities”, “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”, “Promoters” 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 who render services to the REDT and/or its Subsidiaries. See “Audit Committee and Corporate Governance – Corporate Governance”.

The registered and head office of the REDT is located at Suite 1100 Bentall IV Box 49200, 1055 Dunsmuir Street, Vancouver BC, V7X 1K8.

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ABOUT THIS PROSPECTUS

A Purchaser should rely only on the information contained in this Prospectus and is not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. The REDT has not, and the Agent, the Project GP and the Manager 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 Project GP, 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 of the REDT and/or to the REDT's operating policy relating to the assumption of any indebtedness shall require the approval by Special Resolution of the Unitholders;

   (ii) the remaining operating policies shall require the approval by an Ordinary Resolution of the Unitholders; and

   (iii) the Declaration of Trust relating to the procedure to amend the REDT's investment restrictions and operating policies will require the approval by Special Resolution of the Unitholders,

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

(b) the REDT will only use the Net Subscription Proceeds in accordance with its Investment Restrictions and its investment strategy, as set forth herein; and

(c) the Board will, on filing of 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.

Unless otherwise noted herein, the disclosure in this Prospectus assumes that there is not a concurrent private placement of trust units, that there are no subscriptions for Shortfall Units and Cost Overrun Units and the only classes of Units issued by the REDT are the Class A Units and 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 mixed-use real estate market, and specifically in the mixed-use real estate market in the Metro Vancouver area, which includes Burnaby, British Columbia;

(b) optimal market conditions in Canada, and specifically in Burnaby, British Columbia;

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

(d) the availability of financing for the Project;

(e) the Equity Commitment;

(f) subscriptions for Cost Overrun Units and/or Shortfall Units;

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

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

(i) expectations regarding the operations of the Project;

(j) expectations and plans regarding the REDT’s ability to enter into a construction loan agreement on terms contemplated in the development plan for the Project;

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

(l) the intention to achieve a Liquidity Event within five years of the Closing Date, subject to two discretionary, one-year extensions;

(m) the possibility of completing any private placements concurrent with the closing of the Offering;

(n) the expectation that the REDT will satisfy the requirements stipulated by the Tax Act to qualify as a “mutual fund trust”;

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

(p) the anticipated Closing Date; and

(q) the expected public filings of the REDT.

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: real property ownership and revenues; construction and development risk; obtaining necessary building permits for the Project; the realization of property value appreciation and timing thereof; the inventory of mixed-use properties; competition from developers of mixed-use properties; the Burnaby, British Columbia real estate market; government legal and regulatory changes; property encumbrances relating to the Project; significant fixed expenditures and fees in connection with the maintenance, operation and administration of the Project; closing and other transaction costs in connection with the acquisition and disposition of the Project; the availability of financing and current interest rates; revenue shortfalls; assumptions about rental growth rates, hotel occupancy and average daily rates in the Canadian mixed-use real estate market; 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 mixed-use properties in the Metro Vancouver area 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 Project Manager to manage and operate the Project; reliance on property management companies; 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 projected targeted pre-tax investor gross compounded annualized return of approximately 18% equating to a total pre-tax investor gross return over five years from the Closing Date of approximately 130%, before fees and satisfaction of the Carried Interest, please see "Description of Securities – The REDT – Distributions". 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 achieve a Liquidity Event, business competition, public health crises and disease outbreaks, and changes in government regulations or income tax laws, as well as other risks described in the preliminary prospectus, including at "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.

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 Project GP, 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".

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 the 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.

The 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 used in the following summary are defined under the heading "Glossary of Terms".

Issuer:	Anthem Citizen Real Estate Development Trust (the "**REDT**") is a newly-created, unincorporated investment trust governed by the laws of the Province of British Columbia. The REDT was settled by the Project GP and formed pursuant to the initial declaration of trust dated as of September 6, 2024.
Offering:	Class A Units and/or Class F Units up to a maximum of $82,000,000 of Units.
Issue Size:	Minimum Offering: $65,000,000 Maximum Offering: $82,000,000 The size of the Offering will be calculated based on the subscription proceeds received from the issuance 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:	Anthem Metro King Developments GP Ltd. (the "**Project GP**") is considered to be the promoter of the REDT by reason of its initiative in organizing the business of the REDT. The Project GP initiated the establishment of the REDT as its initial Unitholder. The Project GP has been the operator and manager of the Project responsible for the day to day activities of the Project since it was appointed as general partner of the Project LP on May 21, 2019. As part of its role as the day to day manager of the Project, the Project GP has engaged Anthem Properties Group Ltd. (the "**Manager**"), APG Construction and Anthem Realty (collectively and individually, with certain of their affiliates, in their capacities as managers of the Project, the "**Project Manager**") pursuant to the Construction Contract, Development Management Agreement, Sales and Marketing Agreement, Property Management Agreement (Commercial), Property Management Agreement (Residential Rental), Homeowner Care Services Agreement (Residential Rental) and Homeowner Care Agreement (Strata Condominium) in order to develop and construct the Project.
The Manager and the Project Manager:	The REDT will be managed by the Manager. The Project GP has engaged the Project Manager to manage the Project, including providing development management, construction management and sales and marketing services. See "The Manager and the Management Agreement – The Manager".
The Project:	Following closing of the Offering, the REDT will acquire an indirect interest in the Project through the Acquisition. The Project is a mixed-use, transit-oriented development project located in the Metrotown neighbourhood of Burnaby, British Columbia. The development site is located in the heart of Metrotown, directly across the Kingsway Boulevard from the Metropolis at Metrotown shopping centre (British Columbia's largest shopping centre) and within close proximity to the Metrotown SkyTrain station (approximately 650 meters). The development will feature a 66-storey mixed-use tower comprised of 738,712 square feet of gross floor area. The tower will

include the following uses: (i) 372 condominium units (top 34 storeys of the building); 200 market rental units; 73 non-market, affordable rental units; 176 hotel suites; and 4,881 square feet of retail space. The Project GP commenced condominium presales in late-August 2023. The presale campaign concluded May 31, 2024, with 286 of 372 units presold at a blended rate of $1,363 per square foot, generating over $269 million in sales.

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

Investment Strategy: The REDT has been established primarily for the purpose of indirectly owning an interest in the Project. The Manager believes that the development of the Project presents a compelling investment opportunity and offers competitive returns compared to other real estate assets.

See “Investment Strategy”.

Investment Objectives: The REDT’s investment objectives are to:

(a) provide Unitholders (as defined herein) with an opportunity to indirectly own an interest in the mixed-use, transit-oriented Citizen development project located in the Burnaby, British Columbia market, currently owned indirectly by Anthem Developments and its non-managing co-investment partner, and to be built, leased and operated by Anthem;

(b) declare and pay to Unitholders cash distributions out of the available operating cash flow of the REDT (to the extent available); and

(c) achieve a Liquidity Event.

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

Investment Highlights:

Sponsor Led by Experienced and Aligned Management Team with Strong Track Record	The REDT will be managed by the Manager, one of Canada’s largest fully integrated private real estate companies with total assets under management of $7 Billion as at December 31, 2023. Anthem has an established track record of execution and providing strong returns over its 32-year history across the residential (both rental and to-own), mixed-use, retail, industrial, hotel, and master-planned-community asset classes throughout Western North America.
Strong Site Location Fundamentals	Citizen is a transit-oriented development in Burnaby, one of Metro Vancouver’s major town centres, offering an opportunity to play a major role in the transformation of the city of Burnaby through the development of a high-density mixed-use project. The Project is strategically located in the heart of the Metrotown neighbourhood in Burnaby, directly across the Kingsway Boulevard from the largest shopping centre in British Columbia, Metropolis at Metrotown and Anthem’s newly completed Station Square master plan community and within close proximity (650 meters) to the Metrotown SkyTrain station. This prime location offers residents convenient access to shopping, dining, entertainment, and essential public amenities like the 200-acre Central Park and a variety of local schools. The Metrotown area is a highly desirable residential location due to its excellent connectivity to Metro Vancouver's SkyTrain network, making it one of the most commuter-friendly neighbourhoods in the region. It is also at one of the highest elevations in Metro Vancouver, allowing for panoramic views in all directions. The Manager

	believes this ensures a steady demand for both residential and commercial spaces within the development.
Strong Housing Market Fundamentals	Despite encountering some market headwinds over the past 12-18 months, driven primarily by the Bank of Canada's campaign to drive down inflation through higher interest rates, the housing market in Metro Vancouver has remained resilient and continues to churn through existing inventories, albeit at a slower pace than in prior years when market conditions were more active. The success of the Project's presale campaign is evidence of the existing demand for thoughtfully designed, appropriately positioned and optimally-located condominium product by an established and respected developer with a long track record of successfully executing its many projects, regardless of size and scope.
Project is Construction Ready and Substantially Pre-Sold	Anthem commenced condominium presales in late-August 2023. The presale campaign concluded May 31, 2024 with 286 units (approximately 77% of condominium units) pre-sold representing over $269 million of sales with an average price of $1,363 per square foot. Total contractual deposits range from 15% to 25%. All statutory recission periods, which the purchasers of pre-sold units would have had the benefit of, have expired. As a result, each purchase agreement is now a legal and binding obligation of the purchasers that are party thereto. The Citizen project site was acquired by the Current Owners on November 29, 2019 as a collection of eight individual lots which were previously improved with three single-family homes, a Cactus Club Café and a mix of retail/office properties along Kingsway, all of which have been demolished. At the time of rezoning, the Current Owners also acquired an adjacent laneway from the city of Burnaby. The overall site is now consolidated into one legal title, has been cleared and is ready for excavation. The site was successfully rezoned for the mixed-use development on June 5, 2023. Per the zoning designation there is a requirement to include commercial space in the Project. Anthem received approval on September 9, 2024 to amend the zoning to permit hotel use within the commercial podium. An excavation permit was issued on August 8, 2024 and this will be followed with the full building permit issuance expected in May 2025. Excavation is projected to begin in October 2024 (following closing of the Offering).
Enhanced Investor Risk-Return Profile and Alignment of Interest with Current Owners	Purchasers are being given the opportunity to invest in the Project, through the REDT, at the total cost basis of the Project, as the Current Owners will be contributing existing assets at the cost base. The current appraised residual value of the Project's land is $96.6 million, plus other non-land costs of $16.2 million, totals $112.8 million while the REDT's interest in the Project will be based on its acquisition cost of land and development costs to date of approximately $105.0 million. Therefore, Purchasers are purchasing an interest in the Project at an implied discount of approximately 7% to the appraised value (inclusive

	of costs to date). The total equity in the Project, following closing of the Offering, will be $113.5 million. In a carried interest structure, sponsors receive a share of the profits generated from successful investments. With respect to the REDT, the structure of the Carried Interest means that the Current Owners only benefit when the REDT's investment is profitable over the Minimum Return of 15.0%. This is intended to encourage the Manager 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 15.0% (being the Minimum Return) payable prior to payment of any amounts in respect of the Current Owners' pre-Offering investment in the Project or pursuant to the Carried Interest, which incentivizes the Manager to focus on generating higher returns to Unitholders in order to receive the Carried Interest. Lastly, the Carried Interest 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 achieve a Liquidity Event within budgeted timelines. The Current Owners have invested their own equity into the Project and will retain a minimum $31.5 million investment throughout the Project life (and, in the event of an Offering of less than the Maximum Offering, Anthem will continue to do so through the Equity Commitment). Unitholders investment will rank above the pre-Offering equity of the Current Owners in the capital stack, providing an added layer of protection. Unitholders will receive both their distribution of an annualized 15% Minium Return and repayment of their investment prior to the Current Owners receiving their pre-Offering principal or a return thereon, allowing for strong risk-adjusted returns. The 30% participation feature allows Unitholders to benefit from a substantial share of the Project's profits beyond the Minimum Return. This allows Unitholders to take advantage of the combination of a preferred return that offers downside protection, paired with the potential for higher returns through participation in profits which allows for aligned interests with the success of the Project and Current Owners. This structure incentivizes the Current Owners to meet and exceed the pro forma results.

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

Independent Appraisal:

The Manager retained the Appraiser to provide an independent appraisal of the residual land value of the Project's land (the "**Independent Appraisal**"). Based on the Independent Appraisal, the estimated market residual value of the Project's land is $96.6 million (before transferable and soft costs). See "Description of the Activities of the REDT – The Project – Independent Appraisal".

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 financial statements for the three months and six months ended June 30, 2024 and June 30, 2023 (unaudited) and the Project's audited 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", 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.

Six months ended June 30, 2024 (in thousands of Canadian dollars)		**The Project**
Balance Sheet Data		
Assets:		
Current assets		
Cash		20
Other assets		106
Deposits held in trust		25,873
Non-current assets		
Investment property		138,924
Prepaid sales commissions		7,132
Total assets	**$**	**172,055**
Liabilities and Partners' Equity:		
Current liabilities		
Debt on property	$	60,267
Due to related parties		18,873
Accounts payable and accrued liabilities		27,779
Non-current liabilities		
Deposits on real estate sales		25,873
Partners' equity		39,263
Total liabilities and partners' equity	**$**	**172,055**

Trustees and Officers:

The REDT has a Board consisting of five Trustees, being Eric Carlson, Elva Kim, Barry Guld, Paolo Kalaw and Brooke Wade. A majority of the Board is independent (60%) and 20% of the Trustees are women. The officers of the REDT are Eric Carlson (Chief Executive Officer), Rob McJunkin (Chief Financial Officer), Elva Kim (Chief Operating Officer), Rob Blackwell (Executive Vice President, Development), and Kate Ayoubi (Senior Vice President, Financial Operations). 40% of the officers of the REDT are women.

The Trustees and executive officers of the REDT have, collectively, over 110 years of prior experience in the Canadian real estate sector.

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 Units of the REDT. Eric Carlson, a Trustee and the Chief Executive Officer of the REDT, is the sole director of the indirect owner of Anthem Developments and controls the controlling shareholder of the Anthem group of companies. Other than the foregoing, the Trustees and executive officers of the REDT, as a group, are not expected to have a direct or indirect equity interest in the Project.

See “Trustees and Executive Officers” and “The Manager and the Management Agreement”.

Unit Attributes: The beneficial interests in the REDT are divided into two classes of Units: Class A Units and Class F Units. The REDT is authorized to issue an unlimited number of Units of each class although, following completion of the Offering and any concurrent private placements by the REDT, 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”.

Pursuant to a concurrent private placement in connection with the Offering or as a distribution pursuant to this Prospectus: (i) the REDT may seek out commitments from Lead Investors to subscribe for Class I Units on a lead order basis; and (ii) if the Maximum Offering is not achieved through the distribution of Units to the public, then Class I Units, or a further class of trust units of the REDT, may be issued to investors known to Anthem, provided that in each of the foregoing cases such trust units are issued for $10.00 per trust unit (with such Agent’s Fee and other terms as may be agreed among the REDT, the Agent and the applicable Purchaser), and provided that the proceeds of any such issuances, together with the proceeds from the issuance of the Class A Units and Class F Units, do not exceed the Maximum Offering amount. In connection with the Offering, the Current Owners are not disposing of their interest in the Project and will not receive any of the net proceeds of the Offering on closing of the Offering.

The REDT is prohibited from offering Units to the public following the closing of the Offering, provided, for clarity, that the REDT may issue trust units pursuant to a concurrent private placement in connection with the closing of the Offering.

Leverage: The Project will target maximum leverage of approximately 70% to develop the Project. However, the maximum Project Indebtedness will be limited to 75% of the Total Assets in accordance with the Declaration of Trust.

See “Capitalization – Long-Term Debt”.

Equity Commitment (Shortfall Units): Anthem Developments has committed to Anthem providing additional equity to the Project, through acquiring Shortfall Units, in an aggregate amount equal to the difference between (a) the gross proceeds raised from the Offering and any concurrent private placements by the REDT, and (b) the Maximum Offering, which would result in a maximum Equity Commitment of $17,000,000 in the aggregate if only the Minimum Offering is achieved, in order to provide the necessary equity to complete development of the Project.

See “Investment Strategy – The Current Owners”.

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, Anthem has committed to provide the equity for such cost overruns by acquiring Cost Overrun Units. The return on the Cost Overrun Units has an equal pre-tax investor gross compounded annualized return to the Class A Units, adjusted to reflect that no Agent’s Fees will be payable in connection with the issuance of Cost Overrun Units. For greater certainty, the Cost Overrun Units will otherwise achieve the same annualized internal rate of return as the Class A Units, adjusted to assume no Agent’s Fees were paid, 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:

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, and the timing of a Liquidity Event, 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 is no less than 50% of the taxable income of the REDT from the Project in that year, however there can be no assurances that there will be sufficient available cash flow to pay such distributions.

The aggregate Minimum Return, after payment of all expenses of the Project, the REDT and its Subsidiaries, (i) is based on a 15.0% per annum compounded return on the Gross Subscription Proceeds received by the REDT from the issuance of each Unit, and (ii) is a preferred return, payable prior to payment of any amounts in respect of the Current Owners' pre-Offering investment in the Project or pursuant to the Carried Interest and Asset Management Fee, but (iii) is not guaranteed, is not expected to be paid prior to the occurrence of a Liquidity Event, as applicable, and may not be paid upon the occurrence of a Liquidity Event or at all.

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

See "Description of Securities – The 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 achieve a Liquidity Event within five 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 "**Liquidity Event**" may be, subject to Unitholder approval as the case may be, (i) the sale of all or substantially all of the assets of the REDT, being the securities in the Project LP through which the REDT indirectly owns its interest in the Project, for cash or Listed Securities or a combination of cash and Listed Securities, (ii) the sale of all or substantially all of the Units of the REDT by Unitholders for cash or Listed Securities or a combination of cash and Listed Securities, (iii) a transaction which provides Unitholders with comparable liquidity that such Unitholders would have if the Units were Listed Securities, whether by means of a reverse take-over, merger, amalgamation, arrangement, take-over bid, insider bid, reorganization, joint venture or similar transaction or other combination with an issuer of Listed Securities, (iv) the exchange of Units for Listed Securities, or (v) an event similar to those described in items (i) to (iv) above and designated as an "Liquidity Event" by the independent Trustees.

The Term is targeted to be a period of five 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 two, 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 to allow for the completion of the process commenced pursuant to the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or Sale Process, as applicable.

In the event the Term is extended, returns to investors may be different than the targeted pre-tax investor gross compounded annualized return of approximately 18%. In particular, if the Term is extended beyond the five years, the Minimum Return will continue to compound, resulting in a higher threshold necessary for the Carried Interest to be triggered. 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 or in the event that a Liquidity Event is proposed by the Manager that would result in the Minimum Return being achieved but is not approved by Unitholders. However, as the Asset Management Fee is only payable in the event the Minimum Return is achieved, an extension to the Term and completion of a Liquidity Event 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. Lastly, in the event that the Term is extended but the debt financing for the Project remains outstanding, the Project may incur additional interest expense. If the extension to the Term is necessary because of a delay in development, interest expense may not increase as additional debt would not be drawn during such delays.

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".

Liquidity Provisions:

The Current Owners and the REDT have agreed to certain liquidity rights in order to facilitate the sale of the Project, which can be initiated by the Current Owners (the "**Current Owners NHC Liquidity Option**") at any time during the period beginning on the first anniversary of the Closing Date and ending immediately prior to the 60th day before the end of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)), and by the REDT (the "**REDT NHC Liquidity Option**") at any time during the 30 days following the 60th day before the expiry of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)).

Non-Hotel Components

With respect to the residential rental component (comprising both the market rental units and the non-market, affordable rental units, the "**Residential Rental Component**"), any unsold condominium residential component (the "**Condo Component**") and the retail component (the "**Retail Component**" and, collectively with the Residential Rental Component and the Condo Component, and excluding, for greater certainty, any previously sold condominium residential units, the "**Non-Hotel Components**" and, each, a "**Non-Hotel Component**"), the REDT and the Current Owners shall each appoint an independent, third party appraiser to obtain separate appraisals of the Project and each component of the Project. Following receipt of the appraisals, the Current Owners will have 30 days to agree to acquire any or all of the Non-Hotel Components at the purchase price established below:

Current Owners NHC Liquidity Option regarding the Non-Hotel Components

- If the Current Owners NHC Liquidity Option is exercised during the period beginning on the first anniversary of the Closing Date and ending prior to the date that is 30 months following the Closing Date, it must be exercised for all the Non-Hotel Components together and the aggregate purchase price for the Non-Hotel Components shall be equal to pre-tax amount that would be distributed (or be available for distribution) if the Non-Hotel Components were sold for the greater of: (A) a price which would, when combined with the Hotel Component Price (as defined below), result in Unitholders achieving a pre-tax investor gross compounded annualized return equal to 18% (calculated based on the annualized return for the Units), before fees and Carried Interest; and (B) the mid-point of the two appraisals less the Hotel Component Price. In either case, the Current Owners shall be permitted to offer to purchase the Non-Hotel Components or not, at their discretion.

- If the Current Owners NHC Liquidity Option is exercised during the period beginning on the date that is 30 months following the Closing Date, and ending immediately prior to the 60th day before the end of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)), it can be exercised in respect of any or all of the Non-Hotel Components, and the purchase price for each applicable Non-Hotel Component shall be equal to the pre-tax amount that would be distributed (or be available for distribution) if such Non-Hotel Component was sold for the greater of: (A) the value of such Non-Hotel Component modelled in the pro forma of the Project (such net values being approximately $586,877,00 in aggregate, $217,348,000 and $7,224,000 for the Residential Rental Component and the Retail Component, respectively, and, for the Condo Component, $360,505,000 less the amount received from previously sold condominium residential units); and (B) either (i) the mid-point of the two appraisals of such Non-Hotel Component, or (ii) if the higher appraisal is more than 105% of the lower appraisal, a third appraisal of such Non-Hotel Component shall be obtained and the price shall be the mid-point of the two closest appraisals among the three appraisals of the Non-Hotel Component. The Current Owners shall be permitted to offer to purchase any or all of the Non-Hotel Components at their discretion.

<u>REDT NHC Liquidity Option regarding the Non-Hotel Components</u>

- If the REDT NHC Liquidity Option is exercised during the 30 days following the 60^{th} day before the expiry of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)), the purchase price for each applicable Non-Hotel Component shall be equal to the pre-tax amount that would be distributed (or be available for distribution) if such Non-Hotel Component was sold for the greater of: (A) the value of such Non-Hotel Component modelled in the pro forma of the Project (such net values being approximately $586,876,400 in aggregate, $217,348,000 and $7,224,000 for the Residential Rental Component and the Retail Component, respectively, and, for the Condo Component, $360,505,000 less the amount received from previously sold condominium residential units); and (B) either (i) the mid-point of the two appraisals of such Non-Hotel Component, or (ii) if the higher appraisal is more than 105% of the lower appraisal, a third appraisal of such Non-Hotel Component shall be obtained and the price shall be the mid-point of the two closest appraisals among the three appraisals of the Non-Hotel Component. In either case, the Current Owners shall be permitted, but not obligated, to purchase any or all of the Non-Hotel Components.

If the Current Owners have not exercised the Current Owners NHC Liquidity Option, and do not offer to purchase one or more of the Non-Hotel Components pursuant to the REDT NHC Liquidity Option within the 30-day period following receipt of the appraisals (the "**Appraisal Receipt Period**"), the REDT will have the right, during the 60-day period following the expiry of the Appraisal Receipt Period, to initiate a sales process for such remaining unpurchased Non-Hotel Components (the "**Sale Process**"), pursuant to which such Non-Hotel Components may be sold to one or more third parties at any price (the "**Sale Process Price**"), provided that the Current Owners shall be permitted to bid during the Sale Process. If the REDT is able to identify an acquiror that is not the Current Owners, the REDT shall have the right to require that the Current Owners sell their interest in the applicable Non-Hotel Components at the applicable proportion that such interests represent of the Sale Process Price.

If the Current Owners are acquiring the entire Project (i.e., concurrently acquiring the Hotel Component (see "Hotel Component" below) together with the Non-Hotel Components), the Current Owners may do so by acquiring the Project LP Class A Units representing the REDT's ownership interests of the Project.

Any transaction involving any or all of the Non-Hotel Components or all of the Project LP Class A Units to be completed pursuant to the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or the Sale Process will be subject to approval by the Unitholders by Special Resolution.

Following completion of the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or the Sale Process, as applicable, the REDT will distribute, or will direct the Project LP to distribute, the available net proceeds to the Unitholders, subject to the applicable portion (if any) of such proceeds payable to the Current Owners in respect of the Current Owners' proportionate interest in the Project and the Carried Interest.

Hotel Component

The Current Owners and the REDT have agreed to certain liquidity rights in order to facilitate the sale of the hotel component of the Project (the "**Hotel Component**"), pursuant to which the Current Owners must at any time of their choosing during the period beginning on the first anniversary of the Closing Date and ending on the end of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)), acquire the Hotel Component at a price equal to the value of the Hotel Component modelled in the pro forma of the Project (being approximately $171,600,000) (the "**Hotel Component Price**").

If the Current Owners are acquiring the entire Project (i.e., concurrently acquiring the Non-Hotel Components (see "Non-Hotel Component" above) together with the Hotel Component), the Current Owners may do so by acquiring the Project LP Class A Units representing the REDT's ownership interests of the Project.

Notwithstanding anything to the contrary in the foregoing, the REDT and Current Owners shall work together to structure the occurrence of a Liquidity Event, or the transaction completed pursuant to the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or Sale Process (in each case, and together with the Liquidity Event, a "**Sale Transaction**"), in a manner that is mutually tax efficient for the parties.

See "Description of Securities – The REDT – Termination of the REDT" and "Description of Securities – The Project LP – Liquidity Provisions".

Change of Control of the Manager:

In the event that there is a "change of control" of the Manager, the Manager or an affiliate thereof will be obligated to make an offer to the Unitholders to acquire all, but not less than all, of the Units, the Project LP Class A Units or the Project at a price which would result in Unitholders achieving a pre-tax investor gross compounded annualized return equal to the upper range of the targeted pre-tax investor gross compounded annualized return, being 18% (calculated based on the annualized return for the Class A Units), before fees and Carried Interest. For purposes of the foregoing, a "change of control" is defined as: (i) the acquisition by any person or persons, acting jointly and in concert, of (a) more than 50% of the outstanding voting equity securities of the Manager; or (b) all or substantially all of the assets of the Manager; (ii) an initial public offering of the Manager; or (iii) a spin-off of the Manager or substantially all of its assets to a new entity that is not controlled directly or indirectly by the Manager. Any offer pursuant to the foregoing shall be subject to compliance with applicable laws, which may include a vote of the Unitholders. The parties shall endeavour to structure the acquisition of the applicable units in a manner that is tax efficient for the parties, provided that in the event the Manager or its successor, as applicable, and the REDT cannot agree, the offer shall be in respect of the Project LP Class A Units.

See "Description of Securities – The REDT – Change of Control of the Manager"

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 less the Redemption Cost.

The entitlement of Unitholders to receive cash upon redemption is subject to the following limitation: 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 $150,000 in the aggregate.

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, which promissory notes may be illiquid and generally will not be a qualified investment for trusts governed by Plans. The redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment.

See "Description of Securities – The REDT – Redemption".

Use of Proceeds:

Assuming that the Minimum Offering is sold, the gross proceeds to the REDT from the Offering will be $65,000,000.

Assuming that the Maximum Offering is sold, the gross proceeds to the REDT from the Offering will be $82,000,000.

The net proceeds from the Offering (after deduction of the Agent's Fee, and the expenses of the Offering which will be paid by the Project LP) and any concurrent private placements by the REDT, will be invested into the Project LP and used, together with any proceeds from the Equity Commitment (if applicable), 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 Subscription Proceeds, without deduction for the Agent's Fee or any expenses of the Offering borne by the Project LP.

In connection with the Offering, the Current Owners are not disposing of their interest in the Project and will not receive any of the net proceeds of the Offering on closing of the Offering.

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 a Plan are advised to consult their own tax advisors.

See "Eligibility for Investment".

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. 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".

Lock-Up Arrangements:

For a period beginning on the Closing Date and ending on the earlier of (i) the occurrence of a Liquidity Event, or (ii) the completion of the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or Sale Process, as applicable, 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 – Enhanced Investor Risk-Return Profile and Alignment of Interest with Current Owners".

Risk Factors: Purchasers should consider the following risk factors before purchasing Units:

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

Real Property Ownership and Revenue Risks – All real property investments are subject to a degree of risk and uncertainty. There can be no assurance that the Project will be developed or operated 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 mixed-use 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 – 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 – Following 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 $621,712,000. 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 a Cost Overrun Funding and Guarantee Agreement, Anthem Developments has agreed that Anthem will subscribe for Cost Overrun Units. However, there can be no guarantee that the Current Owners will comply with this obligation or that such funds will be available, or that if available, that the cost overrun will be satisfied in full. There is no assurance that the Project will be successful. The potential return to investors depends on the revenues generated by the Project, expenses incurred, costs and time to construct the Project, as well as the price achieved through a Liquidity Event, and/or the ability of the REDT to consummate a Liquidity Event. However, there can be no assurance that such business activities will generate revenues sufficient to meet the return objectives of the REDT. The Project will be subject to the risks inherent in the marketing, construction and sale of mixed-use buildings in Burnaby, British Columbia, 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 mixed-use property market in Burnaby, British Columbia) 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.

Requirements Under Municipal Affordable Housing and Rent Control Policies - The Project is subject to the city of Burnaby rental use zoning policy ("**RUZP**") and will provide 73 non-market, affordable rental units. The RUZP requires 20% of the total strata unit count to be non-market, affordable rental units. Affordability levels of these rental units are to be set at 20% below Canada Mortgage and Housing Corporation (CMHC) market median rates for the applicable CMHC Market Rental Survey Zone. Rents can be increased annually according to *BC Residential Tenancy Act* maximums and can be readjusted to 20% below CMHC market median rents when tenants change.

Negative Cash Flow from Operating Activities – During the fiscal year ended December 31, 2023 and six-month period ended June 30, 2024, 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 Anthem 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 mixed-use projects in Burnaby, British Columbia 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 and/or operators become more successful and new developers and/or operators enter the market.

Environmental Matters – Under various environmental laws, the Project 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 Project LP by third parties. In addition, if hazardous substances are located on, in, under or released from, the Project, the Project 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 Project 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 Metro Vancouver Real Estate Market – The Project is subject to the risks associated with fluctuations in or the volatility of the Metro Vancouver real estate market. The demand for newly constructed condominium units in the Metro Vancouver area is affected by numerous factors, including, but not limited to, interest rates, mortgage rules, rates of immigration to Canada (and to Metro Vancouver in particular), the supply of new units, and general economic conditions. The Metro Vancouver real estate market is subject to change, and there can be no assurance that demand for the remaining unsold newly constructed condominium units in the Metro Vancouver area will not decline. A decrease in demand for, or increase in the supply of, condominiums units in the Metro Vancouver area could materially adversely affect the Project's profitability. Some of the same factors that impact demand for new condominium in the Metro Vancouver area also impact the new purpose built rental apartment market. Demand and rental rates for new rental apartments can also be affected by the supply of new units and general economic conditions. Any significant increase in supply of new rental apartments, a reduction in immigration to Canada (with corresponding decreases of immigrants moving to the Metro Vancouver area) or a deterioration in general economic conditions that, in either case, results in lower demand for rental apartments could have a negative impact on achievable rents and therefore, the Project's profitability. New government policy that limits rent increases or constrains a landlord's ability to manage tenancies could also adversely affect profitability of the rental apartments in the Project. In addition, potential changes to federal immigration policy that reduce the number of immigrants permitted entry to Canada, or the number of residents granted permanent residency, could also adversely affect the profitability of rental apartments in the Project. Profitability of the Project as it relates to its commercial component is most impacted by competition of nearby commercial/retail operations and general economic conditions. Any extended period of poor economic conditions in the Metro Vancouver area that impact consumer spending could reduce demand for the commercial space, which in turn would negatively affect the Project's profitability.

Geographic Concentration and Local Economic Conditions – The Project is located in Burnaby, British Columbia. As such, the REDT is susceptible to local economic conditions which impact the supply of and demand for mixed-use 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 and/or monetize the various components 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 and leasing of real property, zoning, building standards, landlord tenant relationships, employment standards, environmental matters, taxes and other matters. It is possible that future changes in Applicable Laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the Project (including with retroactive effect) or significantly impact and reduce the value or potential value of the Project.

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

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 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, 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 Current Owners, as the current owners of all limited partnership interests in the Project LP. The sole remedy of the REDT and any of its securityholders will be through the REDT bringing an action against the Current Owners for any breach under the Project LP Interest Subscription 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 Appraisal – The REDT retained the Appraiser to provide independent estimates of the residual market value of the Project's land. Caution should be exercised in the evaluation and use of appraisal results, which are estimates of market value at a specific point in time. In general, appraisals such as the Independent Appraisal 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 Appraisal 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 revenues, thereby reducing its operating income and earnings.

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 economies and securities markets, including in Canada and the U.S., 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, including the valuation of the Project in connection with a Liquidity Event.

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 the Project LP 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 Project LP and the distribution of those earnings and other funds to the REDT. Substantially all of the REDT's business will be conducted through the Project LP.

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.

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 Carried Interest – The amounts calculated as being distributable to Unitholders for purposes of determining the Carried Interest are not the same as the amounts that will be distributed to Unitholders pursuant to the Declaration of Trust.

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. 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 and the other Project Manager entities – The services of the Manager as manager of the REDT, and the services of the Project Manager as manager of the Project, are not exclusive. The Manager, the Project Manager or any of their affiliates and associates may, at any time, engage in the development of, investment in and management of other real estate properties, as well as engage in other services, as applicable.

The Manager will not have any obligation to account to the REDT, Project LP or the Unitholders for profits made in such other activities. While the Manager owes fiduciary, legal and financial duties to the REDT and its Unitholders, the Manager's continuing businesses, including its role in providing asset management services to other development projects other than the REDT, may lead to conflicts of interest between the Manager and the REDT, including in connection with a Liquidity Event, the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or the Sale Process, or any other potential exit event with respect to the Project. 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 a party that was not a significant holder of an interest in the Project LP and was not a provider of asset management services to investment vehicles other than the REDT.

In addition, the Project Manager's continuing businesses, including their roles in providing construction, development and other services to Anthem, as applicable, may lead to conflicts of interest between the Project Manager and the REDT. 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 a party whose affiliates were not a significant holder of an interest in the Project LP.

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 and its 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.

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.

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

Limited Operating History – The 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.

Risks Related to the Offering

Limited Liquidity of Units – There is currently no market through which the Units may be sold, such a market is not expected to develop and Purchasers may not be able to resell securities purchased under this Prospectus. Although the REDT intends to complete a Liquidity Event within five 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 Subscription Proceeds by that time.

Less than Full Offering – There can be no assurance that more than the Minimum Offering will be sold. If less than all of the $82,000,000 of Class A Units and/or Class F Units are sold pursuant to this Offering and any concurrent private placements by the REDT, Anthem will fund the rest of the required equity for development of the Project through the Equity Commitment by acquiring Shortfall Units. In such circumstances, the REDT's proportionate interest in the Project 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.

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 $150,000 in the aggregate in each calendar quarter.

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, to the redeeming Unitholder. Such promissory notes may be illiquid and generally will not be a qualified investment for trusts governed by Plans. Adverse tax consequences may apply to a trust governed by a Plan and/or the annuitant, holder, subscriber or beneficiary thereunder or thereof, as a result of the redemption of Units held in a trust governed by a Plan. Accordingly, investors that propose to invest in Units through Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Units.

Tax Matters

The REDT and the Project 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 Project LP and Unitholders. There are numerous Canadian tax risks associated with an investment in the Units. Purchasers are advised to carefully review the section 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, Project 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 $1,250,000, which will be paid by the Project LP from the Net Subscription Proceeds.
Operating Expenses of the REDT:	The Project LP and the REDT will enter into a funding arrangement, pursuant to which the Project LP will provide the REDT and its subsidiaries 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, certain expenses incurred by the Project LP relating to the development of the Project, including a development management fee and the costs of construction, will be indirectly and proportionately borne by the REDT and the Current Owners in accordance with their respective interests in the Project LP. For more information regarding the fees that will be borne by the REDT in relation to the Project, see "Description of the Activities of the REDT – The Project – The Construction Contract"; "Description of the Activities of the REDT – The Project – The Development Management Agreement"; and "Description of the Activities of the REDT – The Project – Other Agreements". For greater certainty, there will be no employee salaries (including in respect of those individuals acting in the capacity of executive officers of the REDT) charged to 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) will be paid out as follows and in the following sequence: (i) First: (A) payment on the Project LP Class A Units held by the REDT until the Minimum Return of 15.0% compounded per annum based on the Gross Subscription Proceeds by the REDT to Unitholders has been achieved; and (B) payment to Anthem as the holder of Shortfall Units and Cost Overrun Units, if any, until their contributed capital in respect of such units has been returned and their minimum return (being

equivalent to the Minimum Return, *mutatis mutandis*) has been achieved;

(ii) Second: payment to the Current Owners as holders of Project LP Class B Units until their contributed capital has been returned and their minimum return (being equivalent to the Minimum Return, *mutatis mutandis*) has been achieved;

(iii) Third: in consideration for the Manager's services, the REDT will pay the Manager an asset management fee (the "**Asset Management Fee**") equal to 1.0% per annum of the Gross Subscription Proceeds. The Asset Management Fee will accrue on a monthly basis until the earlier of the completion of a Liquidity Event and the date which is five years following the Closing Date, but will only be payable following a Liquidity Event and provided that the Minimum Return and the Current Owners' minimum return (being equivalent to the Minimum Return, *mutatis mutandis*) have each been achieved. The Manager will not receive payment of the Asset Management Fee during the development phase of the Project. In the event that a Liquidity Event is proposed by the Manager that would result in the Minimum Return and the Current Owners' minimum return (being equivalent to the Minimum Return, *mutatis mutandis*) each having been achieved but is not approved by Unitholders, the Asset Management Fee will continue to accrue until such time as a Liquidity Event is achieved. See "The Manager and the Management Agreement – The Management Agreement"; and

(iv) Fourth: for any cash flows in excess of those specified above (including as a result of a Liquidity Event or other sale of the Project), the Unitholders, as indirect equity investors in the Project, and Anthem as the holder of Shortfall Units and Cost Overrun Units, if any, will be entitled to receive their pro rata portions of 30% of all further distributions made by the Project, with the Current Owners (through their holding of the Project LP Class B Units), being entitled to 70% of all further distributions (representing the Carried Interest).

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

GLOSSARY OF TERMS

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

"**4657 Kingsway**" means, collectively, the following addresses: 4648, 4650, 4652, 4656, 4658, 4660, 4666 and 4668 Hazel Street and 4651, 4657, 4659, 4661 and 4663 Kingsway, Burnaby, British Columbia, Canada;

"**Acquisition**" means the series of transactions immediately following the closing of the Offering whereby the REDT will acquire an interest in the Project LP and the Project GP, which, upon the completion of each of the foregoing steps, will result in the REDT acquiring an indirect interest in the Project, all of which will occur on the Closing Date;

"**affiliate**" means an affiliate as defined under National Instrument 45-106 – *Prospectus Exemptions*, as replaced or amended from time to time (including any successor rule or policy thereto), subject to the terms "person" and "issuer" in each instrument being ascribed the same meaning as "Person" herein;

"**Agency Agreement**" means an agreement dated as of ●, 2024 among the REDT, the Manager 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, provided that the Agent's Fee in respect of Class I Units will be such amount as may be agreed among the REDT, the Agent the applicable Purchaser;

"**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";

"**Anthem**" means, collectively, the Project GP and its affiliates, including the Manager, Anthem Realty and APG Construction;

"**Anthem Developments**" means Anthem Developments (Canada) Ltd.;

"**Anthem Realty**" means Anthem Realty Ltd.;

"**APG Construction**" means APG Construction Ltd.;

"**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;

"**Appraisal Receipt Period**" has the meaning given to it under the heading "Description of Securities – The REDT – Termination of the REDT";

"**Appraiser**" has the meaning given to it under the heading "Description of the Activities of the REDT – The Project – Independent Appraisal";

"**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 Project 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 Project LP – At-risk rules";

"**BCENV**" has the meaning given to it under the heading "The Project – Environmental Site Assessment";

"**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";

"**Carried Interest**" means after payment of the Minimum Return of 15.0% per annum on the Gross Subscription Proceeds by the REDT to Unitholders and an equivalent minimum return (including, for greater certainty, a return of invested capital) to Anthem as the holder of Shortfall Units and Cost Overrun Units, if any, and the payment of an equivalent minimum return (including, for greater certainty, a return of invested capital) to the Current Owners, and, for greater certainty, the payment of the Asset Management Fee, as applicable, a distribution of 70% of all further distributions made by the Project LP to the Current Owners (through their holding of the Project LP Class B Units), wherein the Carried Interest calculation is calculated at a Unit class level after having allocated the appropriate amounts to the Unit class based on the proportionate class interest;

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

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

(b) all costs and expenses of the Project LP that, in the opinion of the Project 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, or other fees then due and payable; less

(c) without duplication, any interest expense incurred by the Project LP between distributions, provided that any funds borrowed by the Project 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 Project LP Class A Units other than pursuant to a distribution in accordance with the distribution waterfall set forth "Description of Securities – The Project 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 units of beneficial interest in the REDT, designated as "Class A Units";

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

"**Class I Units**" means units of beneficial interest in the REDT, designated as "Class I Units", if any;

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

"**COC**" has the meaning given to it under the heading "The Project – Environmental Site Assessment";

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

"**Condo Component**" has the meaning given to it under the heading "Description of Securities – The REDT – Termination of the REDT – Non-Hotel Components";

"**Construction Contract**" has the meaning given to it under the heading "Description of the Activities of the REDT – The Project – The Construction Contract";

"**Construction Loan**" means the construction loan for the construction of the Project to be provided by the Construction Loan Lenders to the Project LP in the total principal amount of $458,560,000;

"Construction Loan Agreement" means the agreement to be entered into between the Project LP and the Construction Loan Lenders pursuant to which the Construction Loan Lenders will provide debt financing to the Project, as described under the heading "Capitalization – Long-Term Debt";

"**Construction Loan Lenders**" means a syndicate of lenders led by an affiliate of the Agent;

"**Contract Fee**" has the meaning given to it under the heading "Description of the Activities of the REDT – The Project – The Construction Contract";

"**Cost Overrun Funding and Guarantee Agreement**" means the Cost Overrun Funding and Guarantee Agreement to be entered into among the Project LP and Anthem providing for the funding of cost overruns at the Project through the acquisition of Cost Overrun Units;

"**Cost Overrun Units**" means the limited partnership units of the Project LP designated as "Class D LP Units" and issuable in series from time to time, which may be issued to Anthem 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 Anthem Developments and its non-managing co-investment partner;

"**Current Owners NHC Liquidity Option**" has the meaning given to it under the heading "Description of Securities – The REDT – Termination of the REDT";

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

"**Distributable Cash**" means Cash Flow available for distribution to the holders of units of the applicable REDT Entity following receipt from the Project LP;

"**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 REDT, that have been or are reasonably expected to be incurred in the activities and operations of 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 "The REDT – Limitation on Non-Resident Ownership";

"**Distribution Period**" means each period for which the Trustees determine that it is in the best interests of the Unitholders;

"**DPI**" means deposit protection insurance;

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

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

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

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

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

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

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

“**Gross Subscription Proceeds**” means, collectively, the gross proceeds received by the REDT from the issuance of the Units pursuant to the Offering and any concurrent private placements;

“**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”;

“**Hotel Component Price**” has the meaning given to it under “Description of Securities – The REDT – Termination of the REDT – Hotel Component”;

“**Hotel Component**” has the meaning given to it under “Description of Securities – The REDT – Termination of the REDT – Hotel Component”;

“**IASB**” means the International Accounting Standards Board;

“**IFRS**” means the IFRS Accounting Standards as issued by the International Accounting Standards Board;

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

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

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

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

“**Lead Investors**” means certain institutional and other investors that may, pursuant to a concurrent private placement in connection with the Offering or as a distribution pursuant to this Prospectus, commit to subscribe for Class I Units on a lead order basis;

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

“**Listed Securities**” has the meaning given to it under the heading “Description of Securities – The REDT – Termination 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 occurrence of a Liquidity Event, or (ii) the completion of the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or the Sale Process, as applicable;

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

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

“**Manager**” means Anthem Properties Group Ltd.;

“**Maximum Offering**” means the offering of a maximum of $82,000,000 of Class A Units, Class F Units and/or Class I Units (if any);

“**Metro Vancouver**” is the metropolitan area surrounding and inclusive of the city of Vancouver, British Columbia (as its major urban center) comprised of 21 municipalities, including Burnaby;

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

“**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 $65,000,000 of Class A Units, Class F Units and/or Class I Units (if any);

“**Minimum Return**” means the distribution by the Project LP on those units through which the REDT holds, among others, indirectly, its interest in the Project LP, 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 15.0% 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;

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

“**Neighbouring Property**” means the property to the immediate west of the Project with the civic address of 4645 Kingsway, Burnaby, BC and the legal description PID: 002-682-621, Lot 26, Plan NWP8362, District Lot 153, Group 1, New Westminster Land District, consisting of approximately 5,020 square feet in area.

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

“**Net Subscription Proceeds**” means the net proceeds received by the REDT from (a) the issuance of the Units pursuant to the Offering and any concurrent private placements, minus (b) the Total Agent’s Fee;

“**NHC Liquidity Option Price**” has the meaning given to it under the heading “Description of Securities – The REDT – Termination of the REDT – Non-Hotel Components”;

“**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-Hotel Components**” has the meaning given to it under the heading “Description of Securities – The REDT – Termination of the REDT – Non-Hotel Components”;

“**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;

“**Offering**” means the offering of up to an aggregate of $82,000,000 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”;

“**Opinion of Probable Costs**” has the meaning given to it under the heading “The Project – Environmental Site Assessment”;

“**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, trust, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status, however designated or constituted;

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

“**Project**” means a project to develop the mixed-use tower branded as Citizen;

“**Project GP**” means Anthem Metro King Developments GP Ltd., a corporation established under the laws of the Province of British Columbia, and the general partner of the Project LP;

“**Project Indebtedness**” means (without duplication) the following of the REDT and its Subsidiaries on a consolidated basis: (a) any obligation incurred in connection with construction of the Project; and (b) any mortgage indebtedness secured by the Project, provided that the foregoing obligations exclude (i) any unsecured subordinated promissory notes of the REDT or a Subsidiary of the REDT distributed *in specie* on redemption of any Units; and (ii) any DPI.

“**Project Land**” means the land located at 4657 Kingsway, which the Project will be developed on;

“**Project LP**” means Anthem Metro King Developments Limited Partnership, a limited partnership established under the laws of the Province of British Columbia, to be owned by the Current Owners, the REDT and the Project GP pursuant to the Project LP Agreement;

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

“**Project LP Class A Units**” means the limited partnership units of the Project LP, designated as “Class A LP Units” and issuable in series, which will be owned by the REDT, indirectly representing the REDT’s interest in the Project;

“**Project LP Class B Units**” means the limited partnership units of the Project LP, designated as “Class B LP Units” and issuable in series, which will be owned directly or indirectly by the Current Owners;

“**Project LP Interest Subscription Agreement**” means the limited partnership unit subscription agreement to be entered into on or before the Closing Date pursuant to which the REDT will subscribe for Project LP Class A Units and pursuant to which the Current Owners will provide, among other things, certain representations, warranties and indemnities in respect of the Project;

“**Project LP Units**” means, collectively, the Project LP Class A Units, the Project LP Class B Units, the Shortfall Units and the Cost Overrun Units (if any);

“**Project Manager**” means the Manager, APG Construction, Anthem Realty and certain of their affiliates, collectively and individually in their capacities as managers of the Project;

"**Property Management Agreement (Commercial)**" has the meaning given to it under the heading "Description of the Activities of the REDT – The Project – Other Agreements – The Project Management Agreement (Commercial)";

"**Property Management Agreement (Residential)**" has the meaning given to it under the heading "Description of the Activities of the REDT – The Project – Other Agreements – The Project Management Agreement (Residential)";

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

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

"**Prospectus**" means this 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 – Taxation of the REDT";

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

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

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

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

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

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

"**REDT**" means Anthem Citizen Real Estate Development Trust, a newly-created, unincorporated investment trust established pursuant to the laws of the Province of British Columbia, and, where the context requires, includes its Subsidiaries;

"**REDT Capital Return Base**" means (i) the sum of the aggregate gross amount of all cash subscription proceeds received by the REDT for the issuance of the subject class of Units pursuant to the Offering and any concurrent private placements 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 and any concurrent private placements less the aggregate number of the subject class of Units redeemed;

"**REDT Entity**" means any one of the REDT or the Project LP and "**REDT Entities**" means both of them;

"**REDT NHC Liquidity Option**" has the meaning given to it under the heading "Description of Securities – The REDT – Termination of the REDT";

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

"**Residential Rental Component**" has the meaning given to it under the heading "Description of Securities – The REDT – Termination of the REDT – Non-Hotel Components";

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

"**Retail Component**" has the meaning given to it under the heading "Description of Securities – The REDT – Termination of the REDT – Non-Hotel Components";

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

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

"**RUZP**" has the meaning given to it under the heading "Risk Factors – Risks Related to Real Estate Industry, the Project and the REDT's Business – Requirements Under Municipal Affordable Housing and Rent Control Policies";

"**Sale Process**" has the meaning given to it under the heading "Description of Securities – The REDT – Termination of the REDT";

"**Sale Process Price**" has the meaning given to it under the heading "Description of Securities – The REDT – Termination of the REDT";

"**Sale Transaction**" has the meaning given to it under the heading "Description of Securities – The REDT – Termination of the REDT";

"**Sales and Marketing Agreement**" has the meaning given to it under the heading "Description of the Activities of the REDT – The Project – Other Agreements – The Sales and Marketing Agreement";

"**Sales Comparison Approach**" has the meaning given to it under the heading "The Project – Independent Appraisal";

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

"**SFU**" has the meaning given to it under the heading "Investment Highlights – Strong Site Location Fundamentals– Metro Vancouver";

"**Shortfall Units**" means the limited partnership units of the Project LP designated as "Class C LP Units", which may be issued to Anthem on the Closing Date pursuant to the Equity Commitment;

"**SIFT Rules**" means the provisions of the Tax Act applicable to SIFT trusts, 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 Project LP and "**Subsidiaries"** means any two or more of them;

"**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";

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

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

"**Term**" means the term of the REDT, which is targeted to be five 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 to allow for the completion of the process commenced pursuant to the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or Sale Process, as applicable;

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

"**Total Agent's Fee**" means the aggregate agency fee in respect of an issuance of Units, which in respect of the Offering is the aggregate Agent's Fee payable in respect of the Class A Units and the Class F Units;

“**Total Assets**” means the sum of the assets as recorded on the most recent statement of financial position of the REDT, prepared on a consolidated basis.

“**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;

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

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

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

“**Units**” means, collectively, the Class A Units, Class F Units and Class I Units (if any); and

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

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 British Columbia. The REDT was settled by the Project GP and formed pursuant to the initial declaration of trust dated as of September 6, 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, Eric Carlson, Elva Kim, Barry Guld, Paolo Kalaw and Brooke Wade. The registered and head office of the REDT is located at Suite 1100 Bentall IV Box 49200, 1055 Dunsmuir Street, Vancouver BC, V7X 1K8.

The Project LP and the Project GP

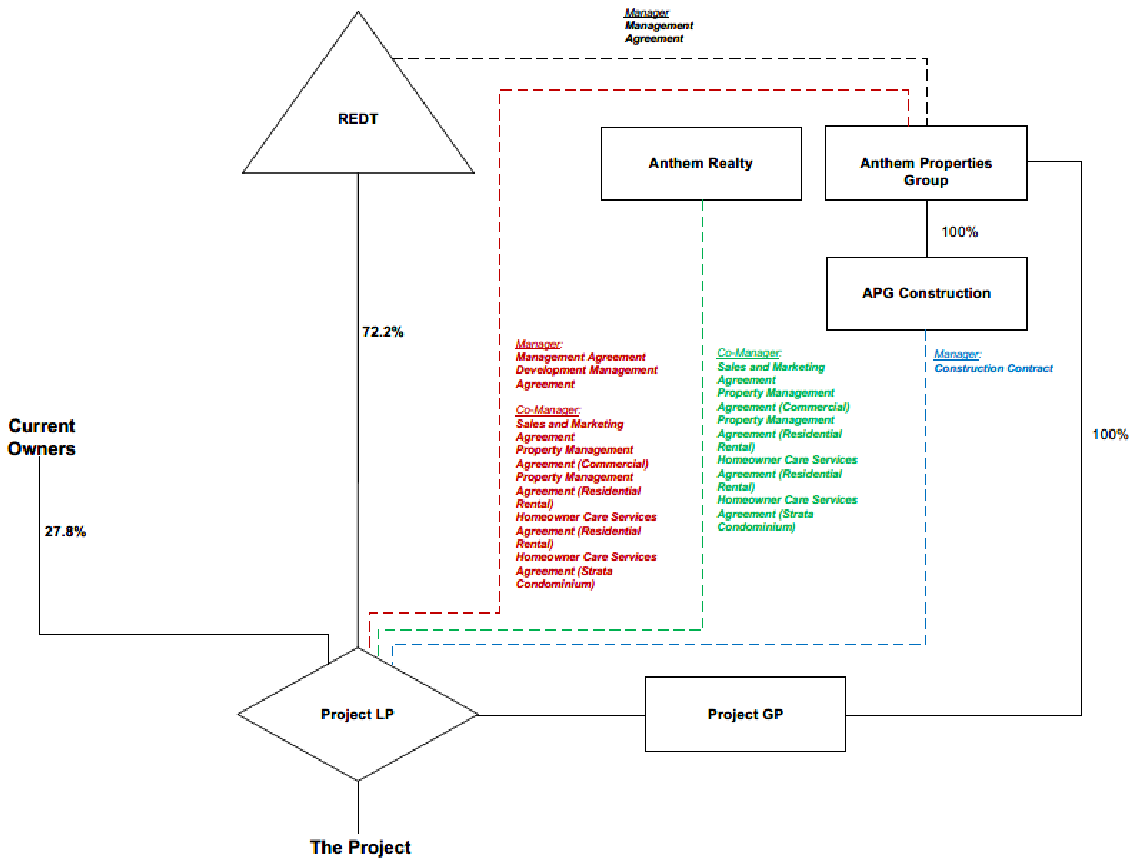
The Project LP is a limited partnership that was formed on May 21, 2019 pursuant to and governed by the laws of the Province of British Columbia. The general partner of the Project LP is the Project GP, a corporation formed pursuant to and governed by the laws of the Province of British Columbia. The Project LP was formed for the purposes of developing the Project and allowing the Current Owners to own an interest in the Project. All of the shares of the Project GP are owned and controlled by the Manager.

The Project LP owns 100% of the Project. Following the Acquisition, the REDT will own the Project LP Class A Units, the Current Owners will own the Project LP Class B Units, and the Project GP will continue as the general partner of the Project LP.

1.2 Intercorporate Relationships

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

Post-Offering Structure



2. INVESTMENT STRATEGY

The Manager established the REDT primarily for the purpose of indirectly owning an interest in Citizen (the "**Project**"), a mixed-use, transit-oriented development project located in the Metrotown neighbourhood of Burnaby, BC. The city of Burnaby is part of Metro Vancouver, Canada's third-largest metropolitan area.

The Manager will seek to: (i) construct the intended mixed-use tower comprising 372 strata residential units (364 condominium units on the upper 34 floors and 8 three-storey townhomes at ground level), 200 market rental units, 73 non-market, affordable rental units, 176 hotel suites and 4,881 square feet of retail space, (ii) occupy and sell all 372 strata residential units, (iii) occupy, lease-up and stabilize intended rental units, (iv) operate and stabilize the intended commercial component, (v) operate and actively manage the intended commercial and rental building components following occupancy with the intention of maximizing net operating income of the building, and (vi) complete a Liquidity Event. The Manager will be utilizing its past experience constructing, occupying, leasing, stabilizing, refinancing and ultimately monetizing assets of similar quality and size.

The Manager believes that the development of the Project presents a compelling investment opportunity and offers competitive returns compared to other real estate assets. The Manager believes that the Project features strong location and demographic fundamentals, as Burnaby is able to capitalize on the robust net immigration fundamentals of British Columbia, driving population growth and demand for both home ownership and rental accommodations. The Project is near public transit, allowing residents to easily commute across all of Metro Vancouver, providing an additional driver for demand. The introduction of stringent provincial policies against the short-term rental market further enhances the long-term demand for hotel accommodations, positively impacting the Citizen hotel's market prospects. The Manager believes that the demographics and economic growth in Burnaby and Metro Vancouver continue to drive demand for all forms of accommodation, and that the city and metro area are poised to sustain and see further growth in such housing demand.

2.1 Investment Objectives

The REDT's investment objectives are to:

(a) provide Unitholders (as defined herein) with an opportunity to indirectly own an interest in the mixed-use, transit-oriented Citizen development project located in the Burnaby, British Columbia market, currently owned indirectly by Anthem Developments and its non-managing co-investment partner, and to be built, leased and operated by Anthem;

(b) declare and pay to Unitholders cash distributions out of the available operating cash flow of the REDT (to the extent available); and

(c) achieve a Liquidity Event.

2.2 Investment Highlights

Sponsor Led by Experienced and Aligned Management Team with Strong Track Record

The REDT will be managed by the Manager, one of Canada's largest fully integrated private real estate companies with total assets under management of $7 Billion as at December 31, 2023. Anthem has an established track record of execution and providing strong returns over its 32-year history across the residential (both rental and to-own), mixed-use, retail, industrial, hotel, and master-planned-community asset classes throughout Western North America.

Anthem's strategy is to invest in, develop and manage real estate across multiple asset classes in multiple markets, delivering strong, risk-adjusted returns and top-tier real estate projects that contribute meaningfully to their communities and stakeholders. An organizationally driven company comprised of a team of over 800 individuals, Anthem self-performs all real estate functions, including development, construction, leasing, acquisitions, property management, accounting, finance, sales, marketing and communications. Anthem's growing residential portfolio includes over 41,700 homes that are in design, under construction or completed and sold or managed by Anthem, from master planned mixed-use residential and multifamily, to townhome, rental and single-family communities. Anthem owns, co-owns, manages or has previously owned over 11.5 million square feet of retail, industrial and office space. Anthem has developed more than 60 communities across 9,800 acres of land in Alberta, British Columbia, Ontario and California. Anthem believes it has a proven track record in the Project's Metrotown neighbourhood, having successfully sold over 3,700 homes in Burnaby, including the award-winning master planned mixed-use development Station Square, which is comprised of five residential towers, over 1,800 condominium units and 400,000 square feet of commercial space, and has two additional high-rise developments currently under construction (The Standard and NUVO), and another currently selling (Ethos).

Anthem's reputation, experience, and geographically- and asset-diverse portfolio, combined with its vast network of brokers, architects, lenders, investors, consultants and landowners, enable the company to source best-in-market sites and design, work through the approvals of, and construct and complete high-quality, profitable projects throughout its core markets. Anthem is led by a committed team of executives with vast experience across multiple asset classes and within various types of organizations including private companies, public REITs, pension funds, private equity funds, accounting firms and banks. Anthem's approach to business is one of intense focus on results, open and honest communication, creativity, and teamwork.

The REDT will also benefit from investing alongside Anthem in the Project. Anthem has an extensive network of both debt and equity financing sources and financial institution support, providing the Project with enhanced access to financing. The Manager expects to be able to leverage Anthem's relationships, business acumen, and experience in identifying a Liquidity Event. Executives at Anthem also have extensive prior public company experience, both within Anthem and outside in previous roles.

Following the completion of the Offering, the Current Owners will retain $31.5 million of equity in the Project representing an approximately 27.8% interest in the Project assuming the Maximum Offering is achieved. If only the Minimum Offering is achieved, the Current Owners and Anthem will retain $48.5 million of equity in the Project representing approximately a 42.7% interest in the Project.

Strong Site Location Fundamentals

Citizen is a transit-oriented development in Burnaby, one of Metro Vancouver's major town centres, offering an opportunity to play a major role in the transformation of the city of Burnaby through the development of a high-density mixed-use project. The Project is strategically located in the heart of the Metrotown neighbourhood in Burnaby, directly across the Kingsway Boulevard from the largest shopping centre in British Columbia, Metropolis at Metrotown and Anthem's newly completed Station Square master plan community and within close proximity (650 meters) to the Metrotown SkyTrain station. This prime location offers residents convenient access to shopping, dining, entertainment, and essential public amenities like the 200-acre Central Park and a variety of local schools. The Metrotown area is a highly desirable residential location due to its excellent connectivity to Metro Vancouver's SkyTrain network, making it one of the most commuter-friendly neighbourhoods in the region. It is also at one of the highest elevations in Metro Vancouver, allowing for panoramic views in all directions. The Manager believes this ensures a steady demand for both residential and commercial spaces within the development.

The Province of British Columbia

British Columbia is the westernmost province in Canada, strategically located on the Pacific Rim. It comprises 14% of Canada's total population and 10% of the country's total land area. As the third most populous province, British Columbia had 5.6 million residents as of January 1, 2024, reflecting a 3.3% increase from January 2023 (BC Stats). British Columbia's economy is diverse and is primarily driven by real estate, construction, professional, scientific and technical services, healthcare and social assistance, public administration, retail trade, manufacturing, finance and insurance, and education services.

Tourism is an important part of the provincial economy. Consisting mainly of small businesses, the tourism sector is one of the largest employers in British Columbia. In 2022, the economic value of tourism to jobs, businesses and the provincial economy included employment of 154,366 people and a contribution of $7.2 billion to the provincial economy (BC Stats). The estimated hotel room revenue of tourism in 2022 was $3.8 billion; a nearly 168 percent increase over 2012 (Destination British Columbia).

British Columbia benefits from significant international immigration, experiencing a net immigration of 37,705 people in the first quarter of 2024, and a net immigration of 181,618 in 2023 (Statistics Canada, BC Stats). As of July 2024, 175,000 more people are working in BC than in December 2019 (before the pandemic), which indicates a job growth rate of 6.6% (Statistics Canada). As of July 2024, BC's unemployment rate was 5.5%, the second lowest among Canadian provinces, with approximately

55% of the job openings in British Columbia over the next decade concentrated in five industries: healthcare and social assistance (17%), professional and technical services (14%), retail trade (10%), educational services (7%), and construction (7%) (WorkBC).

Metro Vancouver

Metro Vancouver is Canada's third-largest metropolitan area and encompasses 21 municipalities and one electoral area, with a population of 2.97 million residents as of July 1, 2023 (BC Stats, 2023). The region spans approximately 2,879 square kilometers, bordered by the Strait of Georgia to the west, the US border to the south, the Fraser River Valley to the east, and the Coastal Mountains to the north. Often ranked as one of the top five most livable cities in the world by the Economist Intelligence Unit (EIU) in their Global Liveability year ranking, Vancouver, the largest City in Metro Vancouver, benefits from a favourable combination of natural beauty with all the advantages of a modern urban centre.

Metro Vancouver is supported by extensive transportation infrastructure, including Vancouver International (YVR) and Abbotsford Airports, Horseshoe Bay and Tsawwassen Ferry Terminals, and several major highways (Trans-Canada/Highway 1, Lougheed/Highway 7, Highway 17, Highway 91, and Highway 99). The area also features the SkyTrain Rapid Transit system, which includes the Expo Line, the Millennium Line and Evergreen Extension, and the Canada Line, with the Broadway Subway line and the Surrey-Langley SkyTrain extension set to begin operations in 2027 and 2028, respectively.

Historically, the Metro Vancouver economy has been driven by major regional shopping centres, extensive industrial areas, a large office space inventory, and two prominent post-secondary institutions, University of British Columbia in Vancouver and Simon Fraser University ("**SFU**") in Burnaby.

City of Burnaby

Burnaby, the third-largest city in Metro Vancouver, has a population of 283,593 (BC Stats, July 2023) and spans about 91 square kilometers. Situated directly east of the City of Vancouver, it is bordered by the Burrard Inlet to the north, the Fraser River to the south, and the municipalities of Port Moody, Coquitlam, and New Westminster to the east and southeast. Formerly a suburban bedroom community, Burnaby now hosts a diverse mix of residents who both live and work in the area. A quarter of Burnaby's land is dedicated to parks and open spaces. The city features numerous attractions for leisure travelers, several business parks, and new developments that have enhanced its skyline.

Burnaby's population is forecast to grow by 1.5% per year to approximately 360,000 residents by 2050 (City of Burnaby). This population growth, coupled with a diverse economy and excellent transportation infrastructure, supports sustained demand for residential, commercial, and rental properties. The introduction of stringent provincial policies against the short-term rental market further enhances the long-term demand for hotel accommodations, positively impacting the Project hotel's market prospects. The Project hotel's location will benefit from workforce demand given its proximity to BCIT, SFU, Burnaby City Hall, Metro Vancouver Regional District offices, and the Big Bend business and industrial park areas. Hotel guests will also have convenient transit and vehicle access to Vancouver International (YVR) and other Downtown business centres in Vancouver and Surrey.

Burnaby comprises several high-density residential areas and major commercial town centres. The city's economic base is diversified with Burnaby fast becoming recognized as an international hub for a diverse range of sectors including technology, biotech, life sciences, film and television, alternative energy, and more. Consequently, Burnaby's strategic central location within the region, combined with a comprehensive transportation network for both goods and people has allowed it to emerge as a significant employment centre, attracting several leading companies to relocate there. The intensification of land use around key transportation nodes has fostered thriving commuter neighbourhoods with convenient access to Downtown Vancouver and other key employment centres along the Expo and Millennium SkyTrain lines. The city of Burnaby has implemented multiple neighbourhood-specific town centre plans to support higher-density mixed-use and residential developments, which has made the city increasingly dynamic and has contributed to its regional influence, and self-sufficiency.

Burnaby is divided into four quadrants (Northwest Burnaby, Northeast Burnaby, Southeast Burnaby, Southwest Burnaby), each featuring its own town centre serviced by rapid transit. Citizen is located in Southwest Burnaby, which is bounded by the Trans-Canada Highway, Gilley Avenue, the Fraser River, and Boundary Road. This quadrant has over 12,000 residential units that are accommodated in a range of building types, with a history of high-rise apartment and mixed-use developments since the 1970s and 1980s, respectively. The primary retail node is centered near Metropolis at Metrotown, Canada's third-largest shopping centre, which is being redeveloped into a pedestrian-oriented mixed-use community.

The Metrotown Downtown Plan, updated in 2017, was the first of Burnaby's four town centres to take shape, and as one of the region's city centres, Metrotown has functioned for decades as Burnaby's downtown. The plan provides the opportunity to establish Metrotown as Burnaby's official downtown, where the city's highest concentration and mix of office, retail, residential, and amenities are to be located. The vision of the plan is to create an exciting, inclusive, and sustainable Burnaby downtown.

Strong Housing Market Fundamentals

Despite encountering some market headwinds over the past 12-18 months, driven primarily by the Bank of Canada's campaign to drive down inflation through higher interest rates, the housing market in Metro Vancouver has remained resilient and continues to churn through existing inventories, albeit at a slower pace than in prior years when market conditions were more active. The success of the Citizen presale campaign is evidence of the existing demand for thoughtfully designed, appropriately positioned and optimally-located condominium product by an established and respected developer with a long track record of successfully executing its many projects, regardless of size and scope.

The British Columbia government's decision earlier in 2024 to enact legislation that drastically restricts short-term rental accommodations throughout the province, combined with Metro Vancouver's draw for tourists and conventions from all over the world has put even more pressure on its already tight hotel supply. With more large-scale events scheduled for the region like the 2026 World Cup, the Manager anticipates demand for hotel space in the region is only expected to grow.

The Rental Market

According to Statistics Canada, the strong population growth that has been experienced by British Columbia, and especially by the Metro Vancouver region over the past few years has been largely driven by record-setting international immigration. With most of these new residents choosing to rent a home upon their arrival, there has been immense pressure put on a rental market that has been operating at a sub-1.3% vacancy for nearly all of the past ten years (CMHC). While there has been a push by various levels of government to add significantly to the rental stock to help meet some of this demand, the Manager and other industry participants believe that various factors such as higher borrowing costs, long approval timelines and restrictive government policies have made it difficult to bring enough new rental product to the market to ease the current upward pressure on rents.

According to data produced by CMHC, Metro Vancouver rental rates have increased by 18% in the past 24 months. Data produced by Zonda Urban for stabilized concrete product reflects average monthly rents of $2,488 per month for a studio unit, $2,826 per month for a 1-bedroom unit, $3,868 per month for a 2-bedroom unit, and $5,379 per month for a 3-bedroom unit. Rental rate growth has also been pronounced in Burnaby where rents have similarly increased by more than 18% in the past 24 months according to CMHC.

Given Statistics Canada's population growth projections between 2024 and 2030 of 11% and 12% for Metro Vancouver and Burnaby, respectively, this upward pressure on rents is expected to continue for the foreseeable future, which the Manager expects will allow market rental product at the Project to achieve the revenue projected herein.

The Condominium Market

Market data from various sources, including The British Columbia Real Estate Association, Statistics Canada, CMHC and Zonda Urban, suggest that the combination of higher interest rates driven by the Bank of Canada's fight to bring inflation back in line with its target range, concern about the potential of Canada's economy falling into a recession and government policies targeting capital gains and short-term investment in real estate has dampened demand for new presale condominiums across Metro Vancouver. While prices for new condominium product have generally held steady, the inventory of units has risen as buyers capitalize on the lower urgency levels in the market and take more time to make their buying decisions. However, the success of the presale campaign at the Project (286 of 372 units presold in approximately 9 months) illustrated these challenges can be overcome if buyers are offered attractive long-term value for the appropriate product in a highly desirable location.

With the Bank of Canada already cutting its benchmark rate by 50 basis points in the summer of 2024 and signaling more cuts are forthcoming before the end of the year, the Manager believes that the prospects of a resurgence in consumer confidence and, by extension buyer demand for new condominium product, are increasingly positive. This will help reduce the current higher new condominium inventories and, combined with a slow approval process being experienced across the region (particularly in Burnaby) impacting the speed with which new supply can be delivered to the market, will allow achievable sale values to increase in the coming years, including for presale buyers at Citizen.

The Hotel Market

Statistics Canada data shows that activity in the Metro Vancouver tourism region has largely returned to where it was before the onset of the COVID-19 pandemic. According to Statistics Canada and Destination Vancouver, as of December 2023, visits by foreign nationals through all British Columbia entry points were up by over 19% year-over-year. Vancouver International Airport (YVR) data shows that domestic travel is also strong with a record number of passengers either boarding or disembarking from flights in 2023. The Vancouver Fraser Port Authority is also projecting 1.27 million cruise passengers entering Vancouver on the 329 cruise ships scheduled to visit during the 2024 cruise season (April to October), which would exceed 2023's record year by approximately 2%. The Manager believes this growth in visitors to the region will continue to put pressure on Metro Vancouver's already constrained supply of hotel rooms. The demand/supply imbalance for hotel accommodations has been further exacerbated by the provincial government's decision to ban all short-term rental units other than those that are part of a principal residence in its attempt to create more long-term rental units in a short period of time.

As would be expected, this demand/supply imbalance is putting significant upward pressure on hotel room rates in the Metro Vancouver region. Data produced by CBRE shows that average hotel room rates in Metro Vancouver are projected to be 26% higher in 2024 than the average rate in 2019. With several large events scheduled to take place in Metro Vancouver in the coming years (including Taylor Swift's The Eras Tour, the Grey Cup, Invictus Games, FIFA World Cup, etc.) with no major corresponding increase in hotel supply anticipated, the Manager expects that hotel room rates will continue to rise. Given the Citizen Hotel's strategic location in the heart of Burnaby's Metrotown neighbourhood, with convenient access to primary transit and transportation routes, and to large local employment centres, the Manager anticipates the Citizen Hotel project will capitalize on this sustained travel demand and higher hotel room revenues.

<u>Project is Construction Ready and Substantially Pre-Sold</u>

Citizen will be one of the tallest and largest buildings in British Columbia. The building will be a bold and expressive skyline element in the Metro Vancouver region.

Project Condominium Component is 77% Pre-Sold

Anthem commenced condominium presales in late-August 2023. The presale campaign concluded May 31, 2024 with 286 units (approximately 77% of condominium units) pre-sold representing over $269 million of sales with an average price of $1,363 per square foot. Despite a softer residential market in Metro Vancouver over the past two years (due to the higher interest rate environment), Citizen successfully achieved robust sales through a well-managed and executed sales and marketing campaign led by Anthem. Total contractual deposits range from 15% to 25%. All statutory recission periods, which the purchasers of pre-sold units would have had the benefit of, have expired. As a result, each purchase agreement is now a legal and binding obligation of the purchasers that are party thereto.

The balance of the residential condominium units, the market and non-market rental components and the commercial space (hotel and retail) will be sold upon construction completion of the development.

Approvals and Permitting in Hand to Begin Construction

The Citizen project site was acquired by the Current Owners on November 29, 2019 as a collection of eight individual lots which were previously improved with three single-family homes, a Cactus Club Café and a mix of retail/office properties along Kingsway, all of which have been demolished. At the time of rezoning, the Current Owners also acquired an adjacent laneway from the city of Burnaby. The overall site is now consolidated into one legal title, has been cleared and is ready for excavation.

The site was successfully rezoned for the mixed-use development on June 5, 2023. Per the zoning designation there is a requirement to include commercial space in the Project. Anthem received approval on September 9, 2024 to amend the zoning to permit hotel use within the commercial podium. An excavation permit was issued on August 8, 2024 with the full building permit issuance expected in May 2025. Excavation is projected to begin following closing of the Offering.

Enhanced Investor Risk-Return Profile and Alignment of Interest with Current Owners

Purchasers are being given the opportunity to invest in the Project, through the REDT, at the total cost basis of the Project, as the Current Owners will be contributing existing assets at cost. The current appraised residual value of the Project's land is $96.6 million, plus other non-land costs of $16.2 million, totals $112.8 million while the REDT's interest in the Project will be based on its acquisition cost of land and development costs to date of approximately $105.0 million. Therefore, Purchasers are purchasing an interest in the Project at an implied discount of approximately 7% to the appraised value (inclusive of costs to date). The total equity in the Project, following closing of the Offering, will be $113.5 million.

Investors and the Current Owners are also aligned with respect to economic returns from the Project, as no distributions will be payable to the Current Owners until after full repayment of the Purchasers' investment along with the Minimum Return of 15% on that investment. Furthermore, the Carried Interest and the Asset Management Fee will not be payable until the Minimum Return is achieved.

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

In a carried interest structure, sponsors receive a share of the profits generated from successful investments. With respect to the REDT, the structure of the Carried Interest means that the Current Owners only benefit when the REDT's investment is profitable over the Minimum Return of 15.0%. This is intended to encourage the Manager 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 15.0% (being the Minimum Return) payable prior to payment of any amounts in respect of the Current Owners' pre-Offering investment in the Project or pursuant to the Carried Interest, which incentivizes the Manager to focus on generating higher returns to Unitholders in order to receive the Carried Interest. Lastly, the Carried Interest 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 achieve a Liquidity Event within budgeted timelines.

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

As noted above, the Current Owners have invested their own equity into the Project and will retain a minimum $31.5 million investment throughout the Project life (and, in the event of an Offering of less than the Maximum Offering, Anthem will continue to do so through the Equity Commitment). Furthermore, Anthem will be responsible for any cost overruns. Accordingly, the Current Owners 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 Current Owners and the Unitholders.

Pursuant to the Agency Agreement and the Lock-Up Agreements, the Locked-Up Parties have agreed that, for a period beginning on the Closing Date and ending on the earlier of (i) the completion of a Liquidity Event, or (ii) the completion of the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or Sale Process, as applicable, the Locked-Up Parties will not, directly or indirectly, except with the prior written consent of the Agent and the REDT, (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.

To summarize, the Unitholders investment will rank above the pre-Offering equity of the Current Owners in the capital stack, providing an added layer of protection. Unitholders will receive both their distribution of an annualized 15% Minium Return and repayment of their investment prior to the Current Owners receiving their pre-Offering principal or a return thereon, allowing for strong risk-adjusted returns. The 30% participation feature allows Unitholders to benefit from a substantial share of the Project's profits beyond the Minimum Return. This allows Unitholders to take advantage of the combination of a preferred return that offers downside protection, paired with the potential for higher returns through participation in profits which allows for aligned interests with the success of the Project and Current Owners. This structure incentivizes the Current Owners to meet and exceed the pro forma results.

2.3 Market Overview

Future Growth Supported by Economic Stability

British Columbia - Significant Population Grown Drives Economic Stability

British Columbia comprises 14% of Canada's total population. Canada's third most populous province, British Columbia had 5.6 million residents as of January 1, 2024, reflecting a 3.3% increase from January 2023 (BC Stats). The province's population is projected to increase from 5.6 million residents in 2024 to 6.2 million people by 2030 (an increase of 10%) and to 7.9 million residents by 2046 (an increase of 36%) (BC Stats).

According to Statistics Canada and BC Stats, the population of British Columbia grew by 181,618 individuals in 2023, a 22% increase from the total net migration in 2022. The population growth was driven by international migration, which added 190,242 individuals to BC's population during the 2023 year. This rise outweighed net provincial emigration which totaled a loss of 8,624 individuals.

Industry & Income Stats	Inter-Provincial Immigrants		International Immigrants		Total Net Migration
2022 Total	**6,515**	**(4%)**	**142,231**	**(96%)**	**148,746**
5-Year Avg.	*16,771*	*(19%)*	*69,303*	*(81%)*	*86,074*
2023 Total	**(8,624)**	**(0%)**	**190,242**	**(100%)**	**181,618**
5-Year Avg.	*12,503*	*(12%)*	*94,808*	*(88%)*	*107,311*

Source: Statistics Canada, BC Stats.

The provincial economy grew by 1.6% in 2023, outpacing the Canadian national growth rate of 1.2% (Statistics Canada, BC Stats). Despite being hindered higher interest rates, inflation, forest fires and drought conditions as well as strikes, growth was driven by notable expansions in real estate, professional, scientific, and technical services, healthcare and social assistance, public administration, and transportation and warehousing. While the challenges facing the economy and household sector remain, forecasts for 2024 and 2025 reflect expectations for continued positive economic growth with The Conference Board of Canada reflecting a forecast average of 1.0% annual growth in 2024 and 2.1% in 2025.

Provincial Employment Outperforms Canada's

Provincial Employment Outperforms Canada's		
Labour Force	**24-Jul**	**10-year Avg.**
Unemployment Rate (British Columbia)	5.5%	5.8%
Unemployment Rate (Canada)	6.4%	6.6%

Source: Statistics Canada, BC Stats.

According to Statistics Canada and BC Stats, British Columbia's unemployment rate of 5.5% in July 2024 was the second lowest among Canadian provinces. As of July 2024, just over 3 million people were employed in British Columbia, representing 64.4% of the working-age population. Among the employed, 82.3% work in the service-producing sector, with notable industries being healthcare and social assistance (13.4%), retail trade (12.4%), professional and technical services (10.0%), and education (7.8%). The remaining 17.7% are employed in the goods-producing sector, including construction (8.4%) and manufacturing (6.2%). Approximately 20% of jobs in British Columbia are part-time. Just over 1.6 million people were employed in Metro Vancouver in July 2024, which resulted in an unemployment rate of 6%; up slightly from 5.7% the previous month and from 5.8% in July 2023.

Major Projects to Sustain Employment Demand

There are several major projects underway across British Columbia that will continue to drive strong demand for employment for the foreseeable future. As of the third quarter of 2023, the estimated capital cost for all major projects valued at over $15 million currently under construction in BC is $170 billion. This includes large projects, which have an estimated capital cost exceeding $2 billion, as listed below. The aggregate value of those major projects listed below that are located in Metro Vancouver is $18.8 billion.

Estimated Capital Costs for BC Construction Projects		
Municipality	Projects Currently Under Construction (>$2 billion)	Est. Cost ($ mil)
Kitimat	LNG Canada Facility	$36,000
Valemount to Burnaby	Trans Mountain Pipeline Expansion	$30,900
Fort St. John	Site C Project	$16,000
Burnaby	Lougheed Town Centre Redevelopment	$7,000
Vancouver	River District (formerly East Fraserlands) Development	$4,000
Vancouver	Senakw Housing Project	$3,000
Surrey	Surrey Hospital	$2,880
Vancouver	Broadway Subway Project	$2,827
Vancouver	St. Paul's Hospital Replacement	$2,174
Kelowna	Wilden Development	$2,100
All Other	386 projects	$63,077
Total	All 397 projects currently under construction	$169,958

Source: BC Stats

Metro Vancouver Region – British Columbia's Economic Engine

Canada's third-largest metropolitan area. Metro Vancouver encompasses 21 municipalities with a population of 2.97 million residents as of July 1, 2023 (BC Stats, 2023). Metro Vancouver's population is projected to grow to 3.2 million people by 2030 (an increase of 8%) and to 3.8 million people by 2050 (an increase of 29%). The region spans approximately 2,879 square kilometers, bordered by the Strait of Georgia to the west, the US border to the south, the Fraser River Valley to the east, and the Coastal Mountains to the north.

Metro Vancouver is supported by extensive transportation infrastructure, including Vancouver International (YVR) and Abbotsford Airports, Horseshoe Bay and Tsawwassen Ferry Terminals, and several major highways (Trans-Canada/Highway 1, Lougheed/Highway 7, Highway 17, Highway 91, and Highway 99). The area also features the SkyTrain Rapid Transit system, which includes the Expo Line, the Millennium Line and Evergreen Extension, and the Canada Line, with the Broadway Subway line and the Surrey-Langley SkyTrain extension set to begin operations in 2027 and 2028, respectively. Additionally, there are over 2,600 kilometers of major roadways, 20 major bridges, and two significant tunnels. Port Metro Vancouver, the fourth-largest port in North America by tonnage, has 29 deep-sea and domestic marine terminals serving five business sectors: automobiles, break bulk, bulk, containers, and cruise. The port is serviced by three Class 1 railways: CN Rail and Canadian Pacific Railway, both transcontinental railways, and the Burlington Northern Santa Fe Railway.

Metro Vancouver is a Hub for Industry with Major Employers

The major private and public employers in Metro Vancouver are shown below.

Major Private and Public Employers in Metro Vancouver

	Firm	Number of Employees		Firm	Number of Employees
1	Jim Pattison Group	8,655	11	VanCity Credit Union	2,417
2	Telus Corporation	6,600	12	Scotiabank	2,102
3	Royal Bank of Canada	5,272	13	Amazon	1,800
4	Providence Health Care	4,800	14	BMO Financial Group/SAP Canada Inc.	1,400
5	Air Canada	4,100	15	Electronic Arts	1,300
6	HSBC Bank Canada	3,297	16	Starline Windows Group	1,100
7	CIBC	3,200	17	Lafarge Canada	1,100
8	BC Hydro	2,745	18	Lush Handmade Cosmetics	1,061
9	Seaspan ULC	2,649	19	Arc'teryx Equipment Inc	984
10	Premium Brand Holdings	1,500	20	Sunrise Farms	950

	Firm	Number of Employees		Firm	Number of Employees
1	Fraser Health	25,000	11	City of Surrey	3,400
2	Vancouver Coastal Health	12,896	12	BC Hydro	2,600
3	University of BC	12,398	13	Insurance Corp. of BC (ICBC)	2,390
4	School District No. 36 (Surrey)	10,560	14	City of Burnaby	2,347
5	Provincial Health Service Authority	8,409	15	School District No. 38 (Richmond)	2,140
6	School District No. 39 (Vancouver)	7,986	16	City of Richmond	1,980
7	City of Vancouver	7,700	17	BC Institute of Technology (BCIT)	1,930
8	TransLink	6,700	18	Vancouver Community College	1,614
9	School District No. 43 (Coquitlam)	4,239	19	School District No. 44 (North Van)	1,495
10	Simon Fraser University	2,913	20	Metro Vancouver	1,418

Source: Business in Vancouver, 2019

Trade

According to data from BC Stats, the total value of provincial exports to all countries in June 2024 from British Columbia was roughly $4.6 billion, reflecting a 4.2% increase from the same month the previous year. In 2023, exports amounted to $56.2 billion, marking a 13.5% decrease from 2022, energy notably supplanting forestry as BC's number one source of export earnings. While Additionally, Port Metro Vancouver experienced a 6% increase in total cargo shipped in 2023 compared to the previous year, driven by a significant rise in grain exports following a recovery from a poor 2021 harvest, along with increased exports in the automotive and cruise sectors.

City of Vancouver – The Regional Anchor

The City of Vancouver, the most populous city in British Columbia, shares its eastern border with Burnaby. Vancouver experienced robust GDP growth in the decade leading up to 2020, resulting in a more diverse economy. Vancouver has a very active housing market, which began to cool in the spring of 2022, when interest rates began to rise. While housing demand in the city and region has softened due to higher borrowing costs, resale activity has recovered and prices have stabilized in 2024. Supply issues persist as a primary concern in the Lower Mainland, particularly as municipalities work to meet housing targets outlined in the Housing Supply Act, given challenges facing the housing industry including a higher interest rate environment, high construction costs, labour shortages, and increasing municipal fees (development cost charges). The residential construction sector remains strong due to the ongoing construction of large-scale projects sold in the lead-up to the higher interest rate cycle the market is currently in. Further, the ongoing development of large-scale non-residential projects in the coming years will further bolster the construction sector and the finance, insurance, and real estate sectors, which collectively account for 34% of provincial gross domestic product.

Burnaby – Metro Vancouver's Hub

Burnaby, the third-largest city in Metro Vancouver, has a population of 283,593 (BC Stats, July 2023) and spans about 91 square kilometers. Burnaby's population is forecast to grow by 1.5% per year to approximately 360,000 residents by 2050 (City of Burnaby). Situated directly east of the City of Vancouver, it is bordered by the Burrard Inlet to the north, the Fraser River to the south, and the municipalities of Port Moody, Coquitlam, and New Westminster to the east and southeast. Formerly a suburban bedroom community, Burnaby now hosts a diverse mix of residents who both live and work in the area. A quarter of Burnaby's land is dedicated to parks and open spaces. The city features numerous attractions for leisure travelers, several business parks, and new developments that have enhanced its skyline.

Population Stats

Population by Neighbourhood

Neighbourhood	Population	Ann. Growth (10 Years)	Area (ha)	Pop./ha
City of Burnaby	249,125	1.2%	9,057	27.5
Metro Vancouver	2,642,825	1.4%	287,893	9.2
% of Metro Van.	**9.4%**		**3.1%**	

Population by Age Group

Age Group	Burnaby	% of City Pop.	Metro Vancouver	% of Metro Pop.
0 to 9	21,490	8.6%	240,070	9.1%
10 to 19	21,995	8.8%	269,395	10.2%
20 to 29	38,615	15.5%	375,520	14.2%
30 to 39	41,650	16.7%	409,435	15.5%
40 to 49	32,015	12.9%	350,990	13.3%
50 to 59	33,775	13.6%	368,170	13.9%
60 and over	59,590	23.9%	629,240	23.8%
Total	**249,130**		**2,642,820**	

Source: Statistics Canada 2021 Census

Burnaby comprises several high-density residential areas and major commercial town centers. The city's economic base is diversified with Burnaby fast becoming recognized as an international hub for a diverse range of sectors including technology, biotech, life sciences, film and television, alternative energy, and more. Consequently, Burnaby's strategic central location within the region, combined with a comprehensive transportation network for both goods and people has allowed it to emerge as a significant employment centre, attracting several leading companies to relocate there. The intensification of land use around key transportation nodes has fostered thriving commuter neighbourhoods with convenient access to Downtown Vancouver and other key employment centers along the Expo and Millennium SkyTrain lines. The city of Burnaby has implemented multiple neighbourhood-specific town centre plans to support higher-density mixed-use and residential developments, which has made the city increasingly dynamic and has contributed to its regional influence, and self-sufficiency.

Industry & Income Stats	Burnaby	% of City	Metro Vancouver	% of Metro
Argiculture, Resource & Utilities	1,770	1.3%	24,910	1.7%
Construction	9,805	7.1%	114,600	7.8%
Manufacturing	7,330	5.3%	83,255	5.7%
Wholesale Trade	5,180	3.8%	54,360	3.7%
Retail Trade	15,230	11.1%	159,825	10.9%
Transportation & Warehousing	6,455	4.7%	86,180	5.9%
Information & Cultural Industries	6,345	4.6%	55,000	3.7%
Finance & Real Estate	10,795	7.9%	105,110	7.2%
Professional & Scientific Services	17,000	12.4%	160,590	10.9%
Business Management	390	0.3%	4,050	30.0%
Admin Services & Remediation	5,670	4.1%	59,880	4.1%
Health Care & Education	24,620	17.9%	273,880	18.7%
Tourism & Food	11,940	8.7%	129,555	8.8%
Other Services	5,830	4.2%	61,285	4.2%
Public Administration	5,360	3.9%	62,815	4.3%
Not Applicable	3,600	2.6%	32,920	2.2%
Total Labour	**137,320**		**1,468,215**	
2020 Median Household Income	**$83,000**		**$90,000**	

Source: Statistics Canada 2021 Census

Burnaby is divided into four quadrants (Northwest Burnaby, Northeast Burnaby, Southeast Burnaby, Southwest Burnaby), each featuring its own town center serviced by rapid transit. The subject property is located in the Metrotown neighbourhood in Burnaby's Southwest quadrant, which is bounded by the Trans-Canada Highway, Gilley Avenue, the Fraser River, and Boundary Road. This quadrant has over 12,000 residential units that are accommodated in a range of building types, with a history of high-rise apartment and mixed-use developments since the 1970s and 1980s, respectively. The primary retail node is centered near Metropolis at Metrotown, Canada's third-largest shopping center, which is being redeveloped into a pedestrian-oriented mixed-use community, located directly across Kingsway Boulevard from the subject property. Kingsway serves as a commercial thoroughfare, while Marine Way in the Big Bend/Glenlyon area is home to big-box retail developments. Other employment hubs include BCIT, surrounding business parks, and the Big Bend/Glenlyon industrial area. A rezoning plan for the Willingdon Lands, across from the BCIT campus, envisions over 5,200 homes, live/workspaces, commercial space, and film studio space.

Real Estate & Development Stats			
Census, CMHC & MLS Stats			
	Burnaby	%	Metro Vancouver
Population Estimate (2022)	270,264	9.5%	2,842,720
Household Units (2021 Census)	101,135	9.7%	1,043,320
CMHC Housing Starts (2022)	3,037	11.7%	25,983
CMHC Rental Inventory (2022)	11,614	9.6%	120,472
CMHC Rental Vacancy (2022)	1.1%		0.9%
	Burnaby	%	REBGV
MLS Home Sales (2022)	3,764	13.0%	28,989
MLS HPI (2022)	$1,078,500	89.9%	$1,199,250
2022 Building Permit Stats ($000s)			
	Residential	Commercial	Industrial
Burnaby	$1,757,074	$632,394	$892
Metro Vancouver	$10,485,857	$2,905,892	$356,147
% of Metro Vancouver	16.8%	21.8%	0.3%
Major Project Inventory Q3 2022 ($ millions)			
	Burnaby	%	BC
Proposed	$2,613	1.2%	$220,702
On Hold	$0	0.0%	$30,970
Construction Started	$15,970	11.7%	$136,534
Completed	$34	4.4%	$775
Broker Stats			
	Burnaby	%	Metro Vancouver
Office Space (sq.ft.) - Q1 2023	10,583,867	14.2%	74,479,522
Industrial Space (sq.ft.) - Q1 2023	28,043,819	12.6%	222,808,334

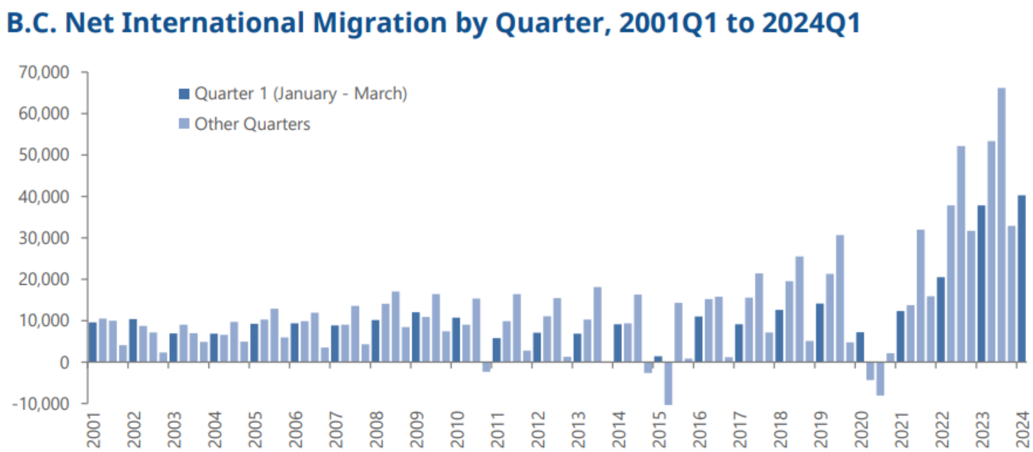
Source: Statistics Canada, BC Stats, City of Burnaby, Real Estate Board of Greater Vancouver, Colliers International, CMHC

Industry & Income Stats	Inter-Provincial Immigrants		International Immigrants		Total Net Migration
2022 Total	**6,515**	**(4%)**	**142,231**	**(96%)**	**148,746**
5-Year Avg.	*16,771*	*(19%)*	*69,303*	*(81%)*	*86,074*
2023 Total	**(8,624)**	**(0%)**	**190,242**	**(100%)**	**181,618**
5-Year Avg.	*12,503*	*(12%)*	*94,808*	*(88%)*	*107,311*

Housing Market Overview

The Rental Market – Demand Driven by Population Growth

As per data sourced from Statistics Canada and BC Stats, at the end of the second quarter of 2024, the population of British Columbia experienced a net increase of 36,597 individuals compared to the previous quarter. In the previous twelve months, the population of BC grew by 179,000, an annual growth rate of 3.3%. This is the highest annual population growth since 1971. This population expansion was driven by record-setting international migration, which added 192,683 individuals to BC's population during the last 12 months. BC continues to welcome large numbers of non-permanent residents (NPRs), with a net inflow of 137,393 arriving in the last 12 months.



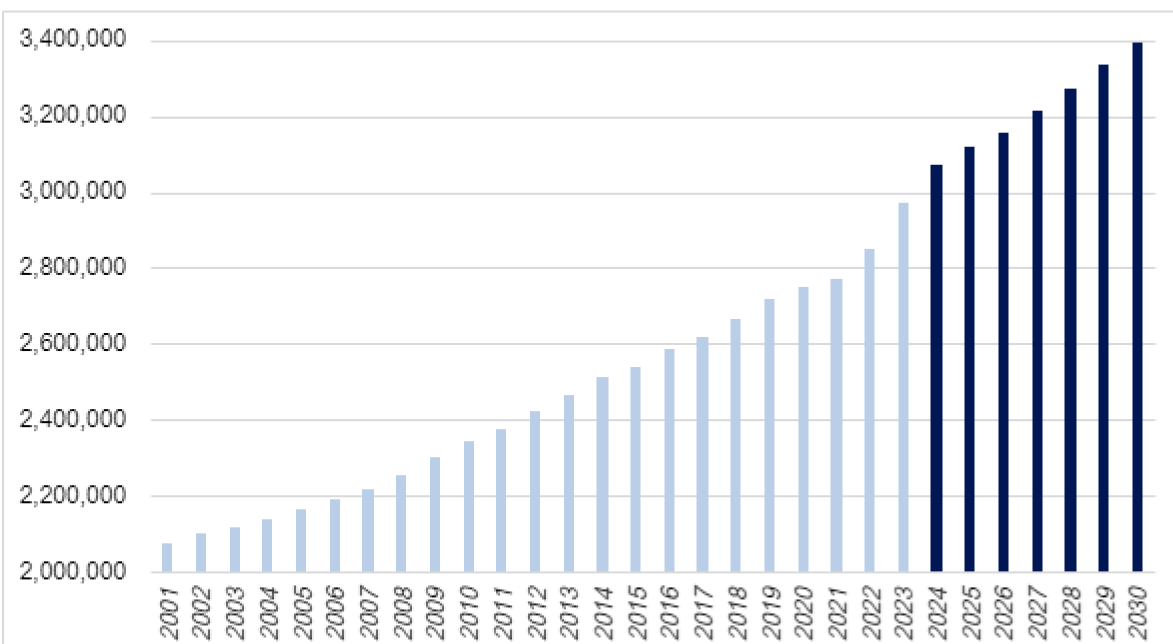
Source: Statistics Canada.

The same data set indicates this spike in immigration mirrored trends seen in other major Canadian cities and contributed to higher rental demand in these areas. In British Columbia, Metro Vancouver, is the preferred destination for most new immigrants. The region is home to several post-secondary institutions, including the University of British Columbia (Vancouver) and SFU, which enrolled approximately 17,000 and 5,000 international students, respectively, in 2023, according to information provided by each institution. The universities collectively offer an approximate 18,500 student beds. Since international students predominantly opt for rental housing, the Manager expects the rise in their numbers is expected to continue driving rental demand in the region.

The following charts based on BC Stats data illustrate how Metro Vancouver's and Burnaby's population is projected to continue growing over the next several years. This population growth will continue to put upward pressure on rental demand across the region and in the city of Burnaby. As noted previously, Metro Vancouver's population is projected to grow by 11% between 2024 and 2030 while Burnaby's is forecast to increase by 12%.

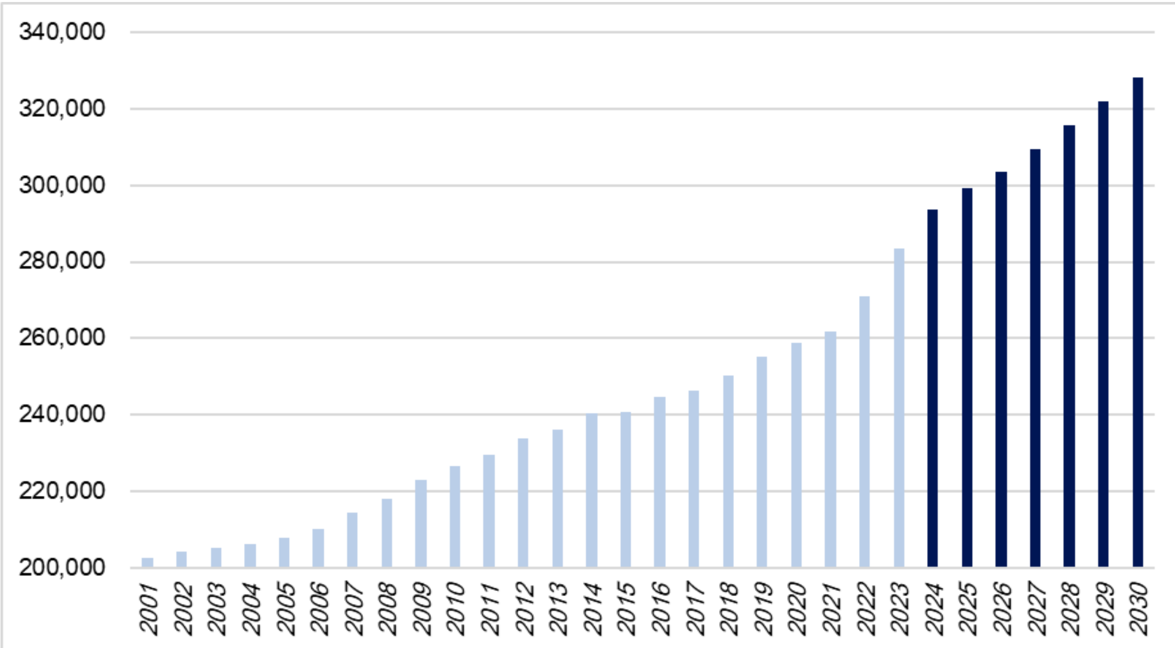
Historical + Future Population (2001 – 2030)

Metro Vancouver Regional District



Source: BC Stats

Burnaby Municipality



Source: BC Stats

In the past 24 months, CMHC data indicates Metro Vancouver experienced an 18% increase in rental rates across all unit types. Data from Zonda Urban for stabilized concrete product reflects average monthly rents of $2,488 per month for a studio unit, $2,826 per month for a 1-bedroom unit, $3,868 per month for a 2-bedroom unit, and $5,379 per month for a 3-bedroom unit.

Rental rate growth has been as pronounced in Burnaby, with rents increasing over 18% in the past 24 months according to CMHC data. Despite the provincially legislated 2% rent increase limit in BC for 2023, and 3.5% for 2024, which keeps most rents below market levels, the Manager believes that larger increases in market rent reflect the growing rental demand in Metro Vancouver and Burnaby. As of the second quarter of 2024, Zonda Urban data suggests newer purpose-built rental buildings in Burnaby are averaging $4.45 per square foot. This is the fourth highest average rent after Vancouver and North Vancouver.

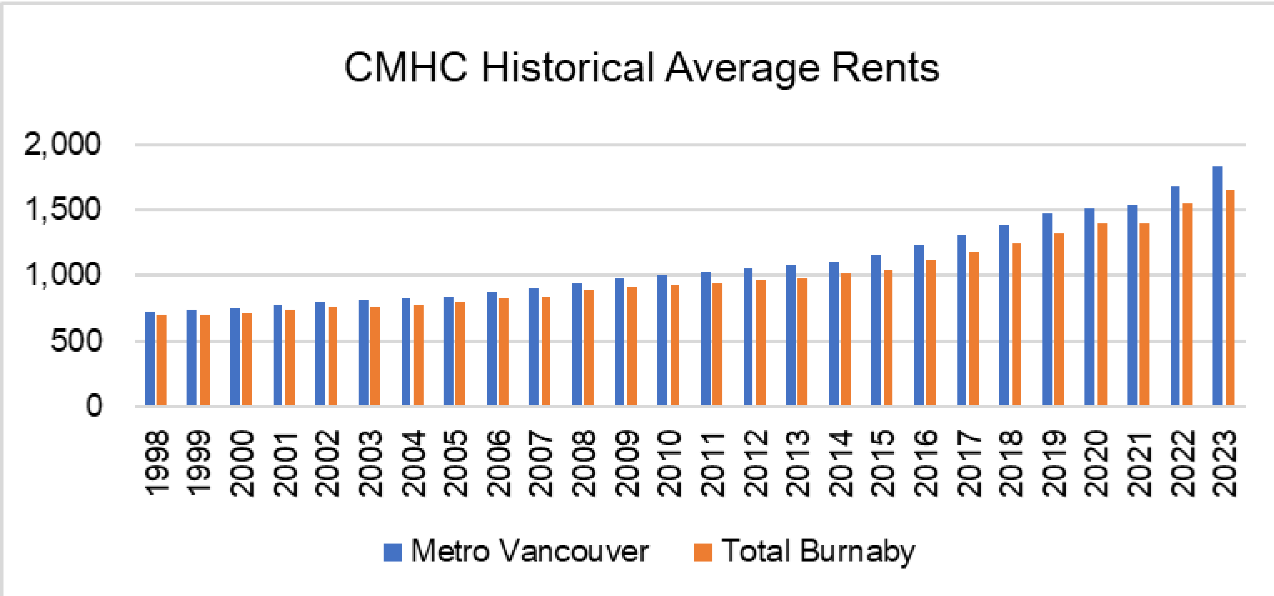
The availability of market rental units remains low in Metro Vancouver, with the CMHC-provided vacancy rate for 2023 at just 0.9%, the same rate as 2022. Metro Vancouver and Burnaby have averaged a vacancy rate of 1.4% and 1.6% respectively over the past 30 years according to the same CMHC data, illustrating a chronic shortage of available rental housing in the region. Given the continued strong population growth projected in the region and in Burnaby, and the limited new supply anticipated to be completed, the Manager suggests there is little relief in sight for either vacancy or rents.

Limited New Rental Project Deliveries to Maintain Pressure on Vacancies and Rents

According to CMHC's Rental Market Report, the number of purpose-built rental apartments in Metro Vancouver increased by 3,144 units in 2023, or 2.7%. Although this growth was slightly less than in 2022, it remained above the five-year average. Despite the growth in purpose-built rental construction, the Manager suggests new supply has not kept pace with growing demand, as evidenced by low vacancy rates and strong rent growth year over year. A 2022 CMHC report stated that Canada needs 5.8 million new homes constructed by 2030 to improve housing affordability. This is 3.5 million more than what the country is currently on track to build. In the first quarter of 2024, CIBC's Benjamin Tal estimated that the construction gap is at least one million units higher than CMHC projections, while the Office of the Federal Housing Advocate projects Canada will need 9.6 million new homes over 10 years to make housing affordable. It is noted that the bulk of these homes will need to be delivered in Ontario and British Columbia.

Projected supply gaps, 2023 Housing shortages in Canada (in million units)			
Estimate of supply gap	**Low growth**	**Baseline**	**High growth**
British Columbia	0.55	0.61	0.69
Canada	3.07	3.45	4.01

Source: CMHC



Source: CMHC Historical Average Rents (Row / Apartment) – All bedroom types.

At the same time, the development industry is facing unprecedented headwinds due to a higher interest rate environment, high construction costs, labour shortages, and increasing municipal fees (development cost charges). As per the Manager's own experiences, a sharp rise in the cost of borrowing has had a noticeable negative impact on many development projects' margins. Adding to this are the time delays in obtaining approvals and permits to construct new projects as municipalities in Metro Vancouver and surrounding areas struggle to maintain sufficient staffing and constantly changing policy. Lastly, as the industry and consumers deal with the tail whip effects of supply chain disruption from COVID-19 and the inflationary impacts of monetary policy following the pandemic the market has experienced, the Manager can attest to the unprecedented rise in construction costs for new development projects in British Columbia and Metro Vancouver. The Manager suggests the inability of developers to get the needed supply into the market in a timely manner will continue to impact the supply/demand imbalance in Metro Vancouver's rental market, keeping vacancy at record lows while putting more upward pressure on rental rates for existing rental stock and any new construction that manages to get approved and built.

The Condominium Market - Remains Resilient

Metro Vancouver Condominium Market

After peaking in the spring of 2022, shortly after the Bank of Canada launched its campaign to reduce generationally high inflation, data and analysis provided by Zonda Urban indicates Metro Vancouver's condominium market adjusted to the evolving conditions that resulted from the drastic shift in monetary policy. The firm's analysis suggests some prospective condominium buyers were priced out of the market by the much higher borrowing costs while many others took pause to evaluate the changing conditions in the market and what opportunities might arise as a result. This led to slower absorptions across the market, including for new developments launching pre-sale campaigns and the resale condominium sector (as per Greater Vancouver and Fraser Valley Real Estate Board data). Residential values have nonetheless generally been maintained. While there was some softening in achievable pricing for condominium units, particularly in the resale sector, there has been little evidence of any significant drop in values due to the continued demand/ supply imbalance that exists in the market. As Zonda Urban data indicates, the supply of new units continues to be restricted due to challenges obtaining development approvals, a tighter construction financing market and lack of development land, which the Manager has experienced first-hand. The Manager suggests these factors support residential development in the Metro Vancouver market.

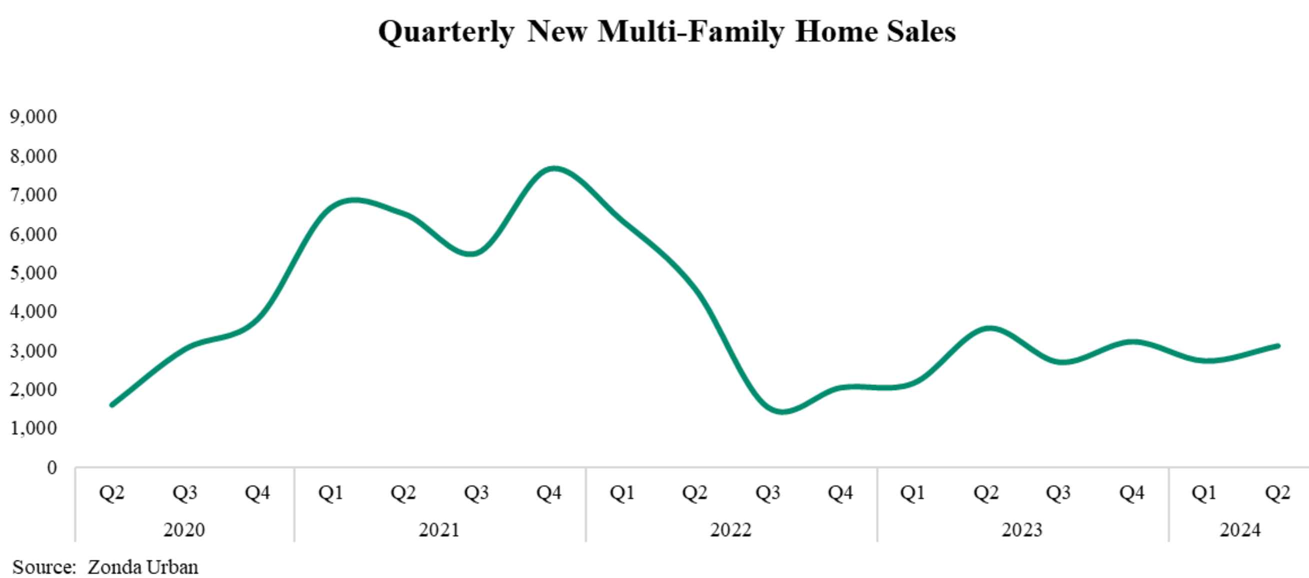
Despite the same historically strong immigration to British Columbia and Metro Vancouver as highlighted in the Statistics Canada data noted in a previous section, the Manager suggests various government policies designed to discourage non-resident buyers from purchasing real estate in the region have also contributed to softening demand in some sectors of the local condominium market.

Nevertheless, Zonda Urban data shows Metro Vancouver's condominium market has remained resilient despite the challenges presented over the past two years, as evidenced by the steady sales activity at various projects being actively sold, including Citizen, where 286 of the 372 condominium units in the Project were sold in just nine months of active marketing. Based on analysis provided by Zonda Urban, the Manager and anecdotal information shared with the Manager by other industry sources, condominium buyers have become much more patient, selective and particular about value-oriented factors such as location, finishings, amenities and in particular the track record and reputation of a project's developer. The Manager suggests that the success of the condominium sales campaign at Citizen illustrates how a project that meets the increased selectiveness of buyers can be successful despite more challenging market conditions.

Given the 50-basis point drop in the Bank of Canada's benchmark rate in recent months, and the general consensus of further reductions anticipated over the next several months, the Manager expects the headwinds the condominium market has been facing are expected to dissipate, which will increase the confidence of condominium buyers. across the region and in Burnaby. Based on historical data patterns in the Metrotown condominium market, the Manager also suggests the increased demand arising from this greater buyer confidence will lead to upward pressure on pricing, which will give comfort to existing presale buyers at Citizen and allow the Manager to realize greater returns on the remaining inventory closer to the Project's construction completion.

Condominium Sales Steady

Zonda Urban data shows a total of 3,101 new homes were sold in the second quarter of 2024, which represents a 1% decline from the previous six months, but a 2% increase from the same period last year. Zonda Urban analysis of its data indicates the increase in pre-sale activity in the second quarter of 2024 can be somewhat attributed to new project launches as 46 projects were launched in the second quarter. 38% of the 1,545 new units of inventory released to the market were reported as sold by quarter-end.

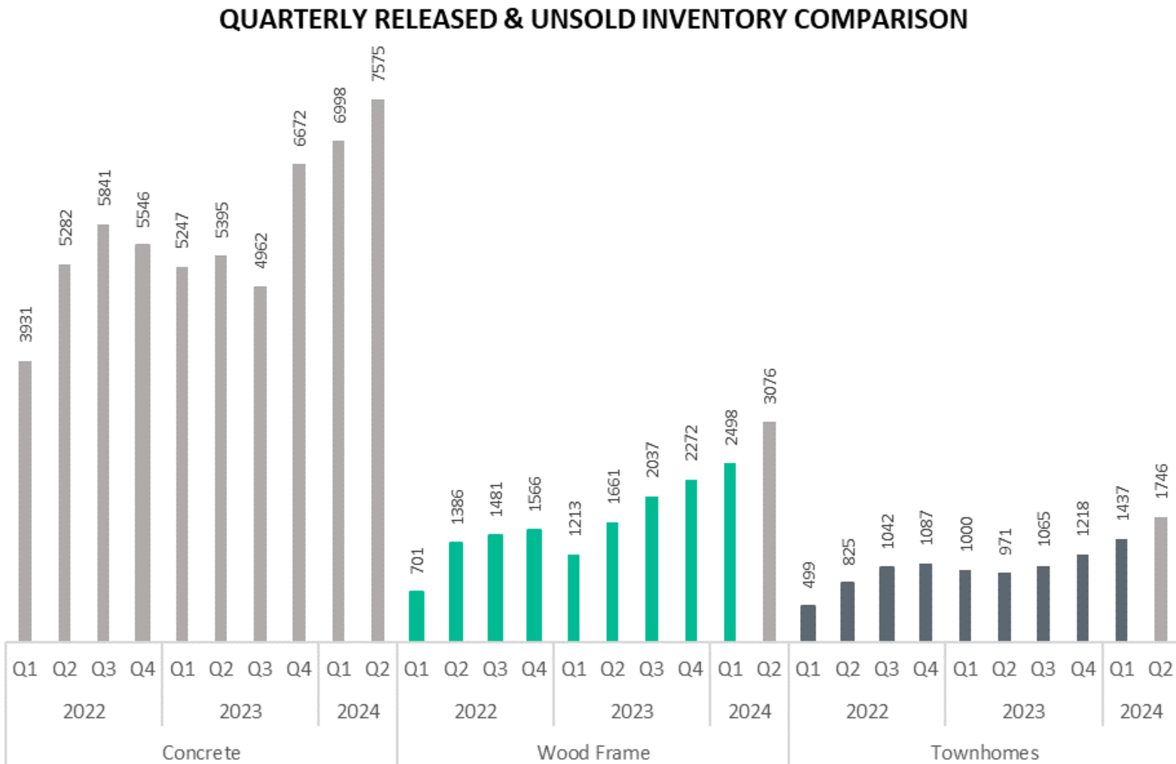


Source: Zonda Urban

According to Zonda Urban data and analysis, the most active projects were characterized by offering more competitive pricing, and reduced deposit structures. 80% of condominium units released for sale and scheduled to complete by 2029 have been pre-sold while just over 8% of condominium units scheduled to complete by the end of 2024 remain unsold.

Inventories Rising Moderately

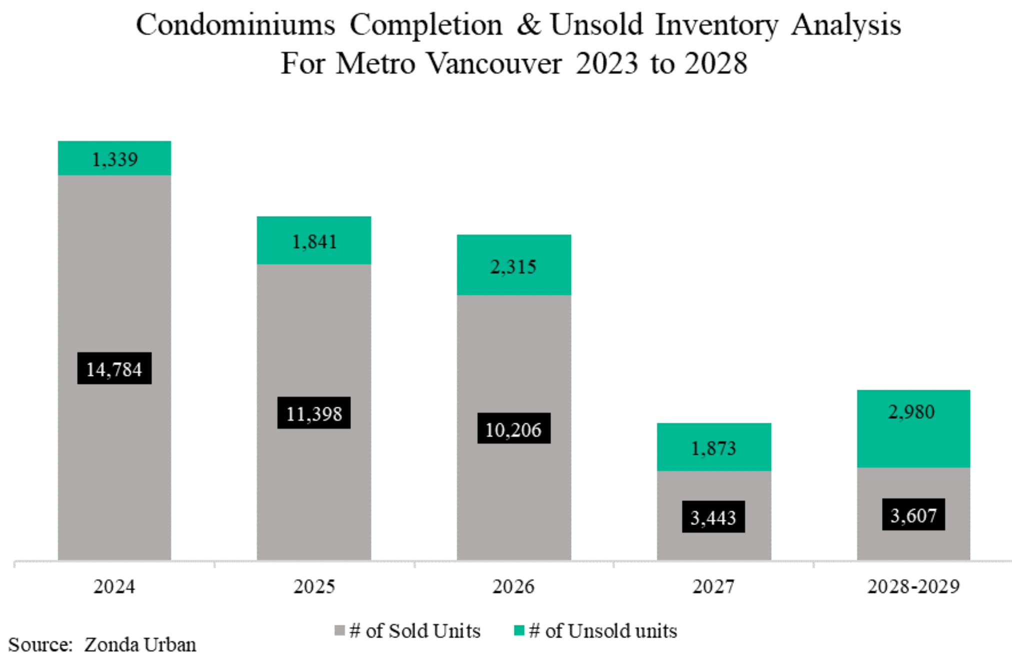
Zonda Urban data shows there were 12,397 unsold new multi-family units available to purchase at the end of the second quarter of 2024; a 13% increase from the previous quarter and a 54% increase from the same quarter in 2023. Quarterly unsold inventory totals increased by just 8% in the high-rise condominium sector and by 23% in the low-rise condominium sector.



Source: Zonda Urban

Note that Zonda Urban reports over half (53%) of the unsold condominium units in the market are still in the pre-construction stage. Nearly one-third (32%) are under construction and 15% are completed and move-in ready as of the second quarter of 2024.

Further analysis of the Zonda Urban data relating to the completion timeline of currently unsold units shows the overwhelming majority of unsold condominiums being completed over the next few years are sold. Of the unsold units scheduled to be completed in 2024, 92% are pre-sold.



Zonda Urban's monitoring of the new condominium market in the first half of 2024 indicates that despite a limited number of new project launches (five new projects launched since January 1, 2024), the Burnaby market has remained one of the more active markets in the region, with 598 new units sold in the first six months of this year; the fourth highest total sales of any sub-market in Metro Vancouver during this period. By comparison, new condominium projects in Surrey sold just 1,373 units in the first half of the year but have seen the launch of 11 new projects. While the greater affordability of new home product in the eastern suburbs is attracting more buyers, there is clear evidence of strong demand for new homes in mature and established markets, rich with amenities and services like Burnaby and neighbourhoods such as Metrotown.

Overall average price growth in Metro Vancouver's new condominium market softened over the past 24 months, with product in some parts of the region experiencing more softening in values than others. New condominium product in desirable and established areas like Burnaby have fared better with prices holding firm, though higher valued incentive offerings have been required to generate modest absorptions according to Zonda Urban analysis. The following graphic illustrates the average unit price in projects launched since the start of 2024 along with the proportion of product released that has been sold during this period.

Average Price of Projects Launched			
Metro Vancouver	**Concrete**	**Wood Frame**	**Townhome**
Average Price	$1,000,562	$666,511	$1,214,667
Absorbtion	54%	63%	52%

Source: Zonda Urban

Sustained Demand for Increased Housing Starts to Support Population

In the first quarter of 2024, both Vancouver CMA and provincial housing starts were above both the same quarter one year earlier and the five-year average according to CMHC Housing Market Report and BC Stats data. Overall, in 2023, Vancouver CMA housing starts increased by 28.4% from the previous year, while provincial housing starts increased by 8.1% from the previous year. Vancouver CMA housing starts are anticipated to decline to between 25,900 and 31,900 in 2024 by CMHC.

Based on the earlier analysis of Statistics Canada data related to projected population growth for Metro Vancouver, the Manager believes there will be robust demand for more rental product in quality neighbourhoods and continued upward pressure on rents for the foreseeable future. However, the Manager also assumes many current renters would prefer to purchase and own their own home if they could overcome current affordability challenges. The Manager's own experience at its various actively selling new home projects indicates the higher interest rate environment of the past two years has made it more challenging for many prospective homebuyers, which, combined with the massive increase in migration to the region, has pushed more demand into the purpose-built rental market. Assuming domestic and international migration levels to Metro Vancouver remain elevated, the Manager expects ownership demand for new condominium product to grow as interest rates continue to fall to the generally expected range of 2% to 3%.

The Hotel Market - Rates Rise as Supply Shortage Looms

Hotels Seeing Post-COVID Growth

Data from various sources, including Statistics Canada, Destination Vancouver, CBRE and CoStar indicate that across Canada, tourism and businesses that cater to the tourism sector continue to bounce back from COVID-19 lows of 2020-2021. According to Statistics Canada, demand is rapidly increasing for hotel rooms even when large events are not taking place because, on a year-over-year basis, travel to Canada through BC has been trending upward. In December 2023, Statistics Canada and Destination Vancouver report a 25.1% increase year-over-year in the number of visits by foreign nationals to Canada through BC entry points. Domestic travel is also strong, with Vancouver International Airport data from 2023 showing a record-high number of domestic passengers who either boarded or disembarked flights in 2023. Additionally, tourism growth continues in the region as the Vancouver Fraser Port Authority is projecting 329 cruise ships visit the region between March 11 and October 29, 2024. This estimate translates to a record 1.27 million passengers entering Metro Vancouver this year, roughly 1.6% more than last year's record of 1.25 million, adding to the growing demand for hotel rooms in the area.

According to data provided by CBRE, in 2023, British Columbia experienced a 14% annual increase in RevPAR (Revenue per available room), and a 2.0% increase in occupancy landing at 70% for the year. Vancouver is projected to have the highest RevPAR ranking across all major hotel markets in Canada in 2024.

Average Hotel Metrics						
		2019A	2021A	2022A	2023A	2024F
Vancouver	Occupancy	80%	48%	74%	79%	79%
	ADR	$219	$167	$237	$268	$277
	RevPAR	$175	$80	$175	$211	$218
BC	Occupancy	71%	50%	68%	70%	70%
	ADR	$192	$161	$213	$234	$241
	RevPAR	$136	$80	$144	$164	$169

2024 RevPAR Projection Ranking	Vancouver	Toronto	Montreal	Quebec City	Niagara Falls	Halifax	Ottawa	Winnipeg	Calgary	St. John's	Saskatoon	Edmonton	Regina
RevPAR $	$218	$172	$163	$161	$144	$143	$138	$125	$118	$106	$92	$83	$75

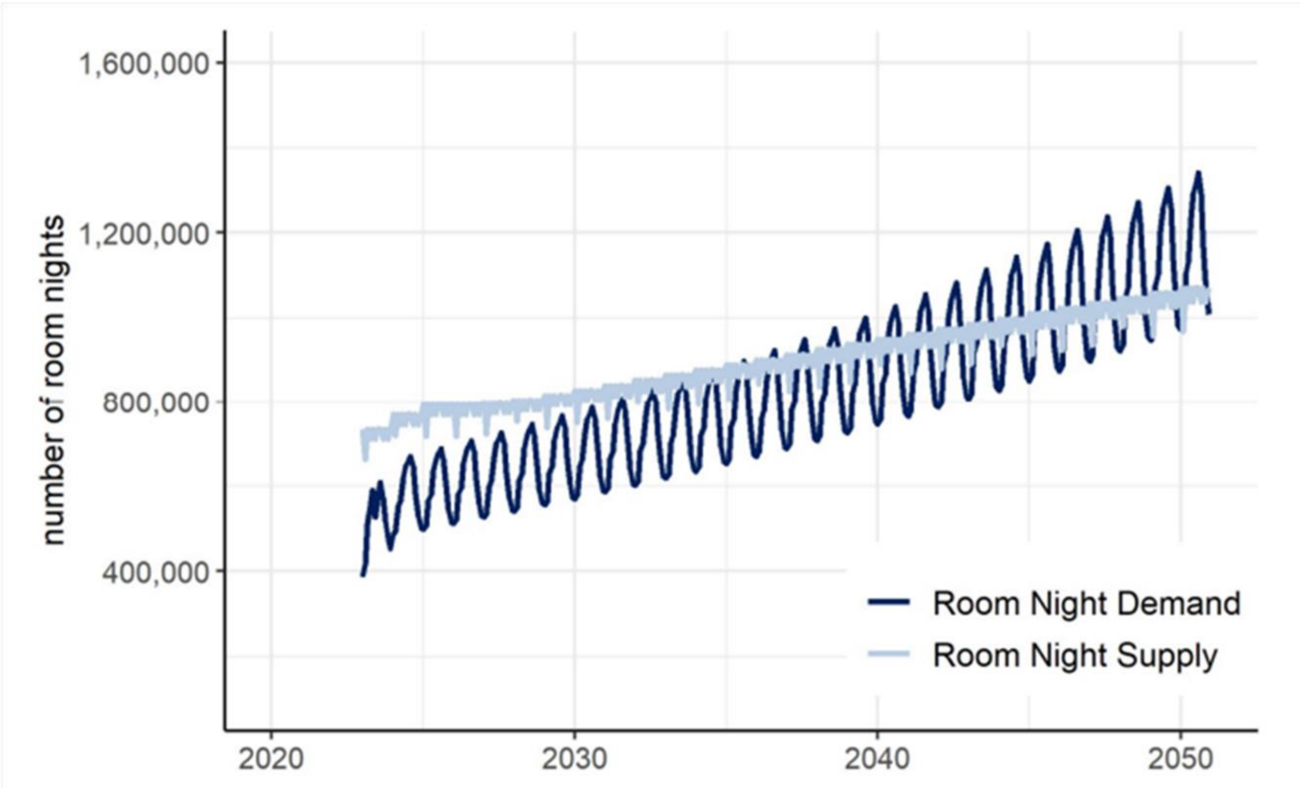
Source: CBRE 2024 Canadian Hotel Industry Outlook

In May 2024, the BC government enacted legislation that severely reduced the number of short-term rental/Airbnb properties available in the province, with over 75 communities across the province no longer allowing short- term rentals in anything other than a host's primary residence. These communities include Vancouver, Burnaby, New Westminster, Delta, North Vancouver, West Vancouver, and more. The aim of BC's legislation was to free up housing units for longer-term rentals, but an unintended consequence will be significantly more pressure on the region's existing hotel supply. According to May 2024 CoStar data, Metro Vancouver hotels had the highest occupancy rate among large Canadian metropolitan areas, at 83.9%, with hoteliers in the region able to charge the highest average daily room rate in Canada: $317.41/night.

Future Supply of Hotels

Destination Vancouver data indicates Metro Vancouver's hotel industry consists of 195 hotels and nearly 26,000 rooms across the region and the Fraser Valley. The demand for hotel rooms in Metro Vancouver is projected to return to pre-pandemic levels by 2025, then increase by an average 2.7% per year, hitting 10.7 million nightly visits in 2040 and 13.9 million in 2050, according to a new annual report from Destination Vancouver examining current and projected hotel supply and demand in the region. The report suggests that Metro Vancouver would need 20,000 new hotel rooms by 2050 to meet demand.

At the same time, the number of rooms available has shrunk over the last decade, including during the pandemic when some hotels were converted into supportive housing units. The same report estimates 3,452 hotel rooms are in the pipeline and forecast to be built between now and 2030 in Metro Vancouver, not all of which are guaranteed to make it to market by that time. As such, the Manager suggests the prospects for new hotels that are completed during this period, such as the hotel that will form part of the subject development, are very positive and encouraging in terms of occupancy and revenues.



Source: Destination Vancouver report "Economic Analysis of Hotel Supply and Projected Demand". The supply growth assumption underlying the projections in this chart is that the number of hotel rooms will increase at a rate equal to the increase in such hotel rooms anticipated over the course of the 2022-2030 construction period but with no further loss of existing rooms.

2.4 The Current Owners

The Current Owners are a wholly owned subsidiary of Anthem Developments and its non-managing co-investment partner. The Current Owners beneficially acquired the Project on November 29, 2019. Significant pre-development work including rezoning, permitting and site clearing/demolition 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 interest in the Project and the Current Owners will not receive any of the net proceeds of the Offering on closing of the Offering.

Assuming the Maximum Offering is achieved, the REDT will own a 72.2% limited partner interest in the Project LP and indirect equity interest in the Project, while the Current Owners are expected to own an indirect 27.8% interest in the Project, and assuming the Minimum Offering is sold and the maximum Equity Commitment is provided by Anthem through the subscription for Shortfall Units, the REDT will own a 57.3% limited partner interest in the Project LP and indirect equity interest in the Project, while the Current Owners and Anthem are expected to own an indirect 42.7% interest in the Project (determined in each case without reference to the Carried Interest).

The REDT's interest in the Project will be determined based on the Gross Subscription Proceeds. The REDT will invest the Net Subscription Proceeds in the Project LP and will also be deemed for the purposes of allocating ownership of the Project between the REDT and the Current Owners to have contributed an amount equal to the Total Agent's Fee to the Project LP. The Project LP will receive the Net Subscription Proceeds and will pay the expenses of the Offering (other than the Agent's Fee).

Anthem Developments has committed to Anthem providing additional equity to the Project, through the acquisition of Shortfall Units, in an aggregate amount equal to the difference between (a) the gross proceeds raised from the Offering and any concurrent private placements by the REDT, and (b) the Maximum Offering (the "**Equity Commitment**"), which would result in a maximum Equity Commitment of $17,000,000 in the aggregate if only the Minimum Offering is achieved, in order to provide the necessary equity to complete development of the Project.

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, pursuant to a Cost Overrun Funding and Guarantee Agreement, Anthem Developments has agreed with the Project LP that Anthem will provide the equity for such cost overruns by acquiring Cost Overrun Units, the proceeds of which will then be used to fund cost overruns on the Project. Such cost overruns may result in the scenario where there is a hard cost overrun or if plan specifications change due to unforeseen developments. Further, in the unlikely event of a soft cost overrun, Anthem would fund such overrun through the acquisition of Cost Overrun Units.

The return on the Cost Overrun Units will have an equal pre-tax investor gross compounded annualized return to the Class A Units, adjusted to reflect that no Agent's Fees will be payable in connection with the issuance of Cost Overrun Units. For greater certainty, the Cost Overrun Units will otherwise achieve the same annualized internal rate of return as the Class A Units, adjusted to assume no Agent's Fees were paid, 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, Anthem, 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 Anthem will have an increased equity interest but will not be paid on the Cost Overrun Units as if it had invested concurrently with investors of the REDT, rather Anthem will receive the proportional return from the time it made such 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 Project 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 Anthem. For purposes hereof, a "joint venture arrangement" is an arrangement between the REDT and one or more other persons (including for greater certainty, Anthem) 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 of the REDT, 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 Project 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 not invest the Net Subscription 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 Project LP or a corporation, a limited liability company, a partnership or other entity wholly-owned, directly or indirectly by the Project LP or jointly-owned, directly or indirectly, by the REDT or the Project LP with joint venturers or in such other manner which, in the opinion of the Project 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, the Project Indebtedness would be more than 75% of the Total Assets; 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 Project 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

The REDT will use the Net Subscription Proceeds to acquire an interest in the Project LP. The Project LP will use the proceeds from the issuance of such interest to pay the costs and expenses of the Offering (other than the Agent's Fee) and to fund the development of the Project. The REDT will also be deemed for the purposes of allocating ownership of the Project between the REDT and the Current Owners to have contributed an amount equal to the Total Agent's Fee to the Project LP. 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 a Liquidity Event and the REDT's share of returns on, and of capital payable by, the Project 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 September 6, 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, and indirectly develop, 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 a 72.2% limited partner interest in the Project LP and an indirect equity interest in the Project, while the Current Owners are expected to own an indirect 27.8% interest in the Project, and assuming the Minimum Offering is sold and the maximum Equity Commitment is provided by Anthem through the subscription for Shortfall Units, the REDT will own a 57.3% limited partner interest in the Project LP and indirect equity interest in the Project, while the Current Owners and Anthem are expected to own an indirect 42.7% interest in the Project (determined in each case without reference to the Carried Interest). The REDT's interest in the Project will be determined based on the Gross Subscription Proceeds. The REDT will invest the Net Subscription Proceeds in the Project LP and will also be deemed for the purposes of allocating ownership of the Project between the REDT and the Current Owners to have contributed an amount equal to the Total Agent's Fee to the Project LP. The Project LP will receive the Net Subscription Proceeds and will pay the expenses of the Offering (other than the Agent's Fee). The Term is targeted to be a period of five 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 to allow for the completion of the process commenced pursuant to the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or Sale Process, as applicable. 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 Project LP

The Project LP was established to directly own and develop the Project, and to permit the Current Owners to indirectly invest in the Project.

4.3 The Property of the REDT

The REDT will indirectly acquire an interest in the Project through its acquisition of an interest in the Project LP. The Project will be the only real property owned by the REDT and its development by Anthem and a subsequent Liquidity Event will constitute the business of the REDT. See "Description of the Activities of the REDT – The Project".

The REDT's investment objectives are to:

(a) provide Unitholders (as defined herein) with an opportunity to indirectly own an interest in the mixed-use, transit-oriented Citizen development project located in the Burnaby, British Columbia market, currently owned indirectly by Anthem Developments and its non-managing co-investment partner, and to be built, leased and operated by Anthem;

(b) declare and pay to Unitholders cash distributions out of the available operating cash flow of the REDT (to the extent available); and

(c) achieve a Liquidity Event.

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.

The Project LP intends to acquire the Neighbouring Property on October 31, 2024, for a total purchase price of $12,000,000, $250,000 of which has already been advanced by the Project LP to the vendor as a deposit. The payment of the purchase price to acquire the Neighbouring Property is a necessary development expense of the Project, required in order to allow the Project LP to obtain the necessary crane swing and underpinning easement rights that it requires in order to construct the Project. The Manager believes that acquiring the Neighbouring Property at the stipulated purchase price was the most cost-effective approach for obtaining such rights among the various alternative solutions investigated by the Manager and the Project LP. The Neighbouring Property does not form part of the land required to construct the Project, and will be sold at market value prior to the expiry of the Term.

However, if the Project LP is not able to complete the acquisition of the Neighbouring Property in time in order to obtain the necessary crane swing and underpinning easement rights required to construct the Project, or at all, for any reason, including if the REDT's due diligence of the Neighbouring Property, once completed, results in a reconsideration of the acquisition, the Project LP will proceed with an underpinning project for the Project that does not require the attainment of such easement rights at a cost of $18,000,000. These costs, which would entail additional costs of $11,000,000 relative to the cost of the acquisition of the Neighbouring Property (less projected sale of the Neighbouring Property at or around construction completion for $5,000,000) if the acquisition of the Neighbouring Property is not completed (and would not contemplate any mitigation of such costs that would occur in connection with a subsequent sale of the Neighbouring Property, as contemplated above), are currently included in the budget for the Project.

4.4 Operating Expenses of the REDT

The Project LP and the REDT will enter into a funding arrangement, pursuant to which the Project LP will provide the REDT and its subsidiaries 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 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 a development management fee and the costs of construction, which will be indirectly and proportionately borne by the REDT and the Current Owners in accordance with each of their respective interests in the

Project (excluding the Carried Interest). The development fee is equal to 3.0% of the total hard and soft costs of the Project, inclusive of previously spent costs which have been capitalized to the Project, but excluding land, financing, administrative and equity raising costs (including legal expenses relating thereto), and is paid to affiliates of the Project GP. The development fee is a customary fee charged on market terms that is considered a project cost. The REDT will also be responsible for payment of a Contract Fee (as defined herein) to the Project Manager equal to 3.0% of the "Total Construction Cost" (as defined in the Construction Contract) as consideration for the Project Manager's provision of construction management services for the Project. Fees paid by the Project LP in connection with the development of the Project are customary fees and reflect market rates. For more information, see " – The Project – The Construction Contract"; " – The Project – The Development Management Agreement"; and " – The Project – Other Agreements".

For greater certainty, there will be no employee salaries (including in respect of those individuals acting in the capacity of executive officers of the REDT) charged to the REDT.

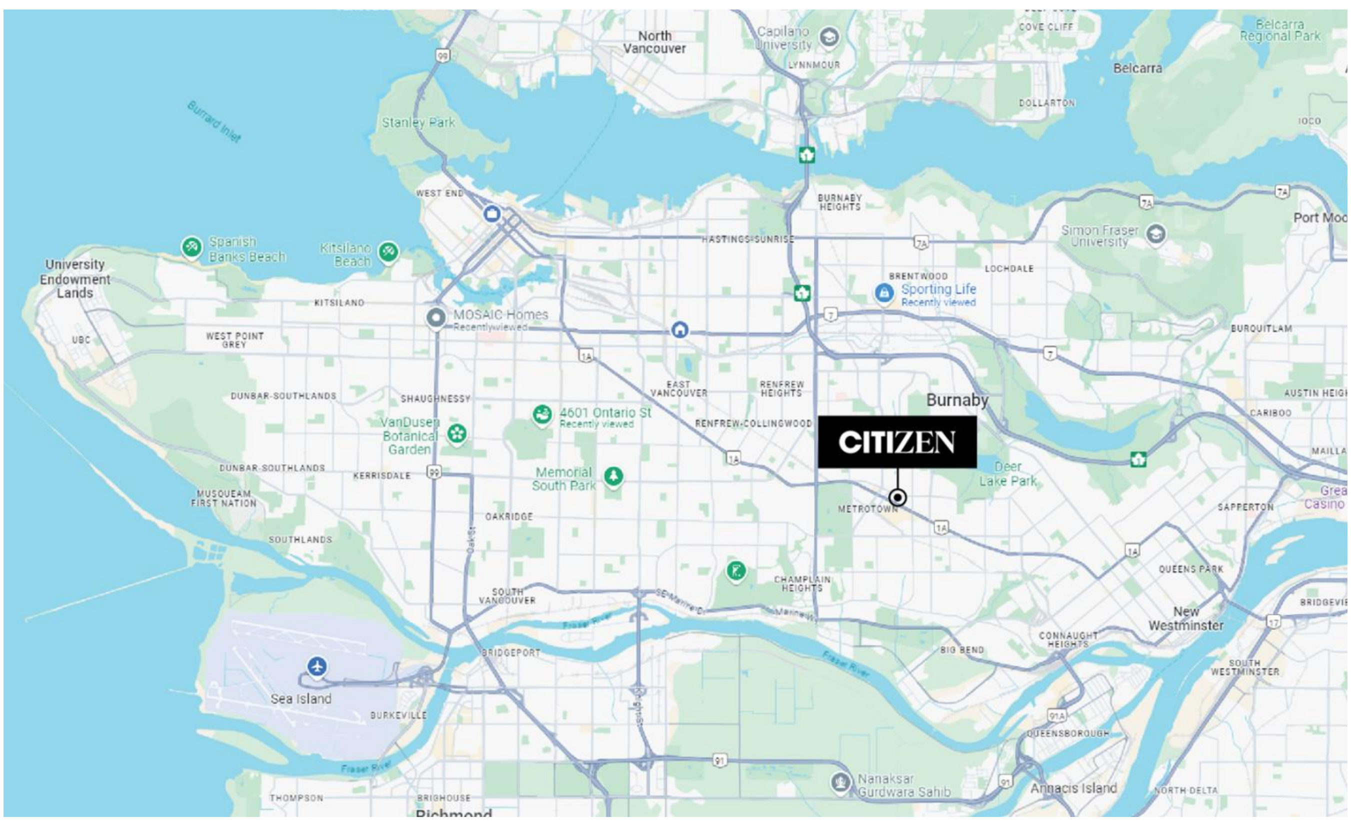
4.5 The Project

Overview

Following the completion of the offering, the REDT intends to indirectly acquire an interest in the Project, a development project located in the Metrotown neighbourhood of Burnaby, British Columbia, Metro Vancouver area's 3rd largest municipality. Citizen comprises the development of land located at 4657 Kingsway into a mixed-use tower comprising 372 strata residential units (364 condominium units on the upper 34 floors and 8 three-storey townhomes at ground level), 200 market rental units, 73 non-market affordable rental units, 176 hotel suites and 4,881 square feet of retail space. The Manager believes that the Project is in a desirable geographic location.

Description of the Project

Citizen Project Address: 4657 Kingsway



Following the closing of the Offering, the REDT will acquire an indirect interest in the Project through the Acquisition. The Project is located in Burnaby, British Columbia, one of Metro Vancouver's largest and most dynamic municipalities. The Project is currently approved for construction and has a site area totaling approximately 47,496 square feet. The Project will consist of a 66-storey mixed use commercial building with 738,712 square feet of gross floor area and will include the following uses:

- 372 strata residential units (364 condominium units on the upper 34 floors and 8 three-storey townhomes at ground level), consisting of approximately 252,700 net saleable square feet;
- 200 market rental units (average unit size of 609 square feet), consisting of approximately 121,900 net leasable square feet;
- 73 non-market affordable rental units, consisting of approximately 44,500 net leasable square feet;
- 108,955 square foot hotel located in the podium;
- 4,881 square feet of double height retail space at grade; and
- Six-level underground parkade with 716 parking stalls. 410 parking stalls will be assigned to the strata condominiums and townhomes, 166 parking stalls will be assigned to the rental units, 90 stalls will be assigned to the hotel, and there will be 49 excess stalls to be used for retail and/or leased to the rental units.

The Project's strata residential component will comprise approximately 315,200 gross square feet and 252,656 net saleable square feet. The 364 condominium units (average unit size of 679 square feet) and 8 townhouses (average size of 1,413 square feet) will feature spacious living areas with approximately 9-foot ceilings, soft-close laminate cabinets with premium recessed pulls and under-cabinet LED lighting, engineered quartz countertops and backsplash in kitchens and bathrooms, energy efficient Energy Star-rated integrated Bosch appliances and highly efficient heating and cooling heat pumps. The strata units will have exclusive access to over 10,000 square feet of dedicated amenity space including a gym, sauna, yoga studio, entertainment lounge, family room, pet spa and guest suite. Residents will also have access to a Sky Lounge on the 66th floor which will offer a private dining room, bar, and lounge.

The Project's rental component will comprise 21 stories offering 200 market rental units and 73 non-market rental units (average unit size of 609 square feet). The 200 market rental units will feature spacious living areas complete with Energy Star rated appliances, in-suite washer/dyers and durable high quality materials. The 73 non-rental market, affordable rental units are mandated to be below market at 80% of median CMHC market rent for Metrotown. The rental units will have exclusive access to approximately 7,600 square feet of dedicated amenity space including an indoor social lounge, media room, coworking space, fitness centre, children's play area and outdoor landscaped social lounge.

The Project's hotel component will comprise 8 stories offering 176 hotel rooms (including a mix of king and two queen bed suites and accessible rooms). Hotel rooms are expected to include a mixture of extended stay suites, with fully equipped kitchenettes, and typical short-stay hotel rooms. The hotel will have access to 2,980 square feet of dedicated indoor amenity space including a hotel gym, social lounge inclusive of a breakfast area and meeting space, as well as 4,000 square feet of landscaped outdoor space with seating and fireside seating areas. There will be no shared amenities between the hotel and the other building elements (i.e., the condominium units and the market and non-market residential rental components).

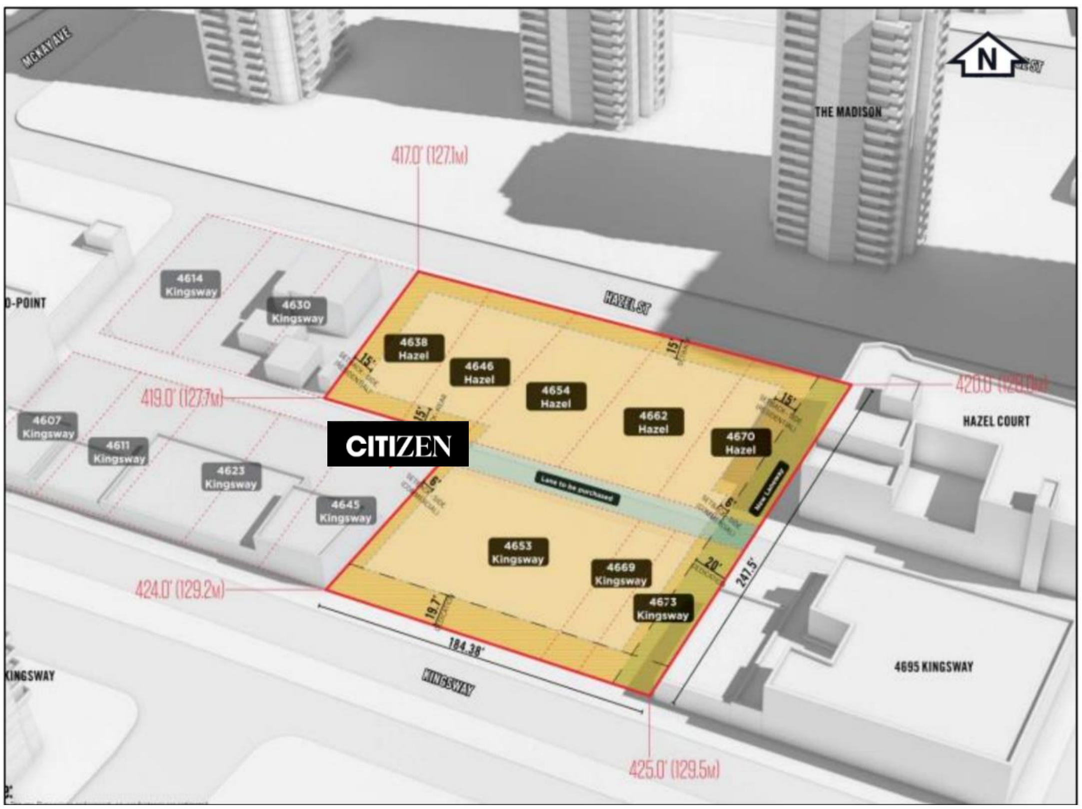
The Project retail spaces are envisioned to contain a coffee shop and a full-service restaurant. These uses will support all residents and guests of the Project as well as the broader community.

The Project looks to respond to the inclusivity aspect of the Metrotown Vision by connecting two distinct defined character streets, Kingsway, and Hazel, which border the site. Kingsway to the south has become the central spine for the Metrotown business district and is a principal route between downtown Vancouver and Metrotown. Kingsway is defined by its bustling shops and entertainment activities while supporting an emerging downtown urban character and form. Hazel Street on the northern edge of the site is defined by its residential tower in the park architectural forms and character of green spaces, trees, and pedestrian orientated arrangements. The Kingsway frontage has a high degree of articulation and a strong street presence. The use of refined architectural elements along the podium provides interest and pause for pedestrian passing by the development. The three-story townhouses along Hazel provide for residential street frontage incorporating a combination of planting, street trees and private terrace spaces.

The Project is designed to meet Burnaby's sustainability requirements including the target the BC Energy Step Code - Step 2 with a low-carbon energy system and reduced Green House Gas Intensity (GHGI) targets. This will be achieved using high-performance glazing, low percentage of window to wall ration glass and insulated spandrel glass/metal panel with high-efficiency mechanical systems. Additional sustainability measures will be achieved through maximizing indoor and outdoor amenity areas, recycled content and materials and the use of low volatile organic compounds. Drought tolerant landscaping throughout the site will mitigate the urban heat island effect and ensure survivability through the longer dry periods expected with climate change. A comprehensive on-site storm and ground water management plan has been provided to capture storm water runoff and limit discharge into the city's system. A green building report was submitted to the city of Burnaby and summarizes the key sustainability and energy-performance aspects of the project.

Project History

The Project's site was originally purchased November 29, 2019 as a collection of eight individual lots for a purchase price of approximately $60.5 million by the Project LP. Two of the assembled lots were vacant at the time of acquisition, three were improved with single family homes, and the remaining three were improved with commercial retail units. Concurrently with the rezoning approval on June 5, 2023, the Project LP acquired the east-west lane between Kingsway and Hazel Street from the city of Burnaby for $3,553,300 and dedicated a new north south lane on the east of the site and sidewalk space on Hazel Street and Kingsway (resulting in a new site area of approximately 47,496 square feet).



Since the Project was acquired on November 29, 2019, significant planning and pre-development progress has been made, including submitting assembling a team of local reputable consultants; architects Chris Dikeakos Architects (CDA) , Ste Marie Design for strata interiors, Gauthier + Associates for landscape design, Glotman Simpson for structural engineering and CHIL for hotel interior design.

A rezoning application (REZ 19-64) was submitted to the city of Burnaby concurrent with the site acquisition on November 29, 2019. The rezoning application included a change of use from the existing C3 General Commercial District and R5 Residential District zoning to a CD Comprehensive Development District under the city of Burnaby's Metrotown Downtown Plan.

Following the submission of the rezoning application, the building design was refined through rounds of comments with city of Burnaby planning, and engineering staff. The city's tentative approval letter outlining the necessary rezoning and subdivision prerequisites was received February 1, 2022. Final enactment of the rezoning was received on June 5, 2023 from the city of Burnaby.

A rezoning application (REZ 24-06) to add the hotel use to the commercial component of the building was made on April 12, 2024. Hotel use is a permitted use in the underlying C3 zoning and is compliant with the Metrotown Downtown Plan. Final enactment of the addition of the hotel use was granted on September 9, 2024. A building permit application for the project was submitted on December 9, 2022 and issued to permit excavation construction on August 8, 2024. Accordingly, the REDT expects that the Project will begin excavation in October 2024, following closing of the Offering.

Zoning Compliance

As noted above, a rezoning application (REZ. 19-64) was submitted to the city of Burnaby concurrent with the site acquisition on November 29, 2019. The rezoning application included a change of use from the existing C3 General Commercial District and R5 Residential District zoning to a CD Comprehensive Development District (based on RM5s/RMm5r Multiple Family Residential District, C3 General Commercial District) under the city of Burnaby's Metrotown Downtown Plan.

The rezoning application adheres to the city of Burnaby's mandatory RUZP. The RUZP requires 20% of the total strata unit count to be non-market affordable rental units. Affordability levels of the rental rates are to be set at 20% below CMHC market median rates for the applicable CMHC Market Rental Survey Zone. The policy also offers the ability to access additional market rental density from commercial C3 zoning. The available C3 density may be split by providing 51% of the FAR to be used for commercial use and 49% to be provided as market rental.

<u>The maximum allowable FAR under this plan is 14.30 FAR with Citizen proposing 11.58 FAR:</u>

The RM5s (Strata) density is comprised of 2.2 FAR base density; 0.4 FAR base bonus; 1.2 FAR supplementary base density, and 1.2 FAR supplemental bonus. In addition, a 0.48 FAR offset is provided, of which 0.34 FAR will deliver strata units and 0.14 FAR will provide market rental units. The offset is provided to satisfy Burnaby's non-market affordable rental unit requirements. The site will also utilize 0.99 FAR of RM5r density to deliver the 20% required non-market affordable rental units, in accordance with the city of Burnaby's RUZP. The commercial C3 portion of the density will be split as 2.59 FAR for commercial, and 2.51 FAR for the market-rental use.

<u>The Density structure is simplified as follows:</u>

- RM5s (Strata): 5.35 FAR
- RMm5r (Affordable Rental): 0.99 FAR
- Base offset and C3 Split (Market Rental): 0.14 FAR + 2.51 FAR = 2.65 FAR
- C3 Split (Commercial): 2.59 FAR

Total: 11.58 FAR

Following the submission of the rezoning application, the building design was refined through rounds of comments with city of Burnaby planning, and engineering staff. The City's tentative approval letter outlining the necessary rezoning and subdivision prerequisites was received February 1, 2022. The requirements contained within were addressed, advancing the project to third reading on October 3, 2022. Final enactment of the rezoning was received on June 5, 2023. As a requirement for final enactment Burnaby required several covenants in favour of the City that were reviewed and executed. These are listed below:

- A housing agreement to protect and regulate the affordability measures of the 73 non-market affordable rental units.
- To ensure the payment of the bonus density.
- To prohibit the enclosure of balconies/decks/porches.
- To restrict the commercial units windows/fenestrations from being covered and/or concealed.
- To ensure that one guest suite located in the market strata component of the building is not stratified and/or used as a rental unit.
- To ensure the provision, utilization, maintenance and a three (3) year monitoring program for the stormwater management system.

- To ensure compliance with the accepted Acoustical Evaluation Report.
- To ensure disabled persons parking spaces remain as common property.
- To ensure the development is constructed in accordance with Step 2 of the BC Energy Step Code and the accepted Green Building Strategy Report.
- To guarantee the installation and maintenance of the public art.
- To guarantee alternative transportation provisions of transit passes and car share subsidies and the provision of bicycle parking and repair room.

Development Plans

The development plan for the Project is expected to span approximately 60 months and includes the construction, closing of the strata units and achieving the Liquidity Event. The construction of the Project will be undertaken pursuant to a construction contract (see "– The Construction Contract") with the Project Manager, which is currently executed and in place.

The next significant milestone of the Project will be to begin excavation and shoring to start foundation work and construction of the six level underground parkade, which is expected to begin in October 2024. The foundation and underground parkade construction process is expected to be completed early 2026.

Following completion of the foundation and underground parkade, construction of the superstructure will begin and is expected to be completed in 2029. While construction of the superstructure is ongoing, between 2028 and 2029, the building finishes are expected to be installed. Following installation of the building finishes, construction of the Project will be complete. Following construction completion, the Project is expected to achieve the closing of the strata units, the sale of the rental and commercial components and the Liquidity Event.

The below table sets forth the annual milestones to be achieved for the Project and their respective expenditures.

($ millions)	Costs to June 30, 2024	Offering expenses	Balance of 2024	2025	2026	2027	2028	2029	Total
Milestones			**Excavation begins**	**Excavation complete; Foundation and construction of six level underground parking commenced**	**Foundation and underground parking complete; begin 66 storey super-structure**	**Installation of exterior glazing / curtain wall; begin interior mechanical and electrical work**	**Complete super structure, curtain wall and interior mechanical and electrical work; Begin interior finishes.**	**Total construction completion; closing strata sales, stabilize rental and commercial, Liquidity Event.**	**Total**
Land Costs(1	64.1	-	-	-	-	-	-	-	**64.1**
Soft Costs (excluding contingency)(2)	26.7	-	37.2	5.9	3.6	3.5	5.3	31.0	**113.2**
Hard Costs (excluding contingency)(3)	0.5	-	20.0	23.9	68.2	120.0	102.6	8.8	**344.1**

Financing Costs[(4)]	20.8	-	6.3	3.1	5.2	10.8	19.4	15.6	**81.2**
REDT Operating Costs[(5)]	-	6.2	0.1	0.3	0.3	0.3	0.3	0.3	**7.7**
Hard & Soft Contingency	-	-	1.0	0.8	2.1	3.6	3.1	0.9	**11.5**
Total	112.1 [(6)]	6.2	64.6	33.9	79.5	138.1	130.7	56.6	**621.7**

Notes:

(1) Inclusive of the original land acquisition cost of $60,500,000 and the laneway acquisition costs of $3,553,300.

(2) Inclusive of consultant costs, municipal and government costs and levies (excluding the accrued bonus density payment), insurance and property taxes, marketing, sales and leasing costs, management fees and other ancillary soft costs and pre-stabilization cash flow.

(3) Inclusive of the below and above grade construction of the building (demolition, excavation, construction of the foundation, construction of the superstructure and the installation of building finishes), construction management fees and common area fixtures, furniture and equipment. Hard costs also include costs related to underpinning required in order to construct the Project.

(4) Inclusive of fees and expenses associated with project level debt facilities, including the Acquisition, Mezzanine and Construction Loans and refinancing of any such loans, letter of credit fees, bank administrative charges, and interest on project level debt facilities, including the Construction Loan.

(5) Comprised of the Agent's Fee and the estimated expenses of the Offering. See "Use of Proceeds".

(6) This amount, less pre-paid commissions incurred to date of $7.1 million, represents the price at which Purchasers are purchasing an interest in the Project. This compares to the current appraised residual value of the Project's land of $96.6 million, plus other non-land costs of $16.2 million, totaling $112.8 million. Therefore, Purchasers are purchasing an interest in the Project at an implied discount of approximately 7% to the appraised value (inclusive of costs to date).

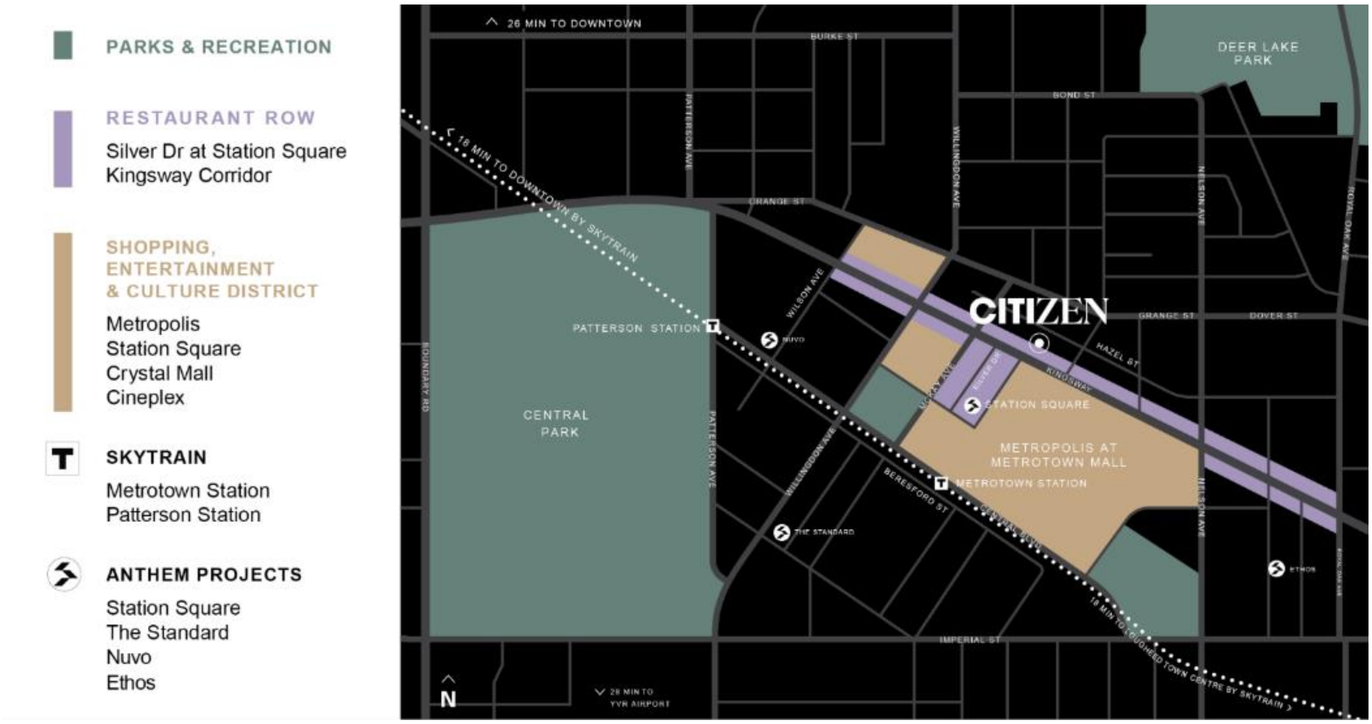
The next significant milestone of the Project will be to begin excavation and shoring to start foundation work and construction of the six level underground parkade, which is expected to begin in October 2024, following closing of the Offering. The foundation and underground parkade construction process is expected to be completed early 2026.

Following completion of the foundation and underground parkade, construction of the superstructure will begin and is expected to be completed in 2029. While construction of the superstructure is ongoing, between 2028 and 2029, the building finishes are expected to be installed. Following installation of the building finishes, construction of the Project will be complete. Following construction completion, the Project is expected to achieve the closing of the strata units, the sale of the rental and commercial components and the Liquidity Event.

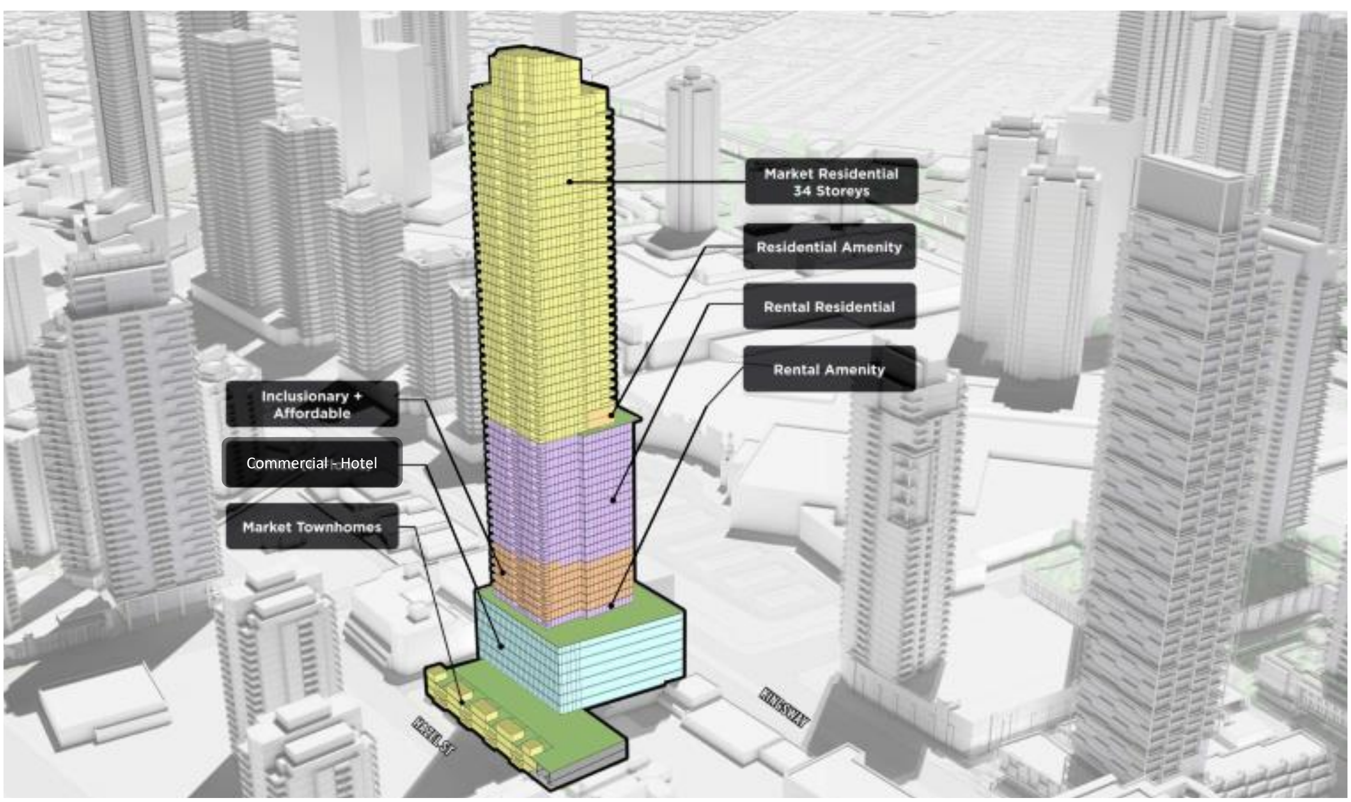
No diligence has been completed or agreements entered into in connection with any of the milestones, other than in connection with the excavation of the property. The REDT does not anticipate facing any barriers to achieving the milestones set out above.

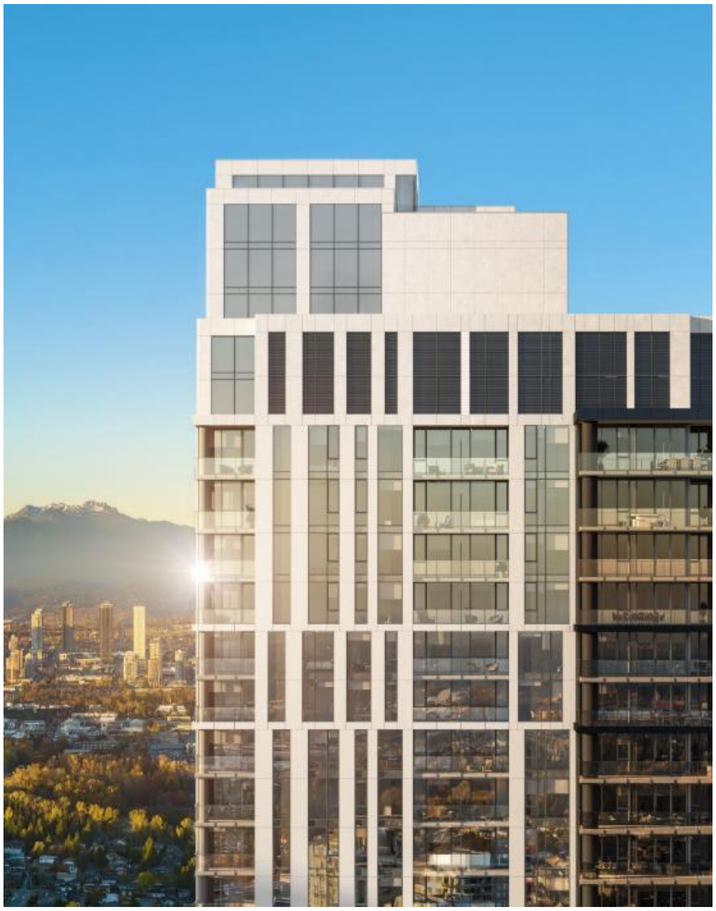
There is no guarantee that the proposed development of the Project will be able to be completed in the proposed time frame or at all. See "Risk Factors – Risks Related to Real Estate Industry, the Project and the REDT's Business" and "Forward-Looking Statements".

Local Amenities



Tower

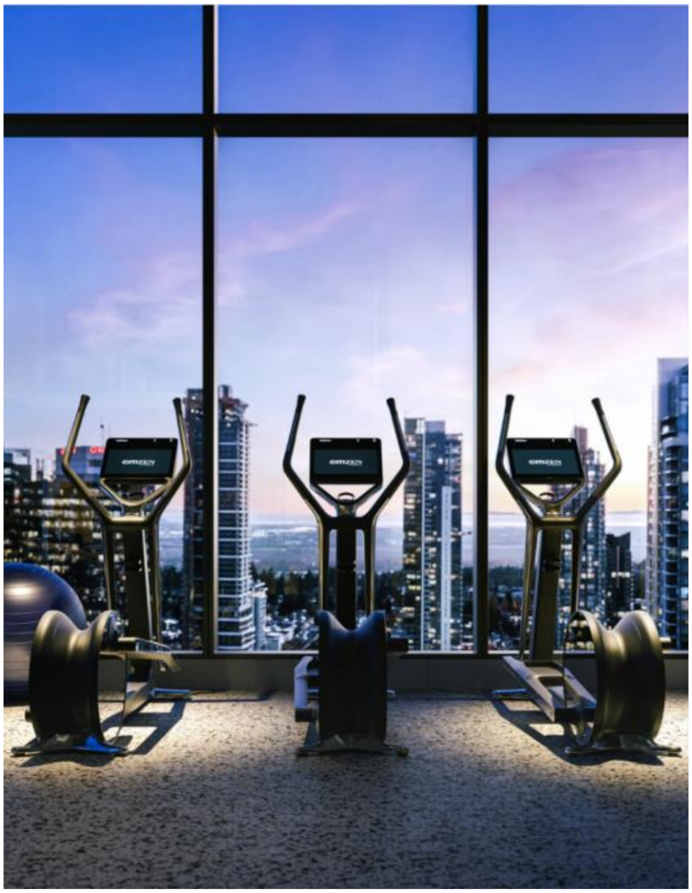




Hotel Podium

Strata Interiors

Amenities



The Construction Contract

The Project Manager, as construction manager of the Project, will provide construction management services to the Project LP in accordance with a construction management contract made with effect as of November 28, 2019 (the "**Construction Contract**"), and will earn a construction management fee (the "**Contract Fee**") as consideration for the provision of such construction management services equal to 3.0% of the "Total Construction Cost" (as such term is defined in the Construction Contract), payable monthly.

Under the Construction Contract, the construction period was divided into three phases: (i) the pre-construction phase; (ii) the construction phase; and (iii) the post-construction phase. During the pre-construction phase, the Project Manager has provided standard pre-construction services while the design of the Project is being refined and finalized. During the construction phase, the Project Manager will construct the building in accordance with an agreed-upon schedule for achieving substantial completion. During the post-construction phase, the Project Manager will work with the Project LP to ensure a smooth and proper takeover of the Project.

If the Project Manager is delayed in the progress of the Project by any act or omission of the Project LP or anyone engaged by them, the "Contract Time" (as such term is defined in the Construction Contract) shall be extended and the Contract Fee will be adjusted. The Project LP can terminate the Construction Contract if the Project Manager (i) becomes bankrupt or insolvent; or (ii) neglects to provide the services required by the Construction Contract to a substantial degree and the default is not cured within seven (7) working days of notice. If the Project is suspended, abandoned or terminated without cause by the Project LP, the Project Manager will be entitled to a fee calculated as 25%, 50% and 75% of the Contract Fee in the pre-construction, construction and post-construction phases, respectively.

The Project Manager is entitled to terminate the Construction Contract if (i) the Project LP becomes bankrupt or insolvent; (ii) the Project or a substantial part of the Project is stopped or delayed for a period of thirty (30) days or more; (iii) the Project LP has suspended the Project for a period of sixty (60) days and has not instructed the Project Manager to resume the Project within five (5) working days after the Project Manager provides written notice of its intention to resume the project; or (iv) the Project LP is in default and has not cured the default within seven (7) working days of receipt of written notice.

Under the Construction Contract, the Project Manager will indemnify and hold harmless the Project LP, its agents and employees, from and against claims, demands, losses, costs, damages, actions, suits or proceedings by third parties that arise out of, or are attributable to, the Project Manager's performance of the Construction Contract, provided such claims are (a) attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property; (b) caused by negligent acts or omissions of the Project Manager or those directly employed or engaged by the Project Manager; and (c) made in writing within a period of one (1) year from the date of substantial performance of the Project.

The Development Management Agreement

The Project Manager will provide development management services to the Project LP in accordance with a development management agreement made with effect as of November 28, 2019 (the "**Development Management Agreement**") between the Project Manager and the Project LP.

Pursuant to the Development Management Agreement, the Project Manager provides development management services in three phases: (i) the pre-construction phase; (ii) the construction phase; and (iii) the post-construction phase. During the pre-construction phase, the Project Manager has provided development, budgeting, scheduling and design services for the Project. During the construction phase, the Project Manager will act as the Project LP's representative in all matters pertaining to the construction of the Project. During the post-construction phase, the Project Manager will complete and correct all deficiencies identified, ensure an audit of the Project is carried out and provide accounting and reporting services.

The Project Manager will earn a development management fee as consideration for the provision of such development management services equal to 3.0% of the Adjusted Project Cost (as such term is defined in the Development Management Agreement).

At any time during the term of the Development Management Agreement, the Project LP may terminate the Development Management Agreement if a decision is made not to proceed with, or half, the construction of the Project, or if the Project lands are sold. 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.

To the extent that the Project LP is not covered by an insurance policy, the Project Manager will indemnify and hold harmless the Project LP and its officers, directors and employees with respect to any third party claims from and against any and all costs, damages, expenses, liabilities, charges, fines, suits or other obligations which the Project LP or any such parties may incur in or in connection with the performance of their obligations or in consequence of the Project LP acting 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 Development Management Agreement or the Project, provided that the indemnity will not be effective or enforceable in respect of any such claims resulting from the Project LP's fraud, grossly negligent acts or omissions or a material breach by the Project LP of its obligations.

The Project LP Interest Subscription Agreement

The following is a summary of certain material provisions of the Project LP Interest Subscription 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 Project LP Interest Subscription Agreement will provide for the acquisition by the REDT of Project LP Class A Units at a price of $10.00 per unit, using all of the Net Subscription Proceeds. If only the Minimum Offering is achieved, the Net Subscription Proceeds are expected to be $61,100,000, and if the Maximum Offering is achieved, the Net Subscription Proceeds are expected to be $77,080,000. The Project LP Interest Subscription Agreement will provide for the REDT to be deemed for the purposes of allocating ownership of the Project between the REDT and the Current Owners to have contributed additional capital to the Project LP equal to the difference between the Gross Subscription Proceeds invested in the Project LP and the Net Subscription Proceeds (being the Total Agent's Fee).

The Project LP Interest Subscription 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 will indemnify the REDT for any breach of the representations and warranties in the Project LP Interest Subscription Agreement. The maximum liability of the Current Owners under this indemnity will be limited to $1.4 million and no claim under such indemnity may be made until the aggregate losses for all claims arising from a breach of a representation and warranty that is the subject of the indemnity exceed $75 thousand.

There can be no assurance of recovery by the REDT from the Current Owners for any breach of the representations and warranties to be made by it or its affiliates under the Project LP Interest Subscription Agreement, as there can be no assurance that the Current Owners' 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 Project LP Interest Subscription Agreement and purchasers of Units under this Prospectus will not have any contractual rights under the Project LP Interest Subscription Agreement. Purchasers will, however, have certain statutory rights of action against the REDT, the Promoter and the Agent under applicable securities laws. See "Purchasers' Statutory Rights and Other Contractual Rights".

Other Agreements

The Sales and Marketing Agreement

The Project Manager will provide sales and marketing services, as well as customer service duties, pursuant to the sales and marketing agreement entered into by and among the Project LP and the Project Manager with effect as of November 28, 2019 (the "**Sales and Marketing Agreement**"). The Project Manager will earn a fee of 2.0% of the Net Selling Price (as such term is defined in the Sales and Marketing Agreement) for each condominium unit sold in connection with the Project.

The Property Management Agreement (Commercial)

The Project Manager will provide property management services in connection with the commercial, non-residential components of the Project pursuant to the property management agreement entered into by and among the Project LP, Anthem Metro King Kingsway Holdings Ltd., Anthem Metro King Hazel Holdings Ltd. and the Project Manager with effect as of November 28, 2019 (the "**Property Management Agreement (Commercial))**". The Project Manager will earn: (a) a property management fee as consideration for the provision of such property management services equal to the greater of (i) 4.0% of the Gross Rents (as such term is defined in the Property Management Agreement (Commercial)), and (ii) a $4,000 per month minimum fee applicable only during the lease-up period; and (b) leasing fees as follows: (i) where no third-party broker is involved, 5% of the first year's net rent, 3% thereafter for the initial ten year term, and 50% of such fee for renewals; or (ii) where a third party broker is involved, $1.75 per square foot of the leasable premises as an override fee.

The Property Management Agreement (Residential Rental)

The Project Manager will provide property management services in connection with the residential rental components of the Project pursuant to the property management agreement entered into by and among the Project LP, Anthem Metro King Kingsway Holdings Ltd., Anthem Metro King Hazel Holdings Ltd. and the Project Manager with effect as of November 28, 2019 (the "**Property Management Agreement (Residential)**"). The Project Manager will earn: (a) a property management fee as consideration for the provision of such property management services equal to the greater of (i) 4.0% of the Gross Rents (as such term is defined in the Property Management Agreement (Residential)), and (ii) $4,000 per month minimum applicable only during the lease-up period; and (b) a leasing fee equal to the first month's rent for each leased unit, and $225 for any renewal thereafter.

The Homeowner Care Services Agreement (Residential Rental)

The Project Manager will provide homeowner care services to the Project LP in accordance with a homeowner care services agreement, and will earn a one-time fee of $300.00 per residential rental unit as consideration for the provision of such homeowner care services.

The Homeowner Care Agreement (Strata Condominium)

The Project Manager will provide homeowner care services to the Project LP in accordance with a homeowner care services agreement, and will earn a one-time fee of $500.00 per strata condo unit as consideration for the provision of such homeowner care services.

Project Budget Opinion

The Project Budget Opinion, dated August 30, 2024, opines on the reasonableness of the budget breakdown for the Project. The proposed construction budget for the Project was reviewed in comparison to benchmarking rates derived from the gross floor area, number of units and trade pricing. To assess reasonableness, the proposed construction budget was compared to budgets of similar projects. Budgets relating to consultant fees and government taxes and levies were reviewed against current contracts, opinions and fee schedules provided by the Project LP. It was concluded that the Project's budget is considered achievable by the Project LP and represents a realistic allowance for the completion of the Project.

Environmental Site Assessment

Independent environmental consultants have prepared environmental site assessment reports for the Project (the "**Environmental Assessments**") in general accordance with applicable BC Ministry of Environment and Climate Change Strategy ("**BCENV**") regulations governing environmental site assessments. In general, the purpose of the Environmental Assessment was to determine the history of the present and prior uses of the Project site, and to assess the potential for the presence of any hazardous substances.

Environmental investigations completed to date indicate there are areas of concern applicable to the site; former drycleaning operations and underground heating oil tank. Environmental summary, work plan and opinion of probable costs reports (the "**Opinion of Probable Costs**") have been issued which outline the steps and costs associated with remediating the site. The Opinion of Probable Costs estimates total costs of $2.45 million to complete the work, including consultant fees. These costs are included in the budget for the Project.

Approval has been obtained from the BCENV to facilitate the rezoning, development and building permits for the Project. Site remediation work will take place during the excavation of the site. Following the completion of the remediation and reporting work the BCENV will issue a Certificate of Compliance ("**COC**"). A COC confirms a site has been remediated to the standards of the BCENV.

Geotechnical Investigation Report

Independent accredited professional geotechnical engineers have prepared a geotechnical investigation report (the "**Geotechnical Investigation Report**") for the Project. The purpose of the report is to evaluate the general subsurface conditions at the Project and to provide geotechnical engineering recommendations for foundation design, seismic design of foundations, groundwater control, drainage, excavation and shoring and pavement design and site preparation. The geotechnical investigation report concluded that the existing subsurface site conditions are suitable for the development of the proposed 66-story construction project, provided that the geotechnical engineering recommendations set forth in the report are followed.

Independent Appraisal

Ryan ULC (the "**Appraiser**") has prepared an independent valuation analysis of the Project (the "**Independent Appraisal**"). The Independent Appraisal was undertaken to provide an estimate of the current market value "as if complete", a hypothetical condition, of the fee simple interest of the Project, and to provide a residual land value (i.e. fair market value of the Project's land before land improvement costs). The scope of the appraisal encompasses the necessary research and analysis to prepare an appraisal report in accordance with its intended use, the Ethics and Standard of Professional Practice, and the Canadian Uniform Standard of Professional Appraisal Practice (CUSPAP) of the Appraisal Institute of Canada (AIC). The Independent Appraisal for the Project was conducted with a valuation date of June 10, 2024. A copy of each of the Independent Appraisal is available on the REDT's issuer profile on SEDAR+ at www.sedarplus.com.

The Canadian Uniform Standard of Professional Appraisal Practice (CUSPAP) defines market value as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming that the price is not affected by undue stimulus", and this definition is accordingly used in the Independent Appraisal. According to CUSPAP, implicit in the definition of market value is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (i) buyer and seller are typically motivated; (ii) both parties are well informed or well advised, and acting in what they consider their own best interests; (iii) a reasonable time is allowed for exposure in the open market; (iv) payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and (v) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. The Appraiser was not given any limiting instructions by the Manager.

Based on the Independent Appraisal, the estimated residual land value is $96.6 million.

In valuing the Project's land, the residual development method was utilized by the Appraiser, adjusted and reconciled as appropriate. The calculation of the residual development method establishes the profit margin on the development using the sales revenue projected as well as the site acquisition costs. Total development costs are calculated, including construction, soft costs such as professional fees, property taxes, sales commissions and interest charges based on the anticipated construction and development time frame. The difference between revenues, profits margin and development costs produces a residual amount attributable to the land component. This residual sum is the amount traditionally available for a land purchase.

The Appraiser visited the Project on June 10, 2024 and all photographs in the Independent Appraisal were taken on that date. In estimating the highest and best use for the Project, an analysis was made by the Appraiser of the data contained in all steps noted in the Scope Section of the Independent Appraisal including: (i) confirming by way of an online title search at BC land Registry the property's legal description and ownership profile; (ii) Regional, City, District and Neighbourhood site data, zoning details, property tax, building and development data were based on information supplied by the subject Municipality, Statistics Canada, and other relevant sources; (iv) the Neighbourhood and Location Description section of the Independent Appraisal is based upon a physical viewing of the area by the Appraiser; and (v) statistical data has also been reviewed by the Appraiser from the Land Registry, Canada Mortgage and Housing, the Multiped Listing Service (Paragon) and information available from the British Columbia Assessment Authority.

The Independent Appraisal is prepared on the premise that: (i) the property is free and clear of all liens and encumbrances, except as shown on the title search; (ii) the Property is good and marketable and capable of providing security for typical market financing; and (iii) the Property does not suffer from any unidentified environmental or geotechnical problems. The Appraiser further assumed that all factual data furnished by the Manager, the Current Owners, the Current Owners' representatives, or persons designated by the Manager or the owner to supply such data was accurate and correct, unless otherwise specifically noted in each of the Independent Appraisals.

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

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

This Management's Discussion and Analysis of Financial Condition and Results of Operation ("**MD&A**") of the Project LP presents results for the three and six months ended June 30, 2024 and June 30, 2023 as well as for the years ended December 31, 2023 and 2022. This MD&A should be read in conjunction with the Project LP's audited financial statements, including notes thereto, as at December 31, 2023, December 31, 2022, and January 1, 2022 and for the years ended December 31, 2023 and 2022, and the condensed interim financial statements as at and for the three and six-months ended June 30, 2024 and June 30, 2023, which can be found within this Prospectus. Such financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. The Project LP's first annual IFRS financial statements are those for the year ended December 31, 2022 with a date of transition of January 1, 2022.

Historical results, including trends which might appear, should not be taken as an indication of future operations or results.

Cautionary Note Regarding Forward-Looking Information

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

Basis Of Presentation

The Project LP's financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. These are the Project LP's first financial statements prepared in accordance with IFRS. The Project LP's interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" as issued by the IASB. Unless otherwise stated, amounts expressed in this management's discussion and analysis are in Canadian dollars ($). The Project LP's financial statements have been prepared on a historical cost basis, with exception for investment property, which is recorded at fair value with the changes in fair value recorded in the statement of loss and comprehensive loss.

The Project LP's 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 Project LP as required by applicable Canadian securities laws.

Business Overview

The Project LP was formed as a limited partnership under the laws of British Columbia on May 21, 2019, pursuant to a partnership agreement, as amended on November 29, 2019. The Project GP has the authority to administer and carry out the day to day business and affairs of the Project LP.

On November 29, 2019, the Project LP purchased land for $60,500,000 plus closing costs, for the primary purpose of developing and constructing a mixed-use, transit-oriented development project. The property, located at 4657 Kingsway and known as "Citizen", will ultimately feature a 66-storey mixed use tower comprising 372 strata residential units, 200 market rental units, 73 non-market rental units, 176 hotel suites and 4,880 square feet of retail space (the "**Project**").

The Project GP engaged the Project Manager to manage the Project including providing development management, construction management, and sales and marketing services. Property management services will be provided by the Project Manager following completion of construction of the Project.

Design and development of the Project is well advanced including Municipal approvals required in order to commence construction, with excavation scheduled for the fourth quarter of 2024. Specifically:

- Final enactment of the rezoning was received on June 5, 2023, with specific Hotel Use final enactment granted on September 9, 2024.

- The excavation permit was received on August 9, 2024.

- The final, revised Building Permit application, including the Hotel use, was submitted on August 26, 2024, and is expected to be received in May 2025.

In August 2023, the Project Manager commenced pre-sale activities for the strata residential units, achieving sufficient pre-sales to support the requirements of the construction financing facility.

Completion of construction is scheduled for 2029. Following the stabilization of the rental units and retail space, the market rental units, non-market rental units, hotel and retail space will be sold, pursuant to a Liquidity Event.

Selected Annual and Quarterly Financial Information

Annual Financial Performance

The following is a summary of the Project's financial performance for the years ended December 31, 2023 and 2022:

	2023 (Audited)	2022 (Audited)
Sales and marketing expenses	$(2,424,388)	$(162,115)
Other expenses	(127,910)	(206,025)
Amortization of presentation centre	(159,311)	-
Fair value loss on investment property	(7,822,921)	(3,409,912)
Loss and comprehensive loss	$(10,534,530)	$(3,778,052)

	December 31, 2023 (Audited)	December 31, 2022 (Audited)	January 1, 2022 (Audited)
Investment Property	$132,469,184	$95,881,171	$93,056,008
Current Liabilities	$103,648,714	$49,139,686	$49,282,496
Non-current liabilities	$13,113,891		

Discussion of Operations

Results of Operations

The Project is currently in the pre-construction phase with construction anticipated to start in the fourth quarter of 2024. With the exception of costs associated with sales and marketing of the project, certain pre-construction costs, and general

& administrative expenses of the Project LP, all of the costs incurred during the years noted above have been capitalized to the investment property.

The loss for the year ended December 31, 2023, was $10,534,530 compared to a loss of $3,778,052 for the year ended December 31, 2022. The increase in loss during the year ended December 31, 2023, was primarily a result of the increase in fair value loss on investment property by $4,413,009 as at December 31, 2023. The fair value loss was the result of borrowing costs incurred during the year of $6,030,359, an increase of $2,831,071 from the year ended December 31, 2022, and the laneway acquired from the city of Burnaby during the year ended December 31, 2023, for $3,553,300 plus closing costs, that were not fully reflected in the third-party appraisal of the land of $93,100,000 as of December 31, 2023.

The loss for the year ended December 31, 2023 increased further as a result of sales and marketing expenses incurred during the year ended December 31, 2023 associated with the launch of strata residential unit pre-sales in the third quarter of 2023.

Investment Properties

A summary of the changes in fair value of the investment property for the years ended December 31, 2023 and 2022 is as follows:

		2023		**2022**
Balance, beginning of year	$	95,881,171	$	93,056,008
Development costs		38,380,575		3,035,787
Capitalized borrowing costs		6,030,359		3,199,288
Loss on change in fair value		(7,822,921)		(3,409,912)
Balance, end of year	$	132,469,184	$	95,881,171

On November 29, 2019, the Project LP acquired eight individual lots with land and improvements for $60,500,000 plus closing costs. As at January 1, 2022, the value of the investment property was $93,056,008 consisting of land with a fair value of $91,100,000 and development cost additions since acquisition, of $1,956,008. This increase in fair value of the land since acquisition pertains to market changes and value-add improvements including rezoning activities pursued by the Manager with final enactment of the rezoning received on June 5, 2023.

As at December 31, 2023, the fair value of the investment property was $132,469,184 compared to $95,881,171 as at December 31, 2022. Included in the fair value of the investment property was land valued at $93,100,000 as at December 31, 2023 and $91,100,000 as at December 31, 2022. The increase in the fair value of investment property of $36,588,013 pertains primarily to development cost additions during the year ended December 31, 2023. Development cost additions include municipal costs and various consulting costs incurred to prepare the Project for construction.

As at December 31, 2022, the fair value of the property under development was $95,881,171, an increase of $2,825,163 from January 1, 2022. The fair vale of the land from January 1, 2022 to December 31, 2022 remained consistent at $91,100,100. The increase in fair value of the investment property was a result of development activities during the year ended December 31, 2022.

The Project LP engaged an external independent professionally qualified appraiser to support the fair value of the land component of the investment property. The third-party appraiser evaluates external market data provided by independent industry experts to arrive at their determination of fair value of the land. Management reviews the independent appraisal obtained for the land to ensure the assumptions used by the appraiser are reasonable.

The fair value of the land as at January 1, 2022, December 31, 2022 and December 31, 2023 was determined by management utilizing appraisals dated as of April 10, 2019 and April 10, 2023. Also included in the investment property are additional development activities related to land improvements, as at December 31, 2023, December 31, 2022 and January 1, 2022, which are based on actual costs incurred.

A reconciliation of the fair value of the land component valued by an external independent appraiser and the total fair value of the Investment Property is summarized as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Fair value of bare land component	$93,100,000	$91,100,000	$91,100,000
Land Improvements	39,369,184	4,781,171	1,956,008
Total fair value of investment property	$132,469,184	$95,881,171	$93,056,008

Annual Cash Flows

The following table details the changes in cash for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Cash, beginning of year	177,867	167,891
Cash used in operating activities	(7,303,870)	(1,014,677)
Cash used in investing activities	(10,417,254)	(2,520,229)
Cash from financing activities	17,701,977	3,544,882
Cash, end of year	158,720	177,867

Cash on hand at December 31, 2023 and December 31, 2022 was $158,720 and $177,867, respectively.

Cash used in operating activities for the year ended December 31, 2023, was $7,303,870, compared to $1,014,677 for the year ended December 31, 2022. The increase in cash used in operating activities during the year ended December 31, 2023, is a result of the launch of pre-sales in August 2023. Specifically, the Project LP incurred $3,897,921 of sales commissions paid to external real estate agents and the Manager on the pre-sales of the strata residential units and sales and marketing costs of $2,424,388 to support the launch of pre-sales.

Cash used in investing activities for the year ended December 31, 2023 was $10,417,254, compared to $2,520,229 for the year ending December 31, 2022. The increase in cash used in investing activities during the year ended December 31, 2023, is a result of an increase in development activity as the Project progressed towards construction commencement. Specifically, of the increase in investing cash flows, $5,387,610 pertains to municipal fees incurred upon final enactment of the rezoning in June 2023.

Cash proceeds from financing activities for the year ended December 31, 2023, was $17,701,977, compared to $3,544,882 for the year ended December 31, 2022. The increase in cash provided from financing activities of $14,157,095 is a result of proceeds received from the refinancing of the acquisition and mezzanine loans totaling $11,312,517 with the remainder advanced from related party loans. These increases were offset by an increase in borrowing costs paid during the year ended December 31, 2023, as a result of an increase in debt on property and an increase in the prime borrowing rate, year over year.

Interim Financial Performance

The following is a summary of the Project LP's financial performance for the three and six-months ended June 30, 2024:

Three months ended June 30, 2024 and 2023

	2024	2023
Sales and marketing	$(1,027,225)	$(638,828)
Other expenses	(3,617)	(8,025)
Amortization of presentation centre	(69,518)	-
Fair value gain (loss) on investment property	1,597,382	(3,531,877)
Income (loss) and comprehensive income (loss)	$497,022	$(4,178,730)

Six months ended June 30, 2024 and 2023		
	2024	2023
Sales and marketing	$(1,632,111)	$(939,293)
Other expenses	(3,542)	(9,204)
Amortization of presentation centre	(104,277)	-
Fair value loss on investment property	(169,249)	(4,626,968)
Loss and comprehensive loss	$(1,909,179)	$(5,575,465)

	June 30, 2024	December 31, 2023 (Audited)
Investment Property	$138,924,419	$132,469,184
Current Liabilities	$106,919,655	$103,648,714
Non-current liabilities	$25,872,870	$13,113,891

Discussion of Operations

Results of Operations

The Project is currently in the pre-construction phase with construction anticipated to start in the fourth quarter of 2024. With the exception of costs associated with sales and marketing of the project, certain pre-construction costs, and general & administrative expenses of the Project LP, all of the costs incurred during the years noted above have been capitalized as part of the investment property.

Income for the three months ended June 30, 2024, was $497,022 compared to a loss of $4,178,730 for the three months ended June 30, 2023. The increase in income is primarily the result of a fair value gain for the three months ended June 30, 2024 of $1,597,382 compared to a fair value loss on investment property of $3,531,877 for the three months ended June 30, 2023. The fair value gain for the three months ended June 30, 2024 was a result of an appraisal update on the Project land effective June 10, 2024, that increased the fair value of land from $93,100,000 to $96,600,000. This increase in the fair value of land by $3,500,000 was offset by borrowing costs incurred during the period that were not reflected in the third-party appraisal of land.

During the three months ended June 30, 2023, an appraisal update on the Project Land effective April 10, 2023, increased the fair value of land from $91,100,000 to $93,100,000 during the period. The increase in land appraised value was offset by borrowing costs incurred during the period and the laneway acquired from the city of Burnaby for $3,553,300 plus closing costs that were not fully reflected within the third-party appraisal of land, resulting in an overall fair value loss on investment property of $3,531,877 for the three months ended June 30, 2023.

The increase in fair value gain on investment property during the three months ended June 30, 2024 was offset by sales and marketing activities associated with the launch of strata residential unit pre-sales in the third quarter of 2023.

The loss for the six months ended June 30, 2024, was $1,909,179 compared to a loss of $5,575,465 for the six months ended June 30, 2023. The decrease in loss was primarily a result of a decrease in loss on investment property of $4,457,719 during the six months ended June 30, 2024. An appraisal update on the Project land effective June 10, 2024, increased the fair value of land from $93,100,000 to $96,600,000. This increase in land of $3,500,000 was offset by borrowing costs incurred during the period that were not reflected in the third-party appraisal of land resulting in a fair value loss on investment property for the six-months ended June 30, 2024 of $169,249.

During the six months ended June 30, 2023, an appraisal update on the Project land effective April 10, 2023 increased the fair value of land from $91,100,000 to $93,100,000 during the period. This increase in land appraised value was offset by borrowing costs incurred during the period that were not reflected within the third-party appraisal of land as well as the laneway acquired from the city of Burnaby for $3,553,300 plus closing costs, resulting in an overall fair value loss on investment property of $4,626,968 for the six months ended June 30, 2023.

The reduction in fair value loss on investment property during the six months ended June 30, 2024, was offset by sales and marketing activities associated with the launch of strata residential unit pre-sales in the third quarter of 2023.

Investment Properties

A summary of the changes in fair value of the investment property for the periods ended June 30, 2024 and December 31, 2023 is as follows:

		2024		**2023 (Audited)**
Balance, beginning of year	$	132,469,184	$	95,881,171
Development costs		2,827,397		38,380,575
Capitalized borrowing costs		3,797,086		6,030,359
Loss on change in fair value		(169,249)		(7,822,921)
Balance, end of period	$	138,924,419	$	132,469,184

As at June 30,2024, the fair value of the investment property was $138,924,419 compared to $132,469,184 as at December 31, 2023. Included in the fair value of the investment property was land valued at $96,600,000 as at June 30, 2024 and $93,100,000 as at December 31, 2023. The $3,500,000 increase in the fair value of land was a result of certain market assumption updates reflected within the residual land value analysis performed by the appraiser. In particular, revenue associated with the strata residential units and market rental components of the Project increased which were offset by decreases in revenue associated with the Strata Office component of the Project and an increase in construction costs. The fair value of the investment property also reflects of $2,955,235 of development cost additions related to land improvements during the period.

The Project LP engaged an external independent professionally qualified appraiser to support the fair value of the land component of the investment property. The third-party appraiser evaluates external market data provided by independent industry experts to arrive at their determination of fair value of the land. Management reviews the independent appraisal obtained for the land to ensure the assumptions used by the appraiser are reasonable.

The fair value of the land as at June 30, 2024 and December 31, 2023 was determined by management utilizing appraisals dated as of June 10, 2024 and April 10, 2023. Also included in the investment property are additional development activities related to land improvements, as at June 30, 2024 and December 31, 2023, which are based on actual costs incurred.

A reconciliation of the fair value of the land component valued by an external independent appraiser and the total fair value of the Investment Property is summarized as follows:

	June 30, 2024	**December 31, 2023 (Audited)**
Fair value of land component	$96,600,000	$93,100,000
Land Improvements	42,324,419	39,369,184
Total fair value of investment property	$138,924,419	$132,469,184

Interim Cash Flows

The following table details the changes in cash for the six months ended June 30, 2024 and 2023.

	2024	**2023**
Cash, beginning of period	158,720	177,867
Cash used in operating activities	(943,828)	(2,240,902)
Cash used in investing activities	(5,609,516)	(10,168,829)
Cash from financing activities	6,414,527	21,815,908
Cash, end of period	19,903	9,584,044

Cash used in operating activities for the six months ended June 30, 2024 was $943,828 compared to $2,240,902 for the six months ended June 30, 2023. The decrease in cash used in operating activities is primarily a result of payments totaling $1,290,000 during the six-months ended June 30, 2023, made by the Project LP to lease the premises for the sales centre of the Project. Total lease payments of $2,114,000 were made by the Project LP by June 30, 2024. The payments were initially recognized within other assets and amortized into sales and marketing expenses over the term of the lease.

Cash used in investing activities for the six months ended June 30, 2024 was $5,609,516 compared to $10,168,829 for the six months ended June 30, 2023. The decrease in cash used in investing activities during the six months ended June 30, 2024, is a result of $5,387,610 of municipals fees incurred upon final enactment of the rezoning in June 2023. The Project LP did not incur any material municipal fees during the six months ended June 30, 2024.

Cash proceeds from financing activities for the six months ended June 30, 2024, was $6,414,527, compared to $21,815,908 for the six months ended June 30, 2023. The decrease in cash provided from financing activities of $15,404,381 is a result of proceeds received from the refinancing of the acquisition and mezzanine loans during the six months ended June 30, 2023, totaling $11,312,517, with the remainder a result of increased related party advances.

<u>Discussion of Capital Expenditures</u>

Following the acquisition of the land in November 2019, $42,324,419 of land improvement additions to investment property have been incurred as of June 30, 2024. These costs include consulting costs, zoning costs, permitting costs, municipal fees, site servicing costs, demolition and insurance costs. The Project LP intends to commence construction shortly following the REDT's acquisition of the interest in the Project LP.

Liquidity and Capital Resources

Capital of the Project LP consists of debt facilities, related party advances and partners' contributions, which have collectively funded obligations of the Project LP to advance the Project. Our objective in managing our capital is to ensure adequate funds are available to fund development costs prior to completion of the Offering and the initial advance on construction financing. The Project LP is subject to risks associated with debt financing, including the possibility that existing debt may not be refinanced or may not be refinanced on as favourable terms or with interest rates as favourable as those of the existing debt. The Project LP manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Project LP monitors its capital using various financial ratios and non-financial performance indicators. There have been no material changes in future contractual obligations since June 30, 2024. The following schedule details the components of the Project LP's capital:

	June 30, 2024	**December 31, 2023 (Audited)**	**December 31, 2022 (Audited)**	**January 1, 2022 (Audited)**
Liabilities				
Debt on Property	$60,267,000	$60,267,000	$48,954,483	$47,563,487
Due to Related Parties	17,972,000	12,295,000	-	-
Partner's Contributions	31,500,000	31,148,000	27,518,000	20,000,000
	$109,739,000	$103,710,000	$76,472,483	$67,563,487

Debt on Property

As at June 30, 2024 and December 31, 2023, debt was $60,267,000 and $59,997,002, respectively. A breakdown of debt facilities is detailed as follows:

	June 30, 2024	December 31, 2023 (Audited)	December 31, 2022 (Audited)	January 1, 2022 (Audited)
Acquisition loan, maturity date of June 30, 2024, subsequently extended to September 30, 2024, with interest only payments at an interest rate of prime rate +1.25% or BA + 2.75% per annum	$45,267,000	$45,267,000	$36,000,000	$36,000,000
Mezzanine loan1, repaid in full on May 11, 2023 with interest only payments at an interest rate greater of prime rate + 5.05% or 9.00%	-	-	12,954,483	11,563,487
Mezzanine loan, maturity date of November 11, 2024 with interest only payments at an interest rate greater of prime rate + 5.55% or 12.00%	15,000,000	15,000,000	-	-
Less: unamortized deferred financing costs	-	(269,998)	(339,295)	(277,882)
	$60,267,000	$59,997,002	$48,615,188	$47,285,605

Material Accounting Policies

A summary of the material accounting policies is available in Note 3 of the Project LP's audited financial statements.

Critical Accounting 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. A full list of significant estimates and judgments can be found in Note 2(b) of the Project LP's audited financial Statements.

Related Party Transactions

The Project LP has agreements for services and transactions with related parties, which are discussed and outlined in Note 7 to our condensed interim financial statements for three and six months ended June 30, 2024, which is incorporated by reference into this MD&A.

Financial Instruments and Risk Management

As at June 30, 2024, the Project LP's financial assets and liabilities consisted primarily of cash, restricted cash, debt on property, due to/from related parties, and accounts payable and accrued liabilities. These financial instruments related to the Project LP's normal course of business. The carrying values of these financial instruments approximated their fair values due to the current nature of these financial instruments.

The activities of the Project LP expose it to financial risk including interest rate risk, credit risk, and liquidity risk. The responsibility to manage risk rests with the Project GP, in conjunction with the Manager. The overall risk management strategy seeks to minimize potential adverse effects on the financial performance of the Project.

(a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

The Project LP's debt on property bears interest at floating rates. As such, fluctuations in interest rates will impact the cost of financing in the future. The Project LP would be negatively impacted on balance if interest rates were to increase beyond currently forecasted future interest rates.

The Project LP includes forecasted future interest rates in its budgeting and forecasting process and monitors its interest rate exposure on an ongoing basis.

(b) Credit risk:

Credit risk is the risk of financial loss to the Project LP if a customer or counterparty to a financial asset fails to meet its contractual obligation. The Project LP is exposed to credit risk relating to non-performance of purchasers on presales. The Project LP mitigates its credit risk by requiring graduated deposits from buyers and withholding real estate title until final payments are received.

(c) Liquidity risk:

Liquidity risk is the risk that the Project LP will not be able to meet its financial obligations as they fall due in the normal course of business. The financial liabilities of the Project LP consist of debt on property, due to/from related parties, accounts payable and accrued liabilities and deposits on real estate sales.

The following were the contractual maturities of financial liabilities and other commitments as at June 30, 2024:

	<1 year	**>1 year**	**Total**
Debt on property	$60,267,000	$ -	$60,267,000
Due to related parties	18,873,940	-	18,873,940
Accounts payable and accrued liabilities	27,778,715	-	27,778,715
Deposits on real estate sales	-	25,872,870	25,872,870
	$106,919,655	$25,872,870	$132,792,525

The Project LP manages this risk through detailed monitoring of budgeted and projected project costs and cash requirements. The Manager has formal monthly meetings addressing the expected cash inflows and outflows to reduce any potential liquidity risk and is also in constant discussions with lenders regarding renewal terms in the normal course of business. The acquisition loan, mezzanine loan and note payable are due within the 12 months following June 30, 2024. These loans are expected to be extended or refinanced as they fall due until the date in which construction financing is secured and the Offering is finalized. These loans will be repaid in full from these events. There is increased liquidity risk should the acquisition loan, mezzanine loan and note payable not be extended or refinanced by the maturity date and construction debt and equity financing is not secured. Management believes that the loans can be refinanced in full by the maturity date at normal commercial terms.

As at June 30, 2024, the Project LP continues to meet its contractual obligation with normal payment terms.

Off-balance Sheet Arrangements

In the normal course of development, the Project LP is required to issue letters of credit to the city of Burnaby (or other beneficiaries). These letters of credit are to secure the Project LP's obligations pursuant to development agreements signed with the beneficiaries and include a wide range of works and services, such as those related to off-site civil works, street lighting, on-site and off-site landscaping, public art, energy standards, and various public amenities. The beneficiaries have the right to call on the letters of credit if the Project LP defaults on its obligations, which obligates the Project LP to pay money to the beneficiaries based on terms outlined in the letters of credit. Under IFRS, these letters of credit are disclosed as commitments of the Project LP and only recorded on the audited financial statements if they are drawn upon.

Under the terms of the Project LP's acquisition loan, a letter of credit facility is available to fund these obligations up to $7,000,000 as at June 30, 2024. As at June 30, 2024, the Project LP has total outstanding letters of credit of $5,489,142 (2023 - $5,489,142).

6. USE OF PROCEEDS

Following the completion of the Offering, the REDT intends to indirectly acquire an interest in the Project using the Net Subscription Proceeds, through its acquisition of an interest in the Project LP. The Project LP will use the proceeds from the issuance of such interest to pay the costs and expenses of the Offering and to fund the development of the Project. The REDT will also be deemed for the purposes of allocating ownership of the Project between the REDT and the Current Owners to have contributed an amount equal to the Total Agent's Fee to the Project LP.

Assuming the Minimum Offering is sold, the Gross Subscription Proceeds will be $65,000,000 (net proceeds of $61,100,000, before deduction of the expenses of the Offering, which are estimated to be $1,250,000). Assuming the Maximum Offering is sold, the Gross Subscription Proceeds will be $82,000,000 (net proceeds of $77,080,000, before the deduction of the expenses of the Offering, which are estimated to be $1,250,000 in the case of the Maximum Offering). The REDT will use the Net Subscription Proceeds to acquire an interest in the Project LP and therefore an indirect interest in the Project. The REDT's net proceeds will be used to fund the development of the Project. The REDT may also temporarily hold cash and investments for the purposes of paying its expenses and liabilities and for working capital.

Anthem Developments has committed to Anthem providing the Equity Commitment in an aggregate amount equal to the difference between (a) the gross proceeds raised from the Offering and any concurrent private placements by the REDT, and (b) the Maximum Offering, which would result in a maximum Equity Commitment of $17,000,000 in the aggregate if only the Minimum Offering is achieved, in order to provide the necessary equity to complete development of the Project.

If the Maximum Offering is not achieved through the distribution of Units to the public, then pursuant to a concurrent private placement in connection with the Offering, or distribution pursuant to this Prospectus, a further class of trust units of the REDT may be issued to investors known to Anthem, for $10.00 per trust unit, without deduction for the Agent's Fee.

During the fiscal year ended December 31, 2023 and six-month period ended June 30, 2024, 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 issuance 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 issuance of Units	$65,000,000	$82,000,000
Proceeds from Equity Commitment	$17,000,000	–
Total Sources of Funds:	$82,000,000	$82,000,000
Use of Funds		
Agent's Fee	$3,900,000	$4,920,000
Investment in the Project(1)	$78,100,000	$77,080,000
Total Use of Funds:	**$82,000,000**	**$82,000,000**

Note:

(1) The REDT's interest in the Project LP will be fixed based on the Gross Subscription Proceeds raised in the Offering and not the Net Subscription Proceeds. The REDT will invest the Net Subscription Proceeds (along with a deemed capital contribution equal to the Total Agent's Fee) in the Project LP.

Operating Expenses are forecasted at approximately $275,000 per annum, including advisory fees, audit, tax, legal, transfer agent and other fees. The Project LP and the REDT will enter into a funding arrangement, pursuant to which the Project 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 – the Project" and "Forward-Looking Statements".

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

($ millions)	Assuming Minimum Offering	Assuming Maximum Offering
Sources of Funds		
Investment in the Project LP by the REDT from the Offering Public	65.0	82.0
Proceeds from the Equity Commitment	17.0	0.0
Proceeds from Construction Loan(1)	456.1	456.1
Proceeds from DPI Facility(2)	40.4	40.4
Reinvested Closing Proceeds(3)	10.7	11.7
Total Sources of New Funds:	**589.2**	**590.2**
Current Owners' Equity	31.5	31.5
Total Sources of Funds	**620.7**	**621.7**
Use of Funds		
Agent's Fee	3.9	4.9
Estimated expenses of the Offering	1.3	1.3
Soft Costs(4)	86.5	86.5
Hard Costs (excluding contingency)(5)	343.5	343.5
Financing Costs(6)	60.3	60.3
Operating Costs(7)	1.5	1.5
Contingency Costs	11.5	11.5
Total New Uses of Funds:	**508.6**	**509.6**
Land Costs	64.1	64.1
Costs to Date(8)	48.1	48.1
Total Uses of Funds	**620.7**	**621.7**

Notes:

(1) The Construction Loan has been secured with a total commitment of $458,560,000.

(2) A portion of pre-sale deposits ($28.7 million) is used as equity (insured by a major insurance company). Additional deposits over and above this amount will be used to fund costs of the Project. These additional deposits will reduce the Construction Loan on a one-to-one basis.

(3) A portion of sale proceeds will be utilized to cover sales commissions, other closing and development costs after repayment of the Construction Loan.

(4) Inclusive of all soft costs to be spent.

(5) Inclusive of all hard costs to be spent.

(6) Inclusive of all financing related costs to be incurred.

(7) Includes legal, accounting, audit, appraisal, tax advice, printing, travel and securities filings.

(8) Inclusive of costs to June 30, 2024. See "Description of the Activities of the REDT – The Project – Development Plans" for a further breakdown of the development costs.

Project level debt financing has been secured**.** See "Capitalization – Long-Term Debt".

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 $65,000,000 and a maximum of $82,000,000 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.

Pursuant to a concurrent private placement in connection with the Offering or as a distribution pursuant to this Prospectus: (i) the REDT may seek out commitments from Lead Investors to subscribe for Class I Units on a lead order basis; and (ii) if the Maximum Offering is not achieved through the distribution of Units to the public, then Class I Units, or a further class of trust units of the REDT, may be issued to investors known to Anthem, provided that in each of the foregoing cases such trust units are issued for $10.00 per trust unit (with such Agent's Fee and other terms, including Asset Management Fee payable to the Manager, as may be agreed among the REDT, the Agent (as defined below) and the applicable Purchaser), and provided that the proceeds of any such issuances, together with the proceeds from the issuance of the Class A Units and Class F Units, do not exceed the Maximum Offering amount. **The following description of the REDT assumes that no such additional classes of trust units of the REDT are issued.**

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 is divided into two classes of Units: Class A Units and Class F Units. The REDT is authorized to issue an unlimited number of Units of each class, although, following completion of the Offering and any concurrent private placements, 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.

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 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 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.

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 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.

On the redemption of Units, the REDT may, in its sole discretion, designate as payable to the redeeming Unitholder, the Unitholder's proportionate share at the time of the redemption of any capital gains realized by the REDT in the taxation year in which the redemption occurred. In addition, the REDT may designate, for the purposes of the Tax Act, any 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 notes of a Subsidiary of the REDT) as being paid to the redeeming Unitholders with the result that the taxable portion of such gains generally will be deductible by the REDT, subject to the Allocation to Redeemers Rule. Any such allocations and designations will reduce the proceeds of disposition otherwise payable to the redeeming Unitholder for the Units redeemed for purposes of the Tax Act but, for greater certainty, will not reduce the 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 would apply to prevent the REDT from deducting taxable capital gains so designated to redeeming Unitholders. On termination or liquidation of the REDT, the Unitholders of record are entitled to receive on a proportionate basis based on the Proportionate Class A Interest and

Proportionate Class F Interest, respectively, all of the assets of the REDT remaining after payment of all debts, liabilities and liquidation expenses of the REDT.

If the Maximum Offering is not achieved through the distribution of Units to the public, then pursuant to a concurrent private placement in connection with the Offering, or distribution pursuant to this Prospectus, a further class of trust units of the REDT may be issued to investors known to Anthem, for $10.00 per trust unit, without deduction for the Agent's Fee.

The REDT is prohibited from offering Units to the public following the closing of the Offering, provided, for clarity, that the REDT may issue trust units pursuant to a concurrent private placement in connection with the closing of the Offering.

Non-Certificated Inventory System and Transfers of Units

Other than pursuant to certain exceptions, registration of interests in and transfers of Units held through CDS, or its nominee, will be made electronically through the NCI system of CDS. On the Closing Date, the 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.

Units are not transferable either in a transaction that would constitute a sale on a "public market" within the meaning of the SIFT rules. Any purported transfer of a Unit on a "public market", as defined for purposes of the SIFT Rules, shall be void *ab initio*.

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, except in limited circumstances. Therefore, Non-Residents will not be permitted to be the beneficial owners of more than 49% of the Units (on a number of Units or fair market value basis) and the Board will inform the transfer agent and registrar of this restriction. The Board may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Board becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the Units then outstanding (on a number of Units or fair market value basis) are, or may be, Non-Residents or that such a situation is imminent, the Board shall inform the transfer agent and the transfer agent shall not accept a subscription for Units from or issue Units to a person unless the person provides a declaration that the person is not a Non-Resident. If, notwithstanding the foregoing, the Board determines that more than 49% of the Units (on a number of Units or fair market value basis) are held by Non-Residents, the Board may send a notice to Non-Resident Unitholders, chosen in inverse order to the order of acquisition or registration or in such manner as the Board may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Board with satisfactory evidence that they are not Non-Residents within such period, the Board may, on behalf of such Unitholders, sell such Units and, in the interim, suspend the voting and distribution rights attached to such Units. Upon such sale the affected holders will cease to be Unitholders and their rights will be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the Board which is unpaid and owing to such Unitholders. The Board will have no liability for the amount received provided that they act in good faith.

Distributions

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

The REDT will aim to realize an annual projected targeted pre-tax investor gross compounded annualized return of approximately 18% equating to a total pre-tax investor gross return over five years from the Closing Date of approximately 130%

before fees and satisfaction of the Carried Interest, on the REDT's indirect investment in the Project upon the completion of a Liquidity Event, although these figures will necessarily vary as between classes of Units based on the proportionate entitlements of each class of Units. See "Use of Proceeds" and "Risk Factors" for a more complete discussion of the factors and assumptions underlying these statements and of related risks and their potential consequences. "Pre-tax investor gross compounded annualized return" is calculated based on the estimated net pre-tax cash flow expected to be generated 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 Carried Interest. This supplementary measure does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

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 the timing of a Liquidity Event; and will be subject to various other factors, including those referenced in the "Risk Factors" section of this Prospectus.

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 is no less than 50% of the taxable income of the REDT from the Project in that year, however there can be no assurances that there will be sufficient available cash flow to pay such distributions.

The achievement of the annual projected targeted pre-tax investor gross compounded annualized return of approximately 18% equating to a total pre-tax investor gross return over five years from the Closing Date of approximately 130%, before fees and satisfaction of the Carried Interest, on the REDT's indirect investment in the Project upon the occurrence of a Liquidity Event, is based on the following assumptions:

The Project			
Forecasted Residential Condo Revenue	(1)	$	360,505,000
Forecasted Residential Rental Value	(2)		217,348,000
Forecasted Hotel Revenue	(3)		171,600,000
Forecasted Retail Revenue	(4)		7,224,000
Forecasted Parking - Commercial / Excess Revenue	(5)		1,800,000
Total Gross Sales Value		**$**	**758,477,000**
Total Project Costs	(6)		621,712,000
Total Project Profit		**$**	**136,765,000**

Notes:

(1)

Forecasted Residential Condo Revenue			
Net Saleable Area (ft²)			252,656
Average Selling Price ($ / ft²)			$1,424
		$	359,729,520
plus: Parking Revenue	31 stalls	$	775,000
Gross Residential Condo Revenue [a]		**$**	**360,505,000**

[a] 286 units have been presold to date at an average price of $1,363 per ft² representing $269,260,400 of the gross residential condo revenue.

(2)

Forecasted Residential Rental Revenue		
Market Rental		
Net Leasable Area (ft²)		121,841
Rent per ft²		6.25
Gross Rental Revenue		9,138,075
Vacancy Allowance	1%	(91,381)
less: Operating Expenses	18%	(1,627,914)
Net Operating Income		**$ 7,418,780**
Cap Rate		4.00%
Market Rental Value		**$ 185,470,000**
Affordable Rental		
Net Leasable Area (ft²)		44,528
Rent per ft²		$3.00
Gross Rental Revenue		1,603,008
Vacancy Allowance	0.5%	(8,015)
less: Operating Expenses	31%	(493,212)
Net Operating Income		**$ 1,101,781**
Cap Rate		4.25%
Affordable Rental Value		**$ 25,924,000**
Parking		
Parking Value [a]	136 stalls	**$ 5,954,000**
Total Rental Value		**$ 217,348,000**

[a] Parking is assumed to be rented at $150 per stall with vacancy allowance of 1% on market rental stalls and 1.5% on affordable stalls. Respective cap rate for market rental (4%) and affordable rental (4.25%) is applied.

(3)

Forecasted Hotel Value	
Hotel Occupancy	82.0%
Hotel ADR	$350
Hotel RevPAR	$287
% NOI Margin	56%
Net Operating Income	**$ 10,403,563**
Cap Rate	6.06%
Hotel Value	**$ 171,600,000**

(4)

Forecasted Retail Value			
Base Rent Revenue	$60 / sf	$	292,860
Recovery Revenue	$20 / sf		97,620
Total Revenue		**$**	**390,480**
Less: Vacancy Allowance	1%		(3,905)
Less: Operating Expenses			(97,620)

NOI	**$**	**288,955**
Cap Rate		4.00%
Retail Value	**$**	**7,223,880**

(5) There are 40 additional parking stalls assumed to be rented at $150 per stall per month and capped at 4.00% to derive the $1,800,000 value.

(6) Includes all Project costs as outlined in "The Project – Development Plans" but excludes the Asset Management Fee.

Following closing of the Offering and the acquisition of the REDT's indirect interest in the Project, the REDT will initially own all of the issued and outstanding Class A LP Units of the Project LP, representing the REDT's interest in the Project LP.

Holders of limited partnership interests in the Project 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 Project LP, less any amounts to be paid to the Current Owners on the Project LP Class B Units, including in respect of the Carried Interest. See "Description of Securities – The Project LP – Cash Flow Distributions".

After (i) payment of all expenses of the REDT and its Subsidiaries, and (ii) payment of the Minimum Return of 15.0% compounded per annum by the REDT to Unitholders and the payment of an equivalent minimum return to the Current Owners, the Current Owners, will, in addition to the Current Owners' pro rata share of distributions from the Project, be entitled to receive 70% of all further distributions made by the Project LP.

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

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 class and determined, from time to time, as follows:

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

(b) 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 a 15.0% per annum compounded return on the Gross Subscription Proceeds received by the REDT from the issuance of each Unit, and (ii) is a preferred return, payable prior to payment of any amounts in respect of the Current Owners' pre-Offering investment in the Project or pursuant to the Carried Interest and Asset Management Fee, but (iii) is not guaranteed, is not expected to be paid prior to the occurrence of a Liquidity Event, as applicable, and may not be paid upon the occurrence of a Liquidity Event or 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 by way of a distribution of unsecured subordinated promissory notes of a Subsidiary of the REDT) as being paid to the redeeming Unitholders, with the result that the taxable portion of such gains generally will 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, 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 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, and (ii) Proportionate Class F Interest, respectively, and within each class *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 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 Carried Interest, Asset Management Fee or the addition of any other fee or amount payable to the Manager or its affiliates;

(b) matters relating to the administration of the 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 following closing of the Offering and any concurrent private placements;

(e) other than (i) in connection with the issuance of the Shortfall Units and 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 Project 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;

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

(k) approval of a Liquidity Event.

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

In the event the REDT enters into a transaction that is subject to review under MI 61-101, and as a result requires approval from each class of Units, voting separately as a class, the 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 class of Units are fixed pursuant to a formula set out in the Declaration of Trust, and (iii) providing a class vote could grant disproportionate power to a potentially small number of Unitholders. 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 achieve a Liquidity Event within five 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 "**Liquidity Event**" may be, subject to Unitholder approval as the case may be, (i) the sale of all or substantially all of the assets of the REDT, being the securities in the Project LP through which the REDT indirectly owns its interest in the Project, for cash or Listed Securities or a combination of cash and Listed Securities, (ii) the sale of all or substantially all of the Units of the REDT by Unitholders for cash or Listed Securities or a combination of cash and Listed Securities, (iii) a transaction which provides Unitholders with comparable liquidity that such Unitholders would have if the Units were Listed Securities, whether by means of a reverse take-over, merger, amalgamation, arrangement, take-over bid, insider bid, reorganization, joint venture or similar transaction or other combination with an issuer of Listed Securities, (iv) the exchange of Units for securities that are listed on a stock exchange or securities that are exchangeable or convertible into securities that are listed on a stock exchange (collectively, "**Listed Securities**"), or (v) an event similar to those described in items (i) to (iv) above and designated as a "Liquidity Event" by the independent Trustees.

The Term is targeted to be a period of five 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 to allow for the completion of the process commenced pursuant to the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or Sale Process, as applicable.

In the event the Term is extended, returns to investors may be different than the targeted pre-tax investor gross compounded annualized return of approximately 18%. In particular, if the Term is extended beyond the five years, the Minimum Return will continue to compound, resulting in a higher threshold necessary for the Carried Interest to be triggered. 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 or in the event that a Liquidity Event is proposed by the Manager that would result in the Minimum Return being achieved but is not approved by Unitholders. However, as the Asset Management Fee is only payable in the event the Minimum Return is achieved, an extension to the Term and completion of a Liquidity Event 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. Lastly, in the event that the Term is extended but the debt financing for the Project remains outstanding, the Project may incur additional interest expense. If the extension to the Term is necessary because of a delay in development, interest expense may not increase as additional debt would not be drawn during such delays.

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.

The Current Owners and the REDT have agreed to certain liquidity rights in order to facilitate the sale of the Project, which can be initiated by the Current Owners (the "**Current Owners NHC Liquidity Option**") at any time during the period beginning on the first anniversary of the Closing Date and ending immediately prior to the 60th day before the end of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)), and by the REDT (the "**REDT NHC Liquidity Option**") at any time during the 30 days following the 60th day before the expiry of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)).

Non-Hotel Components

With respect to the residential rental component (comprising both the market rental units and the non-market, affordable rental units, the "**Residential Rental Component**"), any unsold condominium residential component (the "**Condo Component**") and the retail component (the "**Retail Component**" and, collectively with the Residential Rental Component and the Condo Component, and excluding, for greater certainty, any previously sold condominium residential units, the "**Non-Hotel Components**" and, each, a "**Non-Hotel Component**"), the REDT and the Current Owners shall each appoint an independent, third party appraiser to obtain separate appraisals of the Project and each component of the Project. Following receipt of the appraisals, the Current Owners will have 30 days to agree to acquire any or all of the Non-Hotel Components at the purchase price established below:

<u>Current Owners NHC Liquidity Option regarding the Non-Hotel Components</u>

- If the Current Owners NHC Liquidity Option is exercised during the period beginning on the first anniversary of the Closing Date and ending prior to the date that is 30 months following the Closing Date, it must be exercised for all the Non-Hotel Components together and the aggregate purchase price for the Non-Hotel Components shall be equal to pre-tax amount that would be distributed (or be available for distribution) if the Non-Hotel Components were sold for the greater of: (A) a price which would, when combined with the Hotel Component Price, result in Unitholders achieving a pre-tax investor gross compounded annualized return equal to 18% (calculated based on the annualized return for the Units), before fees and Carried Interest; and (B) the mid-point of the two appraisals less the Hotel Component Price. In either case, the Current Owners shall be permitted to offer to purchase the Non-Hotel Components or not, at their discretion.

- If the Current Owners NHC Liquidity Option is exercised during the period beginning on the date that is 30 months following the Closing Date, and ending immediately prior to the 60th day before the end of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)), it can be exercised in respect of any or all of the Non-Hotel Components, and the purchase price for each applicable Non-Hotel Component shall be equal to the pre-tax amount that would be distributed (or be available for distribution) if such Non-Hotel Component was sold for the greater of: (A) the value of such Non-Hotel Component modelled in the pro forma of the Project (such net values being approximately $586,876,400 in aggregate, $217,348,000 and $7,224,000 for the Residential Rental Component and the Retail Component, respectively, and, for the Condo Component, $360,505,000 less the amount received from previously sold condominium residential units); and (B) either (i) the mid-point of the two appraisals of such Non-Hotel Component, or (ii) if the higher appraisal is more than 105% of the lower appraisal, a third appraisal of such Non-Hotel Component shall be obtained and the price shall be the mid-point of the two closest appraisals among the three appraisals of the Non-Hotel Component. The Current Owners shall be permitted to offer to purchase any or all of the Non-Hotel Components at their discretion.

<u>REDT NHC Liquidity Option regarding the Non-Hotel Components</u>

- If the REDT NHC Liquidity Option is exercised during the 30 days following the 60th day before the expiry of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)), the purchase price for each applicable Non-Hotel Component shall be equal to the pre-tax amount that would be distributed (or be available for distribution) if such Non-Hotel Component was sold for the greater of: (A) the value of such Non-Hotel Component modelled in the pro forma of the Project (such net values being approximately

$586,876,400 in aggregate, $217,348,000 and $7,224,000 for the Residential Rental Component and the Retail Component, respectively, and, for the Condo Component, $360,505,000 less the amount received from previously sold condominium residential units); and (B) either (i) the mid-point of the two appraisals of such Non-Hotel Component, or (ii) if the higher appraisal is more than 105% of the lower appraisal, a third appraisal of such Non-Hotel Component shall be obtained and the price shall be the mid-point of the two closest appraisals among the three appraisals of the Non-Hotel Component. In either case, the Current Owners shall be permitted, but not obligated, to purchase any or all of the Non-Hotel Components.

If the Current Owners have not exercised the Current Owners NHC Liquidity Option, and do not offer to purchase one or more of the Non-Hotel Components pursuant to the REDT NHC Liquidity Option within the 30-day period following receipt of the appraisals (the "**Appraisal Receipt Period**"), the REDT will have the right, during the 60-day period following the expiry of the Appraisal Receipt Period, to initiate a sales process for such remaining unpurchased Non-Hotel Components (the "**Sale Process**"), pursuant to which such Non-Hotel Components may be sold to one or more third parties at any price (the "**Sale Process Price**"), provided that the Current Owners shall be permitted to bid during the Sale Process. If the REDT is able to identify an acquiror that is not the Current Owners, the REDT shall have the right to require that the Current Owners sell their interest in the applicable Non-Hotel Components at the applicable proportion that such interests represent of the Sale Process Price.

If the Current Owners are acquiring the entire Project (i.e., concurrently acquiring the Hotel Component (see "Hotel Component" below) together with the Non-Hotel Components), the Current Owners may do so by acquiring the Project LP Class A Units representing the REDT's ownership interests of the Project.

Any transaction involving any or all of the Non-Hotel Components or all of the Project LP Class A Units to be completed pursuant to the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or the Sale Process will be subject to approval by the Unitholders by Special Resolution.

Following completion of the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or the Sale Process, as applicable, the REDT will distribute, or will direct the Project LP to distribute, the available net proceeds to the Unitholders, subject to the applicable portion (if any) of such proceeds payable to the Current Owners in respect of the Current Owners' proportionate interest in the Project and the Carried Interest.

Hotel Component

The Current Owners and the REDT have agreed to certain liquidity rights in order to facilitate the sale of the hotel component of the Project (the "**Hotel Component**"), pursuant to which the Current Owners must at any time of their choosing during the period beginning on the first anniversary of the Closing Date and ending on the end of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)), acquire the Hotel Component at a price equal to the value of the Hotel Component modelled in the pro forma of the Project (being approximately $171,600,000) (the "**Hotel Component Price**").

If the Current Owners are acquiring the entire Project (i.e., concurrently acquiring the Non-Hotel Components (see "Non-Hotel Component" above) together with the Hotel Component), the Current Owners may do so by acquiring the Project LP Class A Units representing the REDT's ownership interests of the Project.

Notwithstanding anything to the contrary in the foregoing, the REDT and Current Owners shall work together to structure the occurrence of a Liquidity Event, or the transaction completed pursuant to the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or Sale Process (in each case, and together with the Liquidity Event, a "**Sale Transaction**"), in a manner that is mutually tax efficient for the parties.

Change of Control of the Manager

In the event that there is a "change of control" of the Manager, the Manager or an affiliate thereof will be obligated to make an offer to the Unitholders to acquire all, but not less than all, of the Units, the Project LP Class A Units or the Project at a price which would result in Unitholders achieving a pre-tax investor gross compounded annualized return equal to the upper range of the targeted pre-tax investor gross compounded annualized return, being 18% (calculated based on the annualized return for the Class A Units), before fees and Carried Interest. For purposes of the foregoing, a "change of control" is defined as: (i) the acquisition by any person or persons, acting jointly and in concert, of (a) more than 50% of the outstanding voting equity securities of the Manager; or (b) all or substantially all of the assets of the Manager; (ii) an initial public offering of the

Manager; or (iii) a spin-off of the Manager or substantially all of its assets to a new entity that is not controlled directly or indirectly by the Manager. Any offer pursuant to the foregoing shall be subject to compliance with applicable laws, which may include a vote of the Unitholders. The parties shall endeavour to structure the acquisition of the applicable units in a manner that is tax efficient for the parties, provided that in the event the Manager or its successor, as applicable, and the REDT cannot agree, the offer shall be in respect of the Project LP Class A Units.

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) notwithstanding anything to the contrary contained in the Declaration of Trust, make amendments which, in the opinion of the independent Trustees, are necessary or desirable in the interests of Unitholders in connection with a Liquidity Event described under "– Termination of the REDT" above, provided that any such amendment does not, and could not reasonably be expected to, adversely affect the rights, privileges or interests of Unitholders;

(d) make amendments which, in the opinion of the Board, are necessary or desirable in the interests of the Unitholders as a result of changes in taxation laws or accounting rules or in their interpretation or administration, or in order to benefit from or better comply with any provisions or such laws or rules;

(e) remove conflicts or inconsistencies between the disclosure in the Prospectus and the Declaration of Trust that, in the opinion of the Board, based on the advice of counsel, are necessary or desirable in order to make the Declaration of Trust consistent with the Prospectus;

(f) make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;

(g) 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;

(h) 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;

(i) make amendments as are required to provide for the Class I Units or any a further class of trust units of the REDT as may be issued concurrent with closing of the Offering, for $10.00 per trust unit; or

(j) make amendments as are required to undertake an internal reorganization involving the sale, lease, exchange or other transfer of the assets of the 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 class (or series, as applicable) of Units will be based on the proportionate interest of the REDT attributable to each class or series, as applicable, determined as follows:

(a) based on the proportionate interest of the REDT attributable to each class, determined as follows:

  (i) 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 less the Redemption Cost applicable to such Unit; and

  (ii) 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 less the Redemption Cost applicable to such Unit.

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, the total amount payable by the REDT by cash payment in respect of the redemption of Units for the calendar quarter shall not exceed $150,000 in the aggregate. 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 qualified investments for trusts governed by Plans. In those circumstances, adverse tax consequences may apply to a Plan and/or the annuitant, holder, subscriber or beneficiary thereunder or thereof, as a result of the redemption of Units held in a trust governed by a Plan. See “Risk Factors – Risks Related to Redemptions – Payment of Redemption Price in Kind”. The redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment.

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

Powers and Responsibilities of the Board of Trustees

The Board has exclusive authority to manage the operations and affairs of the 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) ensuring that the Net Subscription Proceeds are invested in the Project LP;

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

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

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

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

(g) holding legal title to REDT Property;

(h) 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;

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

(j) ensuring compliance with applicable securities legislation;

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

(l) monitoring the REDT’s status as a “mutual fund trust” within the meaning of the Tax Act;

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

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

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

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

(q) remitting distributions to Unitholders;

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

(s) 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 Anthem or any related party of the REDT has any direct or indirect interest, whether as owner, operator or manager, other than pursuant to the Project LP Interest Subscription Agreement;

(b) a material change to any agreement with Anthem 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 management fees contemplated in this Prospectus;

(c) any new fees or arrangements to be entered into with Anthem or any related party of the REDT that are not contemplated in the Management Agreement and excluding the development management fees contemplated in this Prospectus;

(d) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under, any agreement entered into by the 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 Anthem or any related party of the REDT related to the Project;

(g) determining whether to exercise the REDT's rights (as the holder of the Project LP Class A Units) to replace the general partner of the Project LP; and

(h) determining whether an event or occurrence should be designated as a Liquidity Event.

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 Project LP

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

The rights and obligations of the Project GP and the parties holding the Project LP Units will be governed by the Project LP Agreement, as it will be amended and restated on or before the Closing Date, among the Project GP and the Current Owners, and all persons who subsequently become limited partners of the Project LP. The REDT will invest in the Project LP using the Net Subscription Proceeds. Following the Acquisition, assuming the Maximum Offering is achieved, the REDT will have a 72.2% interest in the Project LP and assuming the Minimum Offering is sold and the maximum Equity Commitment is provided by Anthem through the subscription for Shortfall Units, the REDT will have a 57.3% interest in the Project LP (inclusive in each case of a deemed capital contribution by the Project LP equal to the amount of the Total Agent's Fee and determined in each case without reference to the Carried Interest).

Capital in the Project LP

The capital of the Project LP consists of an unlimited number of the Project LP Class A Units, an unlimited number of the Project LP Class B Units, an unlimited number of the Shortfall Units and an unlimited number of the Cost Overrun Units, plus the general partner interest held by the Project GP as general partner. The Project LP Class A Units will be held by the REDT directly and the Project LP Class B Units (which also represent the Carried Interest) will be held by the Current Owners. Shortfall Units will be authorized for issuance pursuant to the Equity Commitment. Cost Overrun Units will be authorized for issuance in connection with any cost overruns. The Cost Overrun Units may be issued in series with each series representing an indirect interest in the Project.

Allocation of Income and Losses for Tax and Accounting Purposes

For tax and accounting purposes, losses for each fiscal year of the Project LP will be allocated to the holders of the Project LP Class A Units, the Project LP Class B Units, Shortfall Units and Cost Overrun Units. For tax and accounting purposes, net income for each fiscal year of the Project LP will be allocated to the holders of the Project LP Units and the Project GP, as general partner of the Project LP, in the same manner and in the same priorities in which income received from the Project LP is ultimately distributed to such partners (or that would have been distributed in the year if there were sufficient distributions); provided in each case that, to the extent possible, income or losses for the portion of the current fiscal period of the Project LP that ends immediately before the Closing Date shall be allocated to the Current Owners.

Cash Flow Distributions

To the extent cash flow permits, and subject to any restrictions imposed on the Project LP by any lenders under any debt financing, the Project LP is expected to pay and distribute, from time to time, all cash flow from its investment in the Project. Cash flow will be distributed when available and as determined by the Trustees, with 0.1% distributed to the Project GP, to a maximum of $1,000 in a single fiscal year, and with the balance of Distributable Cash distributed to the limited partners of the Project LP as follows, in each case without duplication and to the extent not previously distributed:

(a) first, on a pro rata basis:

(i) to the holder of the Project 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 Project 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 Project LP by such holder;

(ii) to the holders of the Shortfall Units, as a reduction of capital (to the extent of the capital contributed by each such holder to the Project LP), on a pro rata basis in accordance with their respective proportion of the Shortfall Units, until the holders of the Shortfall Units (in their capacity as such and without regard to any distributions made on any other class or classes of the Project LP Units held by them, if any) have received, in the aggregate, an amount equal to their respective contributed capital and their respective minimum return (being, in aggregate, equivalent to the Minimum Return, *mutatis mutandis*);

(iii) to the holders of each series of the Cost Overrun Units, as a reduction of capital (to the extent of the capital contributed by each such holder to the Project LP), on a pro rata basis in accordance with their respective proportion of such series of the Cost Overrun Units, until the holders of each series 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 Project LP Units held by them, if any) have received, in the aggregate, an amount equal to their respective contributed capital and their respective minimum return (being, in aggregate, equivalent to the Minimum Return, *mutatis mutandis*);

(b) second, to the holders of the Project LP Class B Units, as a reduction of capital (to the extent of the capital contributed by each such holder to the Project LP), on a pro rata basis in accordance with their respective proportion of the Project LP Class B Units, until the holders of the Project LP Class B Units (in their capacity as such and without regard to any distributions made on any other class or classes of the Project LP Units held by them, if any) have received, in the aggregate, an amount equal to their respective contributed capital and their respective minimum return (being, in aggregate, equivalent to the Minimum Return, *mutatis mutandis*);

(c) thereafter:

(i) 70% to the holders of the Project LP Class B Units, on a pro rata basis in accordance with their respective proportion of the Project LP Class B Units; and

(ii) 30%, on a pro rata basis, to:

(A) the holder of the Project LP Class A Units; and

(B) the holders of the Shortfall Units and the Cost Overrun Units.

For greater certainty, the foregoing calculations shall be made:

(i) on a cumulative basis taking into account distributions for all prior periods;

(ii) on a gross basis whereby the REDT's indirect interest in the Project is determined based on the Gross Subscription Proceeds, without deduction for the Agent's Fee or any expenses of the Offering borne by the Project LP; and

(iii) in respect of the determination of the amounts to be distributed to the holder of the Project 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 Project LP has made distributions of Distributable Cash pursuant to the foregoing that are sufficient to allow the REDT to satisfy the 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 Project 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 having been satisfied, be distributed to the holders of the other classes of the Project LP Units in the manner described above.

Distributions upon Wind-up, etc.

Upon the liquidation, dissolution or wind-up of the Project LP, the assets of the Project 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 Project LP Agreement and all expenses incurred in the winding-up of the Project LP;

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

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

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

Alternatively, the holders of the Project LP Units of the Project LP may approve by a resolution of $66^2/_3$% of each voting class of the Project LP Units distributions of all assets of the Project LP, in which event the Project GP and each holder of the Project LP Units shall, subject to the provisions of the Project LP Agreement, be entitled to receive an undivided interest in each and every asset of the Project 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 Project LP will be required to make additional capital contributions to the Project LP over and above the purchase price paid for such limited partner's units.

The REDT is not and will not be obligated to fund any cost overruns. In the event of a cost overrun for the Project requiring additional equity capital, pursuant to a Cost Overrun Funding and Guarantee Agreement, Anthem Developments has irrevocably committed that Anthem will subscribe for Cost Overrun Units in order to fund such cost overrun, as and when required. 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".

Liquidity Provisions

The Current Owners and the REDT have agreed to certain liquidity rights in order to facilitate the sale of the Project, which can be initiated by the Current Owners (the "**Current Owners NHC Liquidity Option**") at any time during the period beginning on the first anniversary of the Closing Date and ending immediately prior to the 60th day before the end of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)), and by the REDT (the "**REDT NHC Liquidity Option**") at any time during the 30 days following the 60th day before the expiry of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)).

<u>Non-Hotel Components</u>

With respect to the residential rental component (comprising both the market rental units and the non-market, affordable rental units, the "**Residential Rental Component**"), any unsold condominium residential component (the "**Condo Component**") and the retail component (the "**Retail Component**" and, collectively with the Residential Rental Component and the Condo

Component, and excluding, for greater certainty, any previously sold condominium residential units, the "**Non-Hotel Components**" and, each, a "**Non-Hotel Component**"), the REDT and the Current Owners shall each appoint an independent, third party appraiser to obtain separate appraisals of the Project and each component of the Project. Following receipt of the appraisals, the Current Owners will have 30 days to agree to acquire any or all of the Non-Hotel Components at the purchase price established below:

Current Owners NHC Liquidity Option regarding the Non-Hotel Components

- If the Current Owners NHC Liquidity Option is exercised during the period beginning on the first anniversary of the Closing Date and ending prior to the date that is 30 months following the Closing Date, it must be exercised for all the Non-Hotel Components together and the aggregate purchase price for the Non-Hotel Components shall be equal to pre-tax amount that would be distributed (or be available for distribution) if the Non-Hotel Components were sold for the greater of: (A) a price which would, when combined with the Hotel Component Price, result in Unitholders achieving a pre-tax investor gross compounded annualized return equal to 18% (calculated based on the annualized return for the Units), before fees and Carried Interest; and (B) the mid-point of the two appraisals less the Hotel Component Price. In either case, the Current Owners shall be permitted to offer to purchase the Non-Hotel Components or not, at their discretion.

- If the Current Owners NHC Liquidity Option is exercised during the period beginning on the date that is 30 months following the Closing Date, and ending immediately prior to the 60th day before the end of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)), it can be exercised in respect of any or all of the Non-Hotel Components, and the purchase price for each applicable Non-Hotel Component shall be equal to the pre-tax amount that would be distributed (or be available for distribution) if such Non-Hotel Component was sold for the greater of: (A) the value of such Non-Hotel Component modelled in the pro forma of the Project (such net values being $586,876,400 in aggregate, $217,348,000 and $7,224,000 for the Residential Rental Component and the Retail Component, respectively, and, for the Condo Component, $360,505,000 less the amount received from previously sold condominium residential units); and (B) either (i) the mid-point of the two appraisals of such Non-Hotel Component, or (ii) if the higher appraisal is more than 105% of the lower appraisal, a third appraisal of such Non-Hotel Component shall be obtained and the price shall be the mid-point of the two closest appraisals among the three appraisals of the Non-Hotel Component. The Current Owners shall be permitted to offer to purchase any or all of the Non-Hotel Components at their discretion.

REDT NHC Liquidity Option regarding the Non-Hotel Components

- If the REDT NHC Liquidity Option is exercised during the 30 days following the 60th day before the expiry of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)), the purchase price for each applicable Non-Hotel Component shall be equal to the pre-tax amount that would be distributed (or be available for distribution) if such Non-Hotel Component was sold for the greater of: (A) the value of such Non-Hotel Component modelled in the pro forma of the Project (such net values being approximately $586,876,400 in aggregate, $217,348,000 and $7,224,000 for the Residential Rental Component and the Retail Component, respectively, and, for the Condo Component, $360,505,000 less the amount received from previously sold condominium residential units); and (B) either (i) the mid-point of the two appraisals of such Non-Hotel Component, or (ii) if the higher appraisal is more than 105% of the lower appraisal, a third appraisal of such Non-Hotel Component shall be obtained and the price shall be the mid-point of the two closest appraisals among the three appraisals of the Non-Hotel Component. In either case, the Current Owners shall be permitted, but not obligated, to purchase any or all of the Non-Hotel Components.

If the Current Owners have not exercised the Current Owners NHC Liquidity Option, and do not offer to purchase one or more of the Non-Hotel Components pursuant to the REDT NHC Liquidity Option within the 30-day period following receipt of the appraisals (the "**Appraisal Receipt Period**"), the REDT will have the right, during the 60-day period following the expiry of the Appraisal Receipt Period, to initiate a sales process for such remaining unpurchased Non-Hotel Components (the "**Sale Process**"), pursuant to which such Non-Hotel Components may be sold to one or more third parties at any price (the "**Sale Process Price**"), provided that the Current Owners shall be permitted to bid during the Sale Process. If the REDT is able to identify an acquiror that is not the Current Owners, the REDT shall have the right to require that the Current Owners sell their interest in the applicable Non-Hotel Components at the applicable proportion that such interests represent of the Sale Process Price.

If the Current Owners are acquiring the entire Project (i.e., concurrently acquiring the Hotel Component (see "Hotel Component" below) together with the Non-Hotel Components), the Current Owners may do so by acquiring the Project LP Class A Units representing the REDT's ownership interests of the Project.

Any transaction involving any or all of the Non-Hotel Components or all of the Project LP Class A Units to be completed pursuant to the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or the Sale Process will be subject to approval by the Unitholders by Special Resolution.

Following completion of the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or the Sale Process, as applicable, the REDT will distribute, or will direct the Project LP to distribute, the available net proceeds to the Unitholders, subject to the applicable portion (if any) of such proceeds payable to the Current Owners in respect of the Current Owners' proportionate interest in the Project and the Carried Interest.

Hotel Component

The Current Owners and the REDT have agreed to certain liquidity rights in order to facilitate the sale of the hotel component of the Project (the "**Hotel Component**"), pursuant to which the Current Owners must at any time of their choosing during the period beginning on the first anniversary of the Closing Date and ending on the end of the Term (including subject to any applicable, permitted extensions (including by Special Resolution of the Unitholders)), acquire the Hotel Component at a price equal to the value of the Hotel Component modelled in the pro forma of the Project (being approximately $171,600,000) (the "**Hotel Component Price**").

If the Current Owners are acquiring the entire Project (i.e., concurrently acquiring the Non-Hotel Components (see "Non-Hotel Component" above) together with the Hotel Component), the Current Owners may do so by acquiring the Project LP Class A Units representing the REDT's ownership interests of the Project.

Notwithstanding anything to the contrary in the foregoing, the REDT and Current Owners shall work together to structure the occurrence of a Liquidity Event, or the transaction completed pursuant to the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or Sale Process (in each case, and together with the Liquidity Event, a "**Sale Transaction**"), in a manner that is mutually tax efficient for the parties.

Management of the Project LP

The Project GP, as general partner of the Project LP, will have exclusive authority over the management of the Project LP, the conduct of its affairs, and the management and disposition of the property of the Project LP, except for certain limited matters being subject to votes of the holders of the Project LP Units and certain Investment Restrictions and Operating Policies contained in the Declaration of Trust, as described under "Investment Restrictions and Operating Policies". The Project 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 Project GP.

Removal of the Project GP

Holders of the Project LP Class A Units may, by Ordinary Resolution and upon not less than 180 days' written notice to the Project GP, remove the Project GP as general partner of the Project LP without cause, and may immediately remove the Project GP for cause, if such cause is not remedied after reasonable notice from the holders of the Project LP Class A Units. In either such case, the holders of the Project 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 Project LP Agreement and indemnified for any damages and expenses with respect to events which occur in relation to the Project LP after the appointment of the new general partner.

Transfer of the Project LP Units

The transfer of the Project LP Units will be subject to a number of restrictions, including: (i) the Project LP Units may not be transferred except to an affiliate in accordance with the terms of the Project LP Agreement or pursuant to the Current Owners NHC Liquidity Option or the REDT NHC Liquidity Option, each as described above under "Description of Securities – The REDT – Termination of the REDT"; and (ii) no transfer of the Project LP Units will be accepted by the Project GP unless a transfer form and power of attorney, duly completed and signed by the registered holder of the Project LP Units has been remitted to the Project GP. In addition, a transferee of the Project LP Units must provide to the Project GP such other instruments and documents as the Project GP may require, in appropriate form, completed and executed in a manner acceptable to the Project GP and must pay the administration fee, if any, required thereby. No transfer of the Project LP Units may be made to a Non-Resident or if such transfer would result in the Project LP becoming a "SIFT partnership" for purposes of the Tax Act. A transferee of a Project LP Unit will not become a partner or be admitted to the Project LP and will not be subject to the obligations and entitled to the rights of a partner under the Project LP Agreement until the foregoing conditions are satisfied and such transferee is recorded on the Project LP's register of partners.

Amendments to the Project LP Agreement

The Project LP Agreement may be amended by a resolution of $66^{2}/_{3}$% of each voting class of the Project LP Units, except for certain amendments which require unanimous approval of holders of the Project LP Units and certain other amendments which require (only and not in addition) the approval of 50% of the Project LP Class A Units. Matters requiring unanimous approval of holders of the Project 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 Project LP Units; and (iii) changing the Project LP from a limited partnership to a general partnership. Matters requiring approval of 50% of the Project LP Class A Units include: (i) any removal of or change to the Project GP, (ii) any amendment to the terms and conditions of the Project LP Class A Units, (iii) the issuance of any additional Project LP Class A Units, (iv) the creation of any class of the Project LP Units having rights equal to or greater than those attaching to the Project LP Class A Units, (v) an amendment to the amending clause in respect of the Project LP Class A Units, (vi) approval of certain material transactions entered into with related parties of Anthem, and (vii) to consent to any action that would adversely affect the Project LP Class A Units, as applicable, and any interests therein.

The Project GP may also make amendments to the Project LP Agreement without the approval or consent of the limited partners to reflect, among other things: (i) a change in the name of the Project LP or the location of the principal place of business or registered office of the Project LP; (ii) the admission, substitution, withdrawal or removal of limited partners in accordance with the Project LP Agreement; (iii) a change that, as determined by the Project GP, is reasonable and necessary or appropriate to qualify or continue the qualification of the Project LP as a limited partnership in which the limited partners have limited liability under Applicable Laws; (iv) a change that, as determined by the Project GP, is reasonable and necessary or appropriate to enable the Project 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 Project LP Agreement which may be defective or inconsistent with any other provision contained in the Project LP Agreement or which should be made to make the Project 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 Project GP, as a general partner, may be made without the consent of the Project 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 September 10, 2024	Number Outstanding and Carrying Value after Offering	
			(Assuming Minimum Offering)	(Assuming Maximum Offering)
Initial contribution by the Project GP as the settlor of the REDT	unlimited	$10.00	$10.00	$10.00
Class A Units and Class F Units	unlimited	Nil	$82,000,000[(1)]	$82,000,000[(1)]

Note:

(1) The number of Class A Units and Class F Units outstanding after the Offering and any concurrent private placement will be the number of Class A Units and Class F Units purchased which equals $65,000,000 (which assumes exercise in full of the Equity Commitment of $17,000,000) in the case of the Minimum Offering and $82,000,000 in the case of the Maximum Offering. See also Note 2.

(2) Pursuant to a concurrent private placement in connection with the Offering or as a distribution pursuant to this Prospectus: (i) the REDT may seek out commitments from Lead Investors to subscribe for Class I Units on a lead order basis; and (ii) if the Maximum Offering is not achieved through the distribution of Units to the public, then Class I Units, or a further class of trust units of the REDT, may be issued to investors known to Anthem, provided that in each of the foregoing cases such trust units are issued for $10.00 per trust unit (with such Agent's Fee and other terms as may be agreed among the REDT, the Agent and the applicable Purchaser), and provided that the proceeds of any such issuances, together with the proceeds from the issuance of the Class A Units and Class F Units, do not exceed the Maximum Offering amount. In connection with the Offering, the Current Owners are not disposing of their interest in the Project and will not receive any of the net proceeds of the Offering on closing of the Offering.

8.2 Long-Term Debt

The Project will target maximum leverage of approximately 70% to develop the Project. However, the maximum Project Indebtedness will be limited to 75% of the Total Assets in accordance with the Declaration of Trust.

Project debt financing will include a third-party construction loan ("**Construction Loan**") to be advanced pursuant to the Construction Loan Agreement. The Construction Loan will be secured by a first mortgage on the Project, with a maximum amount available of $458,560,000. The Construction Loan is provided on a cost-to-complete basis, with regular advances as construction progresses. The Construction Loan has a floating interest rate of the lower of (i) CIBC Prime Rate + 1% and (ii) Term CORRA + 2.80%, payable monthly in arrears and mature the earlier of 60 months from initial drawdown or February 28, 2030 and is provided on an interest only basis.

Furthermore, a third-party Deposit Protection Insurance ("**DPI**") facility is available. The DPI facility is a common and typical insurance product utilized by developers to finance mixed-use and condominium developments where residential units have been pre-sold. The DPI facility provider insures condominium purchaser deposits, such that they can be released from trust and used to fund project costs.

The DPI facility will be secured by a second mortgage on the Project, with a maximum amount available of $60,000,000. An initial $28,660,000 of the facility will be made available to fund Project costs on a cost in place basis. Any advances over $28,660,000 (advanced on a cost in place basis) will be provided on a 1:1 basis with the Construction Loan advances, and will reduce the Construction Loan authorization on a 1:1 basis.

9. PRIOR SALES

There have been no prior sales of securities of the REDT, other than the initial Class A Unit issued to the Project GP, 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
Eric Carlson (British Columbia, Canada)	Trustee, Chief Executive Officer	Core-Founder and Chief Executive Officer of Anthem Properties Group	September 6, 2024 to present
Elva Kim (British Columbia, Canada)	Trustee, Chief Operating Officer	Chief Operating Officer of Anthem Properties Group and the President of Anthem Realty	September 6, 2024 to present
Barry Guld (British Columbia, Canada)	Independent Trustee	President of Ladaz Technologies, Inc.	September 6, 2024 to present
Paolo Kalaw (British Columbia, Canada)	Independent Trustee	Founder, Chairman and Chief Executive Officer of nimbyx	September 6, 2024 to present
Brooke Wade (British Columbia, Canada)	Independent Trustee	President of Wade Capital Corporation	September 6, 2024 to present
Rob McJunkin (British Columbia, Canada)	Chief Financial Officer	Chief Financial Officer of Anthem	–
Rob Blackwell (British Columbia, Canada)	Executive Vice President, Development	Executive Vice President of Development of Anthem	–
Kate Ayoubi (British Columbia, Canada)	Senior Vice President, Financial Operations	Senior Vice President of Financial Operations of Anthem	–

Notes:

(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 Project LP on behalf of the Manager, pursuant to the Management Agreement.

Personal Profiles

Eric Carlson, *Trustee, Chief Executive Officer of the REDT* 	Mr. Carlson is the Core-Founder and Chief Executive Officer of Anthem Properties Group. Mr. Carlson founded Anthem in 1991 and has grown the company to a team of 800 people with offices in Vancouver, Calgary, Edmonton, Toronto and Sacramento. Highly engaged, he is responsible for the strategic direction and overall execution of all aspects of the business, including acquisitions, development and finance. Mr. Carlson got his start in real estate with Schroeder Properties where he left as Vice President. Prior to that he was a Chartered Accountant for Deloitte from 1982-1985. Mr. Carlson is also an active private equity investor and is the Co-Founder of Mag Silver Corp and West Timmons Gold. Mr. Carlson holds his Bachelor of Commerce from the University of British Columbia and is a designated Fellow Chartered Accountant. Mr. Carlson has served on may Boards and affiliated committees such as Platinum Group Metals, Colligo Software, Vaughn Custom Sports Canada and Northam Beverages. He currently sits on the Beyond Belief Campaign Cabinet for BC Cancer.
Elva Kim, *Trustee, Chief Operating Officer of the REDT* 	Ms. Kim is the Chief Operating Officer of Anthem Properties Group and the President of Anthem Realty. She is responsible for big-picture decisions and advisory for all aspects related to the Anthem experience, including sales, marketing, design development, homeowner care, human resources, culture and communications. Ms. Kim has more than 20 years of real estate experience. She got her start in real estate at Ledingham McAllister, a BC-based real estate developer, where she left as Vice President of Sales prior to joining Anthem in 2013. There she held many different leadership positions including Director, Client Services where she was responsible for overseeing the complex closings of several mixed-use masterplan communities during the financial crisis in 2009. Ms. Kim holds a Bachelor of Science degree in Psychology, and her real estate education is from the Sauder School of Business at the University of British Columbia. She has served on the Board of Directors for Atira Women's Resource Society for over 5 years and is current Board Chair. She is also a member of the International Women's Forum.
Barry Guld, *Independent Trustee* 	Mr. Guld is the President of Ladaz Technologies, Inc. (since 1996), an investment company. He is an entrepreneur, advisor, founder and investor in healthcare and technology companies. Mr. Guld was the Founder and Chief Executive Officer of Methylation Sciences Inc., a clinical-stage pharmaceutical company, from 2007 to 2016, and was a director until 2022. Mr. Guld currently serves as a director of: the Mark Anthony Group (since January 2007), owner of brands such as White Claw; Prescryptive Health, Inc. (since April 2019), a Seattle-based Health IT platform; and Veridify Security (since January 2010), an early-stage cyber security technology company. Previously, Mr. Guld founded Zadall Systems (now part of McKesson Corporation) and was a co-founder or investor in several HealthIT companies after starting his career at IBM. Mr. Guld holds a Bachelor of Commerce Degree from the University of Manitoba.

Paolo Kalaw, *Independent Trustee* 	Mr. Kalaw is a Canadian entrepreneur with extensive experience in healthcare technology and business transformation. Mr. Kalaw is the Founder, Chairman and Chief Executive Officer of nimbyx (since June 2015), a private technology-focused family investment office dedicated to partnering with traditional lower mid-market healthcare and technology companies. Mr. Kalaw also currently serves as the Chairman of: Alina Aligner (since January 2022), a digital dental lifestyle brand and EVA Digital Clinic (since June 2021), a digital clinic application and telemedicine service. Prior to his current roles, Mr. Kalaw was the Chairman of: Evident Healthcare Software (from June 2015 to February 2022), a technology-enabled healthcare company focused on digital dentistry; and Frontier Dental Laboratories (from January 2013 to July 2019), a dental prosthestics provider and industry investor. Mr. Kalaw has a Bachelor of Science from The University of British Columbia and has completed further education in strategy and execution at the London School of Business and MIT Sloan School of Management.
Brooke Wade, *Independent Trustee* 	Mr. Wade is the President of Wade Capital Corporation (since 1994), a private investment company active in private equity, oil and gas, real estate and industrial businesses, and energy storage technology. Having served as chief executive officer of two public companies, Mr. Wade has deep knowledge of key business issues, including finance and capital markets. Mr. Wade was the co-founder and Chairman and Chief Executive Officer of Acetex Corporation (from 1994 to 2005), a publicly traded chemical company specializing in acetyls, specialty polymers, and films, which was acquired by Blackstone. Previously, Mr. Wade was the founding President and Chief Executive Officer of Methanex Corporation. Mr. Wade serves on the boards of Gran Tierra Energy Inc. (since 2015), an international energy company, and several private companies, including Atlas Power Technologies Inc. (a supercapacitor manufacturer), Belkin Enterprises Ltd. (an investment entity), and Big Bold Health Corporation (a health products company). He is also a member of the Advisory Board of Northbridge Capital Partners. Mr. Wade earned a Bachelor of Commerce Degree from the University of Calgary, holds the Chartered Accountant designation and is a Fellow of the Institute of Chartered Accountants of British Columbia.
Rob McJunkin, *Chief Financial Officer* 	Mr. McJunkin is the Chief Financial Officer of Anthem. He provides oversight of all corporate and real estate financing, information services and other corporate, across all of Anthem's core offices. Mr. McJunkin has more than 30 years of broad ranging global finance and management experience in a variety of industries, including real estate, resorts, technology and telecommunications and public accounting advisory services. Prior to joining Anthem in 2013, Mr. McJunkin held Vice President positions with Intrawest Resorts, a large resort developer and operator with a presence across North America. His background also includes finance and corporate development roles at New Century GlobalNet, BDC Venture Capital, AT&T Wireless, Deloitte and KPMG. Mr. McJunkin completed an undergraduate degree in commerce at the University of British Columbia and is a designated Chartered Accountant. He was named Business in Vancouver's 2022 CFO of the Year in the Large Business category.

Rob Blackwell, *Executive VP,* *Development* 	Mr. Blackwell is Anthem's Executive Vice President of Development. He leads Anthem's Vertical Development Group, providing oversight of the architectural design and municipal approval process for Anthem's multifamily and commercial developments across BC, Alberta, Ontario and California. Mr. Blackwell has over 30 years of experience developing real estate. Prior to joining Anthem in 2005, Mr. Blackwell worked for Sherbrooke Properties on a multitude of projects ranging from large land assemblies and single family subdivisions to commercial and industrial buildings. Mr. Blackwell also did real estate and construction for new projects for McDonald's Restaurants where he had several roles including Director of Construction for the Western Canada Region. Mr. Blackwell completed his Diploma in Real Estate from British Columbia Institute of Technology followed by Urban Land Economics at the University of British Columbia. He is a long-time board member of the Urban Development Institute Pacific Region and is currently serving in the role of Vice Chair.
Kate Ayoubi, *Senior Vice President,* *Financial Operations* 	Ms. Ayoubi is Anthem's Senior Vice President of Financial Operations. She leads a team of over 100 accountants across BC, Alberta and California. Ms. Ayoubi has over 20 years of finance experience in the real estate, mining and technology sectors. Prior to joining Anthem in 2021, she held Vice President roles at Canadian residential and commercial developers, Hungerford Properties and Shape Properties. Her background also includes roles as Director, Reporting at Goldcorp and a 10-year tenure at EY. Ms. Ayoubi completed her Bachelor of Commerce from the University of British Columbia and is a Chartered Accountant. She has participated in numerous finance-based organizations including the Association of Women in Finance and the Audit and Finance Committee for the Great Northern Way Trust.

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 Units of the REDT. Eric Carlson, a Trustee and the Chief Executive Officer of the REDT, is the sole director of the indirect owner of Anthem Developments and controls the controlling shareholder of the Anthem group of companies. Other than the foregoing, the Trustees and executive officers of the REDT, as a group, are not expected to have a direct or indirect equity interest in the Project.

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

Except as disclosed below, 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.

Barry Guld served as a director of the online shoe retailer Shoes.com Technologies Inc., a private British Columbia company, between December 13, 2014 to January 26, 2017. Shoes.com filed for bankruptcy on January 27, 2017 and was placed into receivership in February 2017.

11. THE MANAGER AND THE MANAGEMENT AGREEMENT

11.1 THE MANAGER

The REDT will be managed by Anthem Properties Group Ltd. (i.e., the Manager).

The Project will be overseen by the Project Manager. See "Description of the Activities of the REDT – The Project – The Construction Contract" and "Description of the Activities of the REDT – The Project – The Development Management Agreement".

<u>Anthem Profile</u>

Anthem's strategy is to invest in, develop and manage real estate across multiple asset classes in multiple markets, delivering strong, risk-adjusted returns and top-tier real estate projects that contribute meaningfully to their communities and stakeholders. An organizationally driven company comprised of a team of over 800 individuals, Anthem self-performs all real estate functions, including development, construction, leasing, acquisitions, property management, accounting, finance, sales, marketing and communications. Anthem's growing residential portfolio includes 41,700 homes that are in design, under construction or completed and sold or managed by Anthem, from master planned mixed-use residential and multifamily, to townhome, rental and single-family communities. Anthem owns, co-owns, manages or has previously owned over 11.5 million square feet of retail, industrial and office space. Anthem has developed more than 60 communities across 9,800 acres of land in Alberta, British Columbia, Ontario and California. Anthem believes it has a proven track record in the Project's Metrotown neighbourhood, having successfully sold over 3,700 homes in Burnaby, including the award-winning master planned mixed-use development Station Square, which is comprised of five residential towers, over 1,800 condominium units and 400,000 square feet of commercial space, and has two additional high-rise developments currently under construction (The Standard and NUVO), and another currently selling (Ethos).

Anthem Experience

Anthem has an established and successful residential investment and development track record. Anthem's residential development experience dates back to the early 1990's and includes large master-planned mixed-use communities, high-rise residential and mixed-use towers, low-rise wood frame residential projects, land development and the ownership and management of a 5,000+ unit US residential apartment portfolio.

A sample of Anthem's recently completed and under development residential projects include:

Station Square	Burnaby, BC	A master-planned mixed-use community in Metrotown which consists of over 1,800 residential units in five high-rise towers and over 400,000 square feet of commercial space. The five towers range from 35 to 53 stories and represented over $1 billion in sales revenue. The multi-phase project was started in 2013 and construction of the last tower was completed in 2022.
South Yards	Burnaby, BC	A masterplan transit-oriented mixed-use development located in downtown Brentwood. The development will feature five high-rise towers providing 2 million square feet of density. Phase 1, comprised of two high-rise towers and an affordable rental building, will include 790 condominium units, 158 rental units, 23,200 square feet of retail space and 30,300 square feet of office space. Construction of Phase 1 commenced in October 2023.
Georgetown	Surrey, BC	A master-planned transit-oriented community located in the heart of Surrey City Centre. On completion the project will be comprised of over 2.7 million square feet of density spread across nine high-rise towers and a number of low and mid-rise buildings. Phase 1, a 30-storey tower comprised of 351 condominium units and 15,000 square feet of commercial space, completed construction in 2022. Phase 2, a 31-storey tower comprised of 355 condominium units and 9,600 square feet of commercial space commenced construction in May 2023.
SOCO	Coquitlam, BC	SOCO is a master-plan community which upon completion will include 7 high-rise towers providing over 1.9 million square feet of residential and commercial density. Phase 1, comprised of two residential towers providing 494 condominium units, 18 residential rental units, 62,000 square feet of commercial space and 43,500 square feet of amenity facilities, was completed in July 2024. Phase 2, a 28-storey tower containing 228 condominium units and a six-storey wood-frame rental building containing 71 rental units, commenced construction in June 2023.
NUVO	Burnaby, BC	43-storey residential tower, providing 358 condominium and townhome units and an 86-unit non-market rental building. Construction commenced in the second quarter of 2022.
Ethos	Burnaby, BC	34-storey residential tower, providing 218 market condominiums, 47 market rental apartments and 5 non-market rental apartments, plus a separate four-storey wood frame

		low-rise building comprised of 36 non-market rental apartments. Pre-sale campaign is ongoing. Construction expected to begin in 2025.
The Standard	Burnaby, BC	42-storey residential tower containing 424 condominium and townhome units and a six-storey 92-unit non-market residential rental building. Construction commenced in the second quarter of 2022.
Jinju	Coquitlam, BC	42-storey residential tower containing 332 condominium units and 55 residential rental units and a six storey 80-unit residential rental building. Construction commenced in the fourth quarter of 2021.
Wynwood Green	Coquitlam, BC	Two high-rise residential towers (23- and 28- storeys) located in the Lougheed area of Coquitlam, providing a combined 379 units. Construction completed in the fourth quarter of 2021.
Origin	North Vancouver, BC	13-storey residential rental development providing 225 suites. Project completed in fall 2021.
Waterfront	Calgary, AB	A master-planned residential community along the Bow River in downtown Calgary comprised of over 1,000 residential units. The multi-phase project was started in 2007 and construction of the last phase was completed in 2019.


Station Square, Metrotown, Burnaby, British Columbia


NUVO, Metrotown, Burnaby, British Columbia


The Standard, Metrotown, Burnaby, British Columbia

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 between the REDT and the Manager, the Manager will be appointed as the sole and exclusive manager of the affairs of the REDT. The Manager will provide the REDT with the strategic, advisory, asset management, and administrative services necessary to manage the day-to-day operations of the REDT. 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 and the REDT, (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 a disposition of the Project, (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 Eric Carlson as Chief Executive Officer, Rob McJunkin as Chief Financial Officer, Elva Kim as Chief Operating Officer, Rob Blackwell as Executive Vice President, Development, and Kate Ayoubi as Senior Vice President, Financial Operations 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 of a change of control of 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 REDT will pay the Manager an asset management fee (the "**Asset Management Fee**") equal to 1% per annum of the Gross Subscription Proceeds. The Asset Management Fee will accrue on a monthly basis until the earlier of the occurrence of a Liquidity Event and the date which is five years following the Closing Date, but will only be payable following the completion of a Liquidity Event and provided that the Minimum Return is achieved. The Manager will not receive payment of the Asset Management Fee during the development phase of the Project. In the event that a Liquidity Event is proposed by the Manager that would result in the Minimum Return being achieved but is not approved by Unitholders, the Asset Management Fee will continue to accrue until such time as a Liquidity Event is achieved.

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

Pursuant to the Management Agreement, the Manager will be receiving various fees and payments from the REDT in respect of the asset management and other services provided thereunder in respect of the REDT, and the Manager will be entitled to cost reimbursement pursuant to the Management Agreement. Anthem Developments will be entitled to the Carried Interest. Pursuant to the Construction Contract, the Development Management Agreement, and other agreements described at "Description of the Activities of the REDT – The Project – Other Agreements", the Project Manager will be receiving various fees and payments from the Project LP. In addition, each of Eric Carlson and Elva Kim, employees of Anthem, are Trustees and Eric Carlson, Rob McJunkin, Elva Kim, Rob Blackwell and Kate Ayoubi, employees of Anthem, are officers of the REDT. Further, Eric Carlson is the sole director of the indirect owner of Anthem Developments and controls the controlling shareholder of the Anthem group of companies.

None of Eric Carlson, Rob McJunkin, Elva Kim, Rob Blackwell and Kate Ayoubi 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 Manager's continuing businesses, including its role in providing asset management services to Anthem, may lead to conflicts of interest between the Manager and the REDT. 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 a party that was not a significant holder of an interest in the Project LP. The agreements that the REDT enters into with the Manager may be amended upon agreement between the parties, subject to Applicable Laws and approval in certain cases of the independent Trustees.

In addition, the Project Manager's continuing businesses, including its role in providing construction, development and other services to Anthem, as applicable, may lead to conflicts of interest between the Project Manager and the REDT (as well as potential conflicts of interest with respect to the relationships among the individual entities of the Project Manager, insofar as the Manager will be supervising and coordinating services with APG Construction and Anthem Realty). 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 a party whose affiliates were not a significant holder of an interest in the Project LP.

Anthem and the Trustees and executive officers of the REDT and the 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 Anthem, such Trustees, executive officers of the REDT, the 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 and the Other Project Manager entities".

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 September 6, 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 Barry Guld, Paolo Kalaw and Brooke Wade annual compensation, each, in the amount of $15,000. Eric Carlson and Elva Kim 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 Barry Guld, Paolo Kalaw and Brooke Wade, each of whom is “independent” and “financially literate” within the meanings of sections 1.4 and 1.6 of NI 52-110, respectively. See the biographies of Barry Guld, Paolo Kalaw and Brooke Wade 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 Carried Interest 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, KPMG LLP, in respect of the REDT's last two fiscal years.

15.2 Corporate Governance

Eric Carlson, Elva Kim, Barry Guld, Paolo Kalaw and Brooke Wade are the Trustees. Brooke Wade is the Chair of the Board. Barry Guld, Paolo Kalaw and Brooke Wade are independent. Eric Carlson and Elva Kim have each been determined to be non-independent given their respective employment with Anthem. 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 Project 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.

Brooke Wade 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)

Project ESG

The Project is designed to meet Burnaby's sustainability requirements including the target the BC Energy Step Code - Step 2 with a low-carbon energy system and reduced Green House Gas Intensity (GHGI) targets. This will be achieved using high-performance glazing, low percentage of window to wall ration glass and insulated spandrel glass/metal panel with high-efficiency mechanical systems. Additional sustainability measures will be achieved through maximizing indoor and outdoor amenity areas, recycled content and materials and the use of low volatile organic compounds. Drought tolerant landscaping throughout the site will mitigate the urban heat island effect and ensure survivability through the longer dry periods expected with climate change. A comprehensive on-site storm and ground water management plan has been provided to capture storm water runoff and limit discharge into the city's system. A green building report was submitted to the city of Burnaby and summarizes the key sustainability and energy-performance aspects of the Project.

20% of all the residential units in the Project will meet Burnaby's Adaptable Housing Guideline. These guidelines include adaptable features in homes that promotes housing choice and flexibility such that people can meet their accessibility needs and age in place with minimal or no additional renovation costs in the future.

The Project will provide 73 affordable non-market rental units. These 1-, 2- and 3-bedroom homes will be rented at 20% below Canada Mortgage and Housing Corporation (CMHC) market median rates for the applicable CMHC Market Rental Survey Zone. Applicants will qualify for these units through income testing limits set by BC Housing. These rental units will share access to approximately 7,600 square feet of dedicated amenity space with the market rental users. This amenity space includes an indoor social lounge, media room, coworking space, fitness centre, children's play area and outdoor landscaped social lounge.

Prioritizing transparency in the REDT's governance practices and proactively mitigating risk is important to the REDT. A majority of the Board is independent (60%) and the Audit Committee is 100% independent. Additionally, the Manager believes that diversity and inclusion are fundamental to the culture of collaboration and its diverse employees allow it to take on opportunities from different perspectives and create a greater impact. Women make up 40% of the executive officers of the REDT (two out of five) and 20% of the Trustees (one out of five).

Anthem ESG

Anthem's purpose is to invest, develop and manage real estate across North America. Anthem's mission is Creating Real Estate that Works. It is designed to work for all stakeholders, our tenants, customers, homeowners, community, lenders and partners.

Anthem's ESG strategy reinforces our mission Creating Real Estate that Works. It is an extension of our corporate culture, which emphasizes initiatives aimed at sustainability, social good, transparent governance and ethical practices.

Anthem works to reduce emissions by building and operating energy-efficient residential buildings, townhomes, retail centres and offices. Anthem pursues, develops and advocates for the development of high-density, mixed use developments on rapid transit corridors. These mixed-use developments encourage less reliance on automobiles and more walking and use of public transportation, while also reducing urban sprawl and preserving surrounding natural habitats. APG Construction is COR Certified and works to future-proof all of our residential projects by limiting (eliminating) the use of natural gas, using electric water heaters, induction or electric stove tops, 100% electric vehicle-ready parking for commercial and residential spaces, recycling of drywall, steel, wood, etc.

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 and territories of Canada up to a maximum of $82,000,000 of Class A Units and/or Class F Units at a price of $10.00 per Class A Unit and Class F Unit. The REDT may issue Class I Units or further additional trust units pursuant to this Prospectus or by way of private placement concurrent with the closing of the Offering at a price of $10.00, provided that the proceeds of any such private placements, together with the proceeds of the Offering, do not exceed the Maximum Offering amount. The terms of the Offering were determined by negotiation between the Agent and the Manager, on behalf of the 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 $65,000,000 in respect of the Class A Units, Class F Units and Class I Units (if any). The Closing Date will not proceed unless all preconditions to the closing of the REDT's interest in the Project LP has been satisfied or waived. The Agent will hold in trust all funds received from subscriptions until the Minimum Offering has been raised. If the Minimum Offering is not achieved within the 90-day distribution period, the Agent will return the funds to the Purchasers without any deductions, unless the subscribers have otherwise instructed the Agent.

The Units have not been and will not be registered under the U.S. Securities Act or the securities laws of any state in the U.S. and, subject to certain exceptions, may not be offered or sold in the U.S. The Agent has agreed that they will not offer or sell the Units within the U.S. except to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) or to a limited number of institutional accredited investors (as defined in the U.S. Securities Act). In addition, until 40 days after the Closing Date, an offer or sale of Units within the U.S. by any dealer (whether or not participating in the Offering) may violate the registration provisions of the U.S. Securities Act unless made in compliance with Rule 144A or another exemption under the U.S. Securities Act.

The 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, inclusive of the aggregate subscription amount for Units sold pursuant to any private placement concurrent with the closing of the Offering. The distribution under the Offering will not continue for a period of more than 90 days after the date of the receipt obtained from the principal securities regulatory authority for this Prospectus. If one or more amendments to this Prospectus are filed and the principal securities regulatory authority has issued a receipt for any such amendment, the distribution under this Offering will not continue for a period of more than 90 days after the latest date of a receipt for any such amendment. In any case, the total period of distribution under the Offering will not continue for a period of more than 180 days from the date of the receipt for this Prospectus. If the Minimum Offering is not achieved during the 90-day period, subscription funds received by the Agent will be returned to subscribers without any deductions, unless the subscribers have otherwise instructed the Agent.

16.3 Agency Agreement

Pursuant to an Agency Agreement made as of ●, 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 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%.

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.

16.4 Private Placement

The REDT may issue Class I Units or further additional trust units at a price of $10.00 by way of private placement concurrent with the closing of the Offering provided that the proceeds of any such private placement together with the proceeds of the Offering do not exceed the Maximum Offering.

17. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

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 the Units (in each case within the meaning of the Tax Act). Such Holders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Units. In addition, this summary does not address the deductibility of interest by a Holder who has borrowed money to acquire Units under the Offering.

The characterization of gains and losses from disposition of properties, as being on capital or income account will depend on the specific facts and circumstances relating to each such property. Counsel has been advised and this summary assumes that (a) the REDT's interest in Project LP will be held on capital account, and (b) that the Project LP will generally take the position that it holds the Project in the course of carrying on the business of developing and selling the Project, or as an adventure or concern in the nature of trade, such that income of the Project LP arising from the disposition of the Project by the Project LP 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 Anthem Citizen Real Estate Development Trust only and is not a reference to any other REDT Entity and a reference to "Units" does not include Class I Units.

Status of the REDT

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 closing of the Offering and at all times thereafter, and to file the necessary election pursuant to subsection 132(6.1) of the Tax Act so that the 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 Project 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 units of Project LP 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 Project LP will not be a SIFT partnership. In this connection, the Declaration of Trust of the REDT will provide 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* – see "The REDT – Non-Certificated Inventory System and Transfer of 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 Project LP will qualify for the Public Market Exemption at all relevant times, and that none of the REDT Entities 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 other REDT Entities 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 income of the Project LP for the Project 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 Project LP in excess of its allocated share of the income (including the full amount of any capital gain) of the Project LP for a fiscal period will result in a reduction in the adjusted cost base to the REDT of its units of Project LP by the amount of such excess. If, as a result, the adjusted cost base to the REDT of its units in Project LP at the end of a fiscal period of the Project LP would otherwise be a negative amount, the REDT would be deemed to realize a capital gain at the Project LP's fiscal period end equal to the absolute value of such negative amount, and the adjusted cost base to the REDT of its units of Project LP would then be increased to nil.

A distribution by the REDT of unsecured subordinated 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 notes 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 such notes exceed (or are less than) the adjusted cost base of the relevant property and any reasonable costs of disposition.

In computing its income or loss for purposes of the Tax Act, the REDT may generally deduct reasonable administrative costs 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.

Generally, under the Declaration of Trust, unless the Trustees otherwise determine, 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 which are designated by the REDT to redeeming Unitholders, will be payable in the year to Unitholders by way of cash distributions. 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 may, at the discretion of the Trustees, be treated as income paid or made payable to the redeeming Unitholder in the applicable year. 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 Trustees using reasonable efforts to obtain the information required to determine the Unitholder's cost amount) (the "**Allocation to Redeemers Rule**"). As a result, the taxable component of distributions by the 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 Allocation 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 Project LP

The Project LP is generally not subject to tax under the Tax Act. Each partner of the Project LP 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 Project LP (subject, in the case of a loss, to the application of the "at-risk rules" described below) for the fiscal period of the Project LP ending in, or coincidentally with, such taxation year, whether or not such partner has received any distributions from the Project LP in the year. For this purpose, the income or loss of the Project LP from any source will be computed for each fiscal period as if the Project LP were a person resident in Canada and will be allocated to its partners on the basis of their respective shares of that income or loss as provided for in the limited partnership agreement governing the Project LP. The fiscal period of the Project LP ends on December 31 of each year. In computing the income or loss of the Project LP, the Project LP is entitled to deduct its reasonable administrative costs and other expenses incurred to earn income.

The Project 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 Project LP will generally take the position that it carries on a business of developing the Project and, accordingly, income of Project 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 Project LP for purposes of the Tax Act, deductions may generally be claimed in respect of interest on the Project 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 Project LP, and administrative and other expenses incurred for the purpose of earning income from a business or property, including the Asset Management Fee, to the extent such outlays are reasonable and not capital in nature. Deductibility of losses allocated to the REDT by the Project 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 the Board otherwise determines, the Project LP intends to claim the maximum discretionary deductions that are available to it under the Tax Act, except that the Project 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 Project 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 Project LP Units) in the Project LP by the amount of such excess, as described above. If at the end of any fiscal period of the Project LP, the adjusted cost base of the interest (including any interest represented by Project LP Units) in the Project 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 Project LP Units) in the Project LP held by the REDT will be increased by the amount of such deemed capital gain to nil.

At-risk rules

The Tax Act contains rules (the "**at-risk rules**") which, in general, limit the ability of a limited partner of a partnership to deduct in a taxation year its share of any loss of the partnership (other than a capital loss) for a fiscal period ending in that taxation year to its "at-risk amount" in respect of such partnership at the end of that fiscal period. In general, the "at-risk amount" of a limited partner in respect of a limited partnership at the end of any fiscal period will be the adjusted cost base of the limited partner's partnership interest at the end of the fiscal period, plus any income (including the full amount of any capital gain) allocated to the limited partner for the fiscal period, less any amount owing by the limited partner (or by a person or partnership that does not deal at arm's length with the limited partner for purposes of the Tax Act) to the partnership (or to a person or partnership not dealing at arm's length with the partnership for purposes of the Tax Act) and less the amount of the limited partner's investment in the partnership that may reasonably be regarded as protected against loss.

The REDT's share of any loss of the Project 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 Project 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 Project LP's last fiscal period ending in that year exceeds the REDT's share of any loss of the limited partnership for that fiscal period, subject to and in accordance with the provisions of the Tax Act.

Taxation of Holders

Trust Distributions

A Holder will generally be required to include in computing income for a particular taxation year the portion of the 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, 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.

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 redemption price for Units is paid and satisfied by the REDT distributing to a Holder unsecured subordinated promissory notes of a Subsidiary of the REDT, the Holder will also be required to include in income any taxable capital gains that the REDT realizes on or in connection with such *in specie* distribution of property and designates to such Holder. The proceeds of disposition to the redeeming Holder will be equal to the fair market value of the notes 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 notes distributed by the REDT to a Holder upon a redemption of Units will be equal to the fair market value of those notes 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".

The 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 the Holder in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted against net taxable capital gains in any subsequent taxation year, subject to the detailed provisions of the Tax Act.

Capital Gains Amendments

Pursuant to Tax Proposals released on June 10, 2024 and revised on August 12, 2024 (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 a "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.

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:

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 or operated 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) changes in occupancy rates; (v) competition from other available properties; (vi) the ability of the REDT to provide adequate maintenance at competitive costs; (vii) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (viii) changes in governmental rules and fiscal policies; (vii) various uninsured or uninsurable risks; (ix) civil unrest; (x) acts of God and natural disasters; and (xi) acts of war or terrorism. In the event that the Project experiences any of the foregoing events or occurrences, the value of, and return on, the Project would be negatively impacted.

There can be no assurance of profitable operations once development of the Project is complete because the costs of operating the Project, including debt service, may exceed gross rental income therefrom, particularly since certain expenses related to real estate, such as property taxes, utility costs, maintenance costs, insurance, certain professional services and all related charges, must be made regardless of whether the Project is producing sufficient income to service such expenses, and such costs even tend to increase even if there is a decrease in the REDT's income from its investment in the Project. Any financing procured for the Project could or will require debt service payments. There is also no assurance that there will be a ready market for the Project because, as outlined below, investments in real estate generally are not liquid. Future profits, if any, will depend upon various factors, including the growth of the Metro Vancouver area and the regions around the Project, the success, if any, of the development and marketability of the Project, the receipt of applicable government approvals, the application of government regulations and enforcement of such regulations and general political and economic conditions.

In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the REDT's investment may be incurred. A prolonged deterioration in economic conditions could increase and exacerbate the foregoing risks. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the REDT's financial condition.

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 mixed-use 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) the failure to achieve expected occupancy levels within the projected time frame, if at all; (vii) delays with respect to obtaining additional required permits and governmental approvals; (viii) changes in real estate, tax, zoning, environmental and land use laws; (ix) occupancy rates and rents of the completed Project may not be sufficient to make it profitable; (x) environmental risks, including environmental conditions not identified in due diligence and future environmental concerns; (xi) the REDT's ability to dispose of the Project could be impacted by the ability of prospective buyers to obtain financing; (xii) the potential for undisclosed liabilities relating to the Project; and (xiii) 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 a certain construction timeline 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 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

Although the Construction Lender has committed to provide debt financing to the Project, 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 could exercise its rights including, without limitation, foreclosure or sale of the Project.

Rental Income Risks

The Project is expected to generate income primarily through rent payments made by the tenants thereof pursuant to standard form leases which are in place for each developed mixed-use unit. Upon expiry of any lease, there can be no assurance that it will be renewed or the tenant replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than the existing lease. If a significant number of tenants of the Project are unable to meet their obligations under their leases or if a significant amount of available space in the Project becomes vacant and cannot be re-leased out to tenants on economically favourable terms, the Project may not generate revenues sufficient to meet Operating Expenses, including debt service and capital expenditures, and Distributable Cash will be adversely affected.

There is also a risk that net operating income for the Project will not reach targeted levels and thus will impact the valuation on sale of the rental components of the Project.

Project Risk

Following 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 $621,712,000. 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, pursuant to a Cost Overrun Funding and Guarantee Agreement, Anthem Developments has agreed that Anthem will subscribe for Cost Overrun Units, as applicable. However, there can be no guarantee that Anthem 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 developed or operated successfully. The potential return to investors depends on the revenues generated by the Project, expenses incurred, costs and time to construct the Project, as well as the price achieved through a Liquidity Event, and/or the ability of the REDT to consummate a Liquidity Event. However, there can be no assurance that such business activities will generate revenues sufficient to meet the return objectives of the REDT.

The Project will be subject to the risks inherent in the marketing, construction and sale of mixed-use homes in Burnaby, British Columbia, 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 mixed-use property market in Burnaby, British Columbia) 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.

Requirements Under Municipal Affordable Housing and Rent Control Policies

Project is subject to the city of Burnaby RUZP and will provide 73 non-market, affordable rental units. The RUZP requires 20% of the total strata unit count to be non-market affordable rental units. Affordability levels of these rental units are to be set at 20% below Canada Mortgage and Housing Corporation (CMHC) market median rates for the applicable CMHC Market Rental Survey Zone. Rents can be increased annually according to *BC Residential Tenancy Act* maximums and can be readjusted to 20% below CMHC market median rents when tenants change.

Negative Cash Flow from Operating Activities

During the fiscal year ended December 31, 2023 and six-month period ended June 30, 2024, 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 Anthem 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 and Operators

The market for mixed-use projects in Burnaby, British Columbia 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.

Environmental Matters

Under various environmental laws, the Project 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 Project LP by third parties. In addition, if hazardous substances are located on, in, under or released from, the Project, the Project 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 Project 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 consultant 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 adverse environmental conditions.

The Metro Vancouver Real Estate Market

The Project is subject to the risks associated with fluctuations in or the volatility of the Metro Vancouver real estate market. The demand for newly constructed condominium units in the Metro Vancouver area is affected by numerous factors, including, but not limited to, interest rates, mortgage rules, rates of immigration to Canada (and to Metro Vancouver in particular), the supply of new units, and general economic conditions. The Metro Vancouver real estate market is subject to change, and there can be no assurance that demand for the remaining unsold newly constructed condominium units in the Metro Vancouver area will not decline. A decrease in demand for, or increase in the supply of, condominiums units in the Metro Vancouver area could materially adversely affect the Project's profitability. Some of the same factors that impact demand for new condominium in the Metro Vancouver area also impact the new purpose built rental apartment market. Demand and rental rates for new rental apartments can also be affected by the supply of new units and general economic conditions. Any significant increase in supply of new rental apartments, a reduction in immigration to Canada (with corresponding decreases of immigrants moving to the Metro Vancouver area) or a deterioration in general economic conditions that, in either case, results in lower demand for rental apartments could have a negative impact on achievable rents and therefore, the Project's profitability. New government policy that limits rent increases or constrains a landlord's ability to manage tenancies could also adversely affect profitability of the rental apartments in the Project. In addition, potential changes to federal immigration policy that reduce the number of immigrants permitted entry to Canada, or the number of residents granted permanent residency, could also adversely affect the profitability of rental apartments in the Project. Profitability of the Project as it relates to its commercial component is most impacted by competition of nearby commercial/retail operations and general economic conditions. Any extended period of poor economic conditions in the Metro Vancouver area that impact consumer spending could reduce demand for the commercial space, which in turn would negatively affect the Project's profitability.

Geographic Concentration and Local Economic Conditions

The Project is located in Burnaby, British Columbia. As such, the REDT is susceptible to local economic conditions, which impact the supply of and demand for mixed-use 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 mixed-use 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 and/or monetize the various components 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 at the federal, provincial and local level governing the ownership and leasing of real property, zoning, building standards, landlord tenant relationships, employment standards, environmental matters, taxes and other matters. It is possible that future changes in Applicable Laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the Project (including with retroactive effect). Any changes in the laws to which the Project is subject 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, use and operation of the Project, including changes to building codes and fire and life-safety codes. As a result, the Project may, in the future, incur capital expenditures which may not be fully recoverable from 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.

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 Project LP. Failure by the Project 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, 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 Current Owners, as the current owners of all limited partnership interests in the Project LP. The sole remedy of the REDT and any of its securityholders will be through the REDT bringing an action against the Current Owners for any breach under the Project LP Interest Subscription Agreement. The Current Owners' liability to the REDT under the purchase agreement for breach of representations and warranties is capped at $1.4 million and no claim under such indemnity may be made until the aggregate losses for all claims arising from a breach of a representation and warranty that is the subject of the indemnity exceed $75 thousand.

In addition, the Current Owners, as vendor, has 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 LP, as applicable, or that this Prospectus does not contain a misrepresentation with respect to the Project LP. Accordingly, the Current Owners, as vendor, will not have any liability to investors in the Offering if the Prospectus disclosure relating to the Project LP 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. There can be no assurance that the fair market value of the Project will not decrease in the future.

Independent Appraisal

The REDT retained the Appraiser to provide independent estimates of the Project's land. See "Description of the Activities of the REDT – The Project – Independent Appraisal". Caution should be exercised in the evaluation and use of appraisal results, which are estimates of market value at a specific point in time. In general, appraisals such as the Independent Appraisal 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 Appraisal will be attainable. In addition, the Independent Appraisal in respect of the Project has an effective date of June 10, 2024. As prices in the real estate market fluctuate over time in response to numerous factors, the market value shown on the Independent Appraisal may be an unreliable indication of their current market value. As such, the associated risk may not yet be priced into the real estate market. Readers of the Independent Appraisal should note the data and comparables used in the Independent Appraisal are data points that occurred in the past and there is projection risk associated with using lagging indicators, and the opinions in the Independent Appraisal 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, thereby impacting the Project's ability to generate revenues, thereby reducing its operating income and earnings. Such conditions could also have an adverse impact on the ability of the Project to maintain occupancy rates in the future which could harm the REDT's financial condition. In weak economic environments, the Project's tenants may be unable to meet their rental payments and other obligations due to the Project, which could have a material and adverse effect on the REDT. 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 or the Project's ability to generate revenues, thereby reducing its operating income and earnings.

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 economies and securities markets, including in Canada and the U.S., 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, including the valuation of the Project in connection with a Liquidity Event.

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 the Project LP 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 Project LP and the distribution of those earnings and other funds to the REDT. The payment of distributions by the Project LP 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 the Project LP.

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 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 15.0% compounded per annum, it may not be equal to 15.0% and does not mean that Unitholders should expect to receive a 15.0% compounded return per annum and return of their Gross Subscription Proceeds before the Carried Interest 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 Carried Interest

The amounts calculated as being distributable to Unitholders for purposes of determining the Carried Interest are not the same as the amounts that will be distributed to Unitholders pursuant to the Declaration of Trust.

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.

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. 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, Project Manager, Trustees and Officers)".

Potential Conflicts of Interest with Respect to the Manager and the other Project Manager entities

The services of the Manager as manager of the REDT, and the services of the Project Manager as manager of the Project, are not exclusive. The Manager, the Project Manager or any of their affiliates and associates may, at any time, engage in the development of, investment in and management of other real estate properties, as well as engage in other services, as applicable.

The Manager will not have any obligation to account to the REDT, Project LP or the Unitholders for profits made in such other activities. While the Manager owes fiduciary, legal and financial duties to the REDT and its Unitholders, the Manager's continuing businesses, including its role in providing asset management services to other development projects other than the REDT, may lead to conflicts of interest between the Manager and the REDT, including in connection with a Liquidity Event, the Current Owners NHC Liquidity Option, the REDT NHC Liquidity Option or the Sale Process, or any other potential exit event with respect to the Project. 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 a party that was not a significant holder of an interest in the Project LP and was not a provider of asset management services to investment vehicles other than the REDT.

In addition, the Project Manager's continuing businesses, including their roles in providing construction, development and other services to Anthem, as applicable, may lead to conflicts of interest between the Project Manager and the REDT (as well as potential conflicts of interest with respect to the relationships among the individual entities of the Project Manager, insofar as the Manager will be supervising and coordinating services with APG Construction and Anthem Realty). 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 a party whose affiliates were not a significant holder of an interest in the Project LP.

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 and its affiliates in resolving the aforementioned conflicts of interest as they may arise. See "The Manager and the Management Agreement – Potential Conflicts of Interest (Manager, Project Manager, Trustees and Officers)".

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.

Reliance on Third-Party Property Management

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

Limited Operating History

The 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.

Risks Related to the Offering

Limited Liquidity of Units

There is no market through which the Units may be sold, and Purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the Units, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. No market for the Units is expected to develop. 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 achieve a Liquidity Event within five 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 Subscription Proceeds by that time. Accordingly, an investment in Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

Less than Full Offering

There can be no assurance that more than the Minimum Offering will be sold. If less than all of the $82,000,000 of Class A Units, Class F Units and Class I Units (if any) are sold pursuant to this Offering and any concurrent private placements by the REDT, Anthem will fund the rest of the required equity for development of the Project through the Equity Commitment by acquiring Shortfall Units. In such circumstances, an investor's proportionate interest in the Project 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 British Columbia 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.

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 $150,000 in the aggregate in each calendar quarter.

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, to the redeeming Unitholder. Such promissory notes may be illiquid and generally will not be a qualified investment for trusts governed by Plans. Adverse tax consequences may apply to a trust governed by a Plan and/or the annuitant, holder, subscriber or beneficiary thereunder or thereof, as a result of the redemption of Units held in a trust governed by a Plan. Accordingly, investors that propose to invest in Units through Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Units.

Risks Related to Canadian Tax

Mutual Fund Trust Status

For the 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.

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. 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 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 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 Project LP will not be a SIFT partnership, because the units of such entities are not, and at all relevant times will not be, listed or traded on a stock exchange or other public market (within the meaning of the SIFT Rules), there can be no assurance that the REDT will not become subject to the tax imposed by the SIFT Rules in 2024 or future years. Please refer to the discussion under "Certain Canadian Federal Income Tax Considerations – Status of the Fund".

If the SIFT Rules were to apply to a REDT Entity, they may have an adverse impact on the REDT and the Unitholders, on the value of the Units and on the ability of the REDT 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. <u>In particular, to the extent that the Project 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</u>. 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.

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

The Project GP is considered to be the promoter of the REDT by reason of its initiative in organizing the REDT, initiating the establishment of the REDT as its initial Unitholder and taking the steps necessary for the public distribution of the Units. Prior to Closing, other than the initial Class A Unit issued to the Project GP, as settlor of the REDT (which will be automatically redeemed upon closing of the Offering), the Project GP did not, nor do its trustees or officers, beneficially own, control or direct, directly or indirectly, any Units. In connection with the Offering, the Current Owners are not disposing of their interests in the Project and the Current Owners will not receive any of the net proceeds of the Offering on closing of the Offering.

The Project GP has been the operator and manager of the Project responsible for the day to day activities of the Project since it was appointed as general partner of the Project LP on May 21, 2019. As part of its role as the day to day manager of the Project, the Project GP has engaged the Project Manager pursuant to the Construction Contract, Development Management Agreement, Sales and Marketing Agreement, Property Management Agreement (Commercial), Property Management Agreement (Residential Rental), Homeowner Care Services Agreement (Residential Rental) and Homeowner Care Agreement (Strata Condominium) in order to develop and construct the Project.

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 or territorial 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 or territorial 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. Anthem 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, which will only be payable following the occurrence of a Liquidity Event;

(b) the Current Owners will be entitled to the Carried Interest. See "Description of Securities – The REDT – Distributions" and the "Carried Interest" section of the Prospectus Summary;

(c) the Project Manager will be entitled to a fee pursuant to the Construction Contract. See "Description of the Activities of the REDT – The Project – The Construction Contract"; and

(d) the Project Manager will be entitled to a fee pursuant to the Development Management Agreement. See "Description of the Activities of the REDT – The Project – The Development Management Agreement".

23. AUDITOR

The auditors of the REDT are KPMG LLP, 777 Dunsmuir Street, Suite 1100, Pacific Centre, Vancouver, BC.

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 Suite 1100 Bentall IV Box 49200, 1055 Dunsmuir Street, Vancouver BC, 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) Project LP Agreement – described in "Description of Securities – The Project LP".

(c) Project LP Interest Subscription Agreement – described in "Description of the Activities of the REDT –The Project – The Project LP Interest Subscription Agreement".

(d) Construction Loan Agreement – described in "Capitalization – Long-Term Debt".

(e) Management Agreement – described in "The Manager and the Management Agreement – The Management Agreement".

(f) Construction Contract – described in "Description of the Activities of the REDT – The Project – The Construction Contract".

(g) Development Management Agreement – described in "Description of the Activities of the REDT – The Project – The Development Management Agreement".

(h) 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 Appraisal has been based upon reports by the Appraiser. As at the date of this Prospectus, the "designated professionals" of the Appraiser beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the 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.

KPMG LLP has prepared its audit report in respect of the REDT's statement of financial position, statement of changes in Unitholder's equity and statement of cash flows which are included in this Prospectus. KPMG LLP has confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation and regulations.

27. PURCHASERS' STATUTORY RIGHTS AND OTHER CONTRACTUAL RIGHTS

Securities legislation in certain of the provinces and territories of Canada provide 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 and territories , 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 or territory. The Purchaser should refer to any applicable provisions of the securities legislation of the Purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

INDEX TO THE FINANCIAL STATEMENTS

Financial Statements of

ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

And Independent Auditor's Report thereon

As at and for the one-day period ended September 6, 2024 (date of formation)

KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Anthem Citizen Real Estate Development Trust

Opinion

We have audited the financial statements of Anthem Citizen Real Estate Development Trust (the "REDT"), which comprise:

- the statement of financial position as at September 6, 2024 (date of formation)
- the statement of changes in net assets for the one-day period ended September 6, 2024 (date of formation)
- the statement of cash flows for the one-day period ended September 6, 2024 (date of formation)
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the REDT as at September 6, 2024 (date of formation), and its financial performance and its cash flows for the one-day period ended September 6, 2024 (date of formation) in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

We are independent of the REDT in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards 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 REDT's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership 's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the REDT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Vancouver, Canada
____________, 2024

ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Statement of Financial Position

September 6, 2024 (date of formation)

		2024
Assets		
Cash	$	10
Net assets attributed to unitholders (note 3)	$	10

See accompanying notes to financial statements.

ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST
Statement of Changes in Net Assets

As at and for the one-day period ended September 6, 2024 (date of formation)

		2024
Net assets attributable to unitholders, beginning of period	$	-
Contributions		10
Net assets attributed to unitholders, end of period	$	10

See accompanying notes to financial statements.

ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

Statement of Cash Flows

As at and for the one-day period ended September 6, 2024 (date of formation)

		2024
Cash flows from financing activities:		
Proceeds from issuance of unit, net of issue cost	$	10
Increase in cash, being cash, end of period	$	10

See accompanying notes to financial statements.

Anthem Citizen Real Estate Development Trust (the “REDT”) is a newly created trust pursuant to a Declaration of Trust dated September 6, 2024, and is governed by the laws of the Province of British Columbia. The REDT was formed for the purpose of indirectly owning an interest in the Citizen development project, of which current ownership is held through the existing limited partners of Anthem Metro King Developments Limited Partnership

To date, there have been no operations and going forward, the REDT’s financial reporting year end will be December 31.

The registered and head office of the REDT is Suite 1100 Bentall IV Box 49200, 1055 Dunsmuir Street, Vancouver, BC, V7X 1K8, Canada.

1. Basis of presentation:

(a) Statement of compliance:

The REDT financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and using accounting policies described herein.

The financial statements were approved by the Trustees on _____________.

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 REDT.

2. Material accounting policy information:

(a) Cash and cash equivalents:

Cash includes cash on hand and is measured at amortized cost.

3. Units:

The REDT 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 REDT 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 event:

The REDT entered into an agency agreement dated ___________, pursuant to which it filed a final prospectus dated ___________ in each of the provinces and territories of Canada in connection with its initial public offering to sell a minimum of C$65,000,000 and a maximum of C$82,000,000 of Class A Units and Class F Units a price of C$10 per Class A Unit and Class F Unit (the "Offering"). Costs related to the Offering include agents' fees of C$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, the REDT has agreed to acquire an indirect interest in the Citizen development project, of which current ownership is held through the existing limited partners of Anthem Metro King Developments Limited Partnership. and located in Burnaby, British Columbia, Canada.

Condensed Interim Financial Statements of

ANTHEM METRO KING DEVELOPMENTS LIMITED PARTNERSHIP

For the three and six months ended June 30, 2024 and 2023

ANTHEM METRO KING DEVELOPMENTS LIMITED PARTNERSHIP

Condensed Interim Statements of Financial Position

	June 30, 2024	December 31, 2023
Assets		
Cash	$ 19,903	$ 158,720
Other assets (note 6(d))	106,110	1,655,846
Deposits held in trust	25,872,870	13,113,891
Restricted cash	-	750,000
Current assets	25,998,883	15,678,457
Investment property (note 4)	138,924,419	132,469,184
Prepaid sales commissions (note 6(a))	7,132,496	6,378,862
Due from related parties (note 6(c))	-	3,056,554
Non-current assets	146,056,915	141,904,600
	$ 172,055,798	$ 157,583,057
Liabilities and Partners' Equity		
Debt on property (note 5)	$ 60,267,000	$ 59,997,002
Due to related parties (notes 6(a) and 6(b))	18,873,940	13,012,907
Accounts payable and accrued liabilities	27,778,715	30,638,805
Current liabilities	106,919,655	103,648,714
Deposits on real estate sales	25,872,870	13,113,891
Non-current liabilities	25,872,870	13,113,891
	132,792,525	116,762,605
Partners' equity (note 7)	39,263,273	40,820,452
	$ 172,055,798	$ 157,583,057

Susbequent events (notes 5 and 6(b))

See accompanying notes to condensed interim financial statements.

Approved by the Directors of the General Partner of Anthem Metro King Developments LP:

____________________ Director ____________________ Director

ANTHEM METRO KING DEVELOPMENTS LIMITED PARTNERSHIP

Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)

For the three and six months ended June 30, 2024 and 2023

	Six months ended June 30 2024	2023
Expenses:		
Sales and marketing (note 6(d))	$ 1,632,111	$ 939,293
Other expenses	3,542	9,204
Amortization of presentation centre	104,277	-
	1,739,930	948,497
Fair value loss on investment property	(169,249)	(4,626,968)
Loss and comprehensive loss	$ (1,909,179)	$ (5,575,465)

	Three months ended June 30 2024	2023
Expenses:		
Sales and marketing (note 6(d))	$ 1,027,225	$ 638,828
Other expenses	3,617	8,025
Amortization of presentation centre	69,518	-
	1,100,360	646,853
Fair value gain (loss) on investment property	1,597,382	(3,531,877)
Income (loss) and comprehensive income (loss)	$ 497,022	$ (4,178,730)

See accompanying notes to the condensed interim financial statements.

ANTHEM METRO KING DEVELOPMENTS LIMITED PARTNERSHIP

Condensed Interim Statements of Partners' Equity

For the six months ended June 30, 2024 and 2023

	General Partner	Limited Partners	Total
Partners' equity, January 1, 2023	$ 10	$ 47,724,972	$ 47,724,982
Contributions	-	3,630,000	3,630,000
Loss and comprehensive loss	-	(5,575,465)	(5,575,465)
Partners' equity, June 30, 2023	$ 10	$ 45,779,507	$ 45,779,517
Partners' equity, January 1, 2024	$ 10	$ 40,820,442	$ 40,820,452
Contributions		352,000	352,000
Loss and comprehensive loss -		(1,909,179)	(1,909,179)
Partners' equity, June 30, 2024	$ 10	$ 39,263,263	$ 39,263,273

See accompanying notes to condensed interim financial statements.

ANTHEM METRO KING DEVELOPMENTS LIMITED PARTNERSHIP

Condensed Interim Statements of Cash Flows

For the six months ended June 30, 2024 and 2023

	2024	2023
Cash provided by (used in):		
Operating:		
Loss and comprehensive loss	$ (1,909,179)	$ (5,575,465)
Items not involving cash:		
Amortization of presentation centre	104,277	-
Fair value loss on investment property	169,249	4,626,968
Deposits on real estate sales	12,758,979	-
Deposits held in trust	(12,758,979)	-
Changes in non-cash operating working capital:		
Other assets	1,445,459	(1,292,405)
Prepaid sales commissions	(753,634)	-
	(943,828)	(2,240,902)
Investing:		
Additions to investment property	(5,609,516)	(10,037,456)
Additions to presentation centre	-	(131,373)
	(5,609,516)	(10,168,829)
Financing:		
Partners' contributions	352,000	3,630,000
Proceeds from debt on property	-	24,267,000
Repayment of debt on property	-	(12,954,483)
Borrowing costs paid	(3,527,088)	(2,819,519)
Advances from related parties	5,861,032	11,609,200
Repayments from related parties	3,056,554	-
Financing costs paid	(77,971)	(416,290)
Restricted cash	750,000	(1,500,000)
	6,414,527	21,815,908
Increase (decrease) in cash	(138,817)	9,406,177
Cash, beginning of period	158,720	177,867
Cash, end of period	$ 19,903	$ 9,584,044

See accompanying notes to condensed interim financial statements.

1. Formation and nature of operations:

Anthem Metro King Developments Limited Partnership (the "Partnership") was formed on May 21, 2019 pursuant to a partnership agreement, as amended on November 29, 2019. The Partnership is governed by the laws of British Columbia. The registered office of the Partnership is 1100 – Bentall 4,1055 Dunsmuir Street, Vancouver, British Columbia.

The Partnership is engaged in the development and construction of a mixed-use tower located in Burnaby, British Columbia known as "Citizen".

2. Basis of presentation:

(a) Basis of preparation and measurement:

These condensed interim financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") Accounting Standards as issued by the International Accounting Standards Board and are in accordance with IAS 34, "Interim Financial Reporting" ("IAS 34"), on a basis consistent with the accounting policies disclosed in the audited financial statements for the year ended December 31, 2023. Accordingly, certain information and footnote disclosures normally provided in annual consolidated financial statements prepared in accordance with IFRS Accounting Standards, as issued by the IASB, have been omitted or condensed.

These condensed interim financial statements are presented in Canadian dollars, which is also the functional currency of the Partnership.

These condensed interim financial statements present the financial position and results of operations of the Partnership and as such do not include all assets, liabilities, revenues and expenses of partners, nor has any provision been made for income taxes payable by the partners.

These condensed interim financial statements are prepared on a historical cost basis except for investment property that is recorded at fair value with the changes in fair value recorded in the statements of income (loss) and comprehensive income (loss).

These condensed interim financial statements were approved and authorized for issue by the general partner on August _, 2024.

2. Basis of presentation (continued):

(b) Going concern basis of accounting:

The condensed interim financial statements have been prepared on a going concern basis, which contemplates that the Partnership 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. As at June 30, 2024, the Partnership has a working capital deficiency of $80,920,771 (December 31, 2023 - $87,970,257); primarily as a result of the current nature of its debt on property and certain municipal fees included in accounts payable and accrued liabilities that the Partnership has agreed with the City of Burnaby to pay upon the occurrence of certain future project milestones. As the Partnership is engaged in development activities, it has no sources of operating cash inflows. Accordingly, its ability to continue as a going concern is dependent upon the ability to extend or refinance its debt on property, obtain additional related party loans and raise additional equity financing. Additional equity financing includes, but is not limited to, continued financial support from its limited partners or raising further capital from additional sources. Although the Partnership has been successful in the past extending the debt on property, obtaining related party loans and receiving the support of its limited partners, there can be no assurance that the Partnership will be able to obtain these in the future. These matters represent material uncertainties that may cast significant doubt on the Partnership's ability to continue as a going concern.

These condensed interim 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.

(c) Critical accounting estimates and judgments:

The preparation of these condensed interim financial statements requires management to make judgments, estimated and assumptions that affect the amounts reported. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying amounts of assets and liabilities and the recognitions of revenues and expenses. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the affected asset or liability and the recognition of revenues and expenses in the future. The critical accounting judgments, estimates and assumptions applied during the three and six-months ended June 30, 2024 are consistent with those set out in Note 2 of the Partnership's audited annual financial statements for the years ended December 31, 2023 and 2022.

3. Material accounting policies:

The condensed interim financial statements have been prepared using the same material accounting policies and methods as those used in the Partnership's annual audited financial statements for the year ended December 31, 2023.

4. Investment property:

(a) Reconciliation of carrying amount:

The following table is a reconciliation of the investment property balance, representing the property under development.

	June 30, 2024	December 31, 2023
Balance, beginning of year	$ 132,469,184	$ 95,881,171
Development costs	2,827,398	38,380,575
Capitalized borrowing costs	3,797,086	6,030,359
Loss on change in fair value	(169,249)	(7,822,921)
	$ 138,924,419	$ 132,469,184

(b) Fair value and measurement of fair value:

On November 29, 2019, the Partnership acquired land and improvements for $60,500,000 plus closing costs.

The Partnership engaged an external independent professionally qualified appraiser to support the fair value of the residual land component of the investment property. The third-party appraiser evaluates external market data provided by independent industry experts to arrive at their determination of fair value of the land. Management reviews the independent appraisal obtained for the land to ensure the assumptions used by the appraiser are reasonable.

The fair value of the residual land as at June 30, 2024 and December 31, 2023 was determined by management utilizing appraisals dated as of June 10, 2024 and June 10, 2023. Also included in the investment property are additional development activities related to land improvements, as at June 30, 2024 and December 31, 2023, which are based on actual costs incurred.

The fair value methodology is considered to be Level 3, as significant unobservable inputs are required to determine fair value.

A reconciliation of the fair value of the residua; land component valued by an external independent appraiser and the total fair value of the Investment Property is summarized as follows:

	June 30, 2024	December 31, 2023
Fair value of land component	$ 96,600,000	$ 93,100,000
Land improvement costs	42,324,419	39,369,184
	$ 138,924,419	$ 132,469,184

4. Investment property (continued):

(b) Fair value and measurement of fair value:

(i) Valuation technique and significant unobservable inputs:

The following table shows the valuation technique used to measure the fair value of investment property, the significant unobservable inputs used, and the interrelationship between the unobservable inputs and the resulting fair value measurement.

Valuation techniques	Significant unobservable inputs	Interrelationship between Unobservable inputs and and fair value measurements
<u>Residential land value</u> The valuation method is based on substracting total development costs from the projected market value of the finished property	- Market value of strata components - Capitalization rates of income-producing components - Direct development costs to complete the project - Developer's Profit	The fair value would increase (decrease) if future market value of strata components increased (decreased), the capitalization rates decreased (increased), direct development costs to complete decreased (increased) and developer's profit decreased (increased)

The valuation technique used to measure the fair value of the investment property as at June 30, 2024 changed from the direct comparison approach that was used as at December 31, 2023. The change in valuation technique is a result of the progress of the development allowing for more reliable data available to employ the residual land value approach to valuing the investment property.

(ii) Sensitivity analysis:

The fair value of the investment property as at June 30, 2024 has been measured using the residual land value approach.

The residual land value approach uses the highest and best use of the property and estimates the market value of the completed property, total development costs and market developer's profit to arrive at the value of the land at the date of appraisal. At June 30, 2024, a 1% increase or decrease in any of the significant unobservable inputs would result in the following increase or decrease to the residual value of land by approximately.

4. Investment property (continued):

(b) Fair value and measurement of fair value (continued):

(ii) Sensitivity analysis (continued):

Significant unobservable inputs	Change to residential land value
- Market value of strata components	- 2% or $2 million increase or decrease
- Capitalization rates of income producing components	- $30 million or 32% decrease based on 1% increase in capitalization rates. $50 million or 53% increase based on a 1% decrease in capitalization rates.
- Direct development costs to complete the project	- 5% or $5 million increase or decrease
- Developer's Profit	- 7% or $7 million increase or decrease

5. Debt on property:

	June 30, 2024	December 31, 2023
Acquisition loan, maturity date of September 30, 2024, with interest only payments at an interest rate of prime rate +1.25% or BA + 2.75% per annum	$ 45,267,000	$ 45,267,000
Mezzanine loan, maturity date of November 11, 2024 with interest only payments at an interest rate greater of prime rate + 5.55% or 12.00%	15,000,000	15,000,000
Less: unamortized deferred financing costs	-	(269,998)
	$ 60,267,000	$ 59,997,002

The acquisition loan is secured by a first charge over the investment property, a general security agreement executed by the Partnership and a guarantee by a related party by virtue of common ownership. The maximum available funding under the facility is $45,267,000 (2023 - $45,267,000). The loan includes a $7,000,000 (2023 - $5,600,000) letter of credit facility bearing fees at 1.20% per annum with a maturity date of September 30, 2024.

The mezzanine loan is secured by a second charge over the investment property, a general security agreement executed by the Partnership and guarantees by related parties by virtue of common control. The maximum available funding under the facility is $15,000,000 (2023 – $15,000,000). The mezzanine loan was repaid in full on August 6, 2024 from deposits on real estate sales following receipt of a clearance certification from an insurer through a third-party insurance policy which is secured by a charge on the project.

6. Related party balances and transactions:

The Partnership's related parties include entities related by virtue of common control with one of the partners of the Partnership. The Partnership enters into transactions with its related parties for services. Transactions with related parties are in the normal course of operations and are measured at the amount exchanged.

(a) Sales and marketing agreement:

The Partnership has entered into a Sales and Marketing Agreement with a company related by virtue of common ownership with one of the partners of the Partnership. Pursuant to the agreement, the related party will provide sales and marketing management services for the benefit of the Partnership in exchange for a commission of 2% of the net selling price for each unit sold. The total sales commissions charged pursuant to this agreement as at June 30, 2024 is $2,646,592 (2023 - $2,406,031), which has been recorded as prepaid sales commissions.

Included in accounts payable and accrued liabilities as at June 30, 2024 is nil (2023 - $155,909) due to unpaid sales commissions (note 6(b)).

The Partnership has also entered into Development Management and Construction Management Agreements with companies related by virtue of common ownership with one of the partners of the Partnership. As at June 30, 2024 and December 31, 2023 no amounts were charged to the Partnership pursuant to these agreements.

(b) Due to related parties:

During the year ended December 31, 2023, an entity related by virtue of common ownership with one of the partners of the Partnership provided an interest-bearing promissory note to the Partnership in the amount of $12,295,000 to fund on going development costs of the Partnership. The promissory note bears interest at 14% (2023 - 11%) per annum of which 7% (2023 - 5.5%) is paid monthly and the remaining is accrued and compounded to the principal monthly. The promissory note and accrued interest thereon are due and payable on November 30, 2024. As at June 30, 2024, $859,705 (2023 - $459,729) of interest is accrued to the principal balance.

During the six-months ended June 30, 2024, entities related by virtue of common ownership with the limited partners of the Partnership provided a loan to the Partnership in the amount of $5,677,000 to fund ongoing development costs of the Partnership. The amounts are due on demand and are non-interest bearing. Subsequent to June 30, 2024, $3,868,000 of the loan was repaid from deposits on real estate sales following receipt of a clearance certification from an insurer through a third-party insurance policy which is secured by a charge on the project.

The amounts due to entities related through common ownership of one of the partners of the Partnership, relating to development costs paid on behalf of the Partnership, is $42,234 (2023 - $258,178). The amounts are due on demand and are non-interest bearing.

6. Related party balances and transactions (continued):

(c) Due from related parties:

As at December 31, 2023, the Partnership had a promissory note receivable outstanding with a principal balance of $2,700,000 from an entity related by virtue of common control with one of the partners of the Partnership. The promissory note bears interest at 15% per annum, compounded and accrued to the principal balance semi-annually. The principal balance and accrued interest of $356,554 was repaid in full during the 6-months ended June 30, 2024 in the total amount of $3,056,554.

(d) Presentation centre lease arrangement:

The Partnership entered into a non-exclusive Discovery Centre Agreement with Anthem Metro Town Discovery Centre Ltd., a company related by virtue of common ownership with one of the partners of the Partnership, to lease-out the premises for the sales centre of the Project. The total payment pursuant to the lease agreement is $2,114,000, which has been paid in its entirety as at December 31, 2023. As at December 31, 2023, $1,359,000 is included in other assets. During the three and six-months ended June 30, 2024, $906,000 and $1,359,000, respectively (2023 - nil and nil, respectively) was recognized within sales and marketing expenses in the statement of loss and comprehensive loss resulting in nil included in other assets as of June 30, 2024.

7. Partners' equity:

Pursuant to the Amended and Restated Limited Partnership Agreement dated November 28, 2019, net income will be allocated as follows:

- First, to each partner to the extent of any cumulative losses allocated to each partner in prior years;
- Second, to the limited partners in accordance with their respective proportionate shares until a cumulative amount received by each limited partner equals 8% preferred return;
- Thereafter, to:
  - The limited partners in accordance with their respective proportionate shares of 80% of remaining net income;
  - As to the remaining 20% of the balance of remaining net income:
    - The General Partner up to a maximum of 20% of the balance multiplied by a percentage of the profits of any project component sold to a third party:
    - The General Partner for any project component retained by the General Partner without exceeding $3,000,000;
    - Thereafter, the limited partners in accordance with their respective proportionate shares

7. Partners' equity (continued):

Loss shall be allocated firstly to the limited partners based on their respective proportionate share until such time as their respective capital account is zero, and the balance to the general partner.

8. Financial instruments and risk management:

(a) Fair values:

The carrying values of the Partnership's cash, due to/from related parties, debt on property and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial assets and liabilities. Management estimates that these differences are not material to the condensed interim financial statements.

The valuation of the investment property is a level 3 fair value measurement as it involves significant unobservable inputs and fluctuations in the inputs could significantly alter the fair value (note 4).

(b) Financial risk management:

(i) Liquidity risk:

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they fall due in the normal course of business. The financial liabilities of the Partnership consist of debt on property, due to/from related parties, accounts payable and accrued liabilities and deposits on real estate sales.

The following were the contractual maturities of financial liabilities and other commitments as at June 30, 2024:

	< 1 year	> 1 year	Total
Debt on property	$ 60,267,000	$ -	$ 60,267,000
Due to related parties	18,873,940	-	18,873,940
Accounts payable and accrued liabilities	27,778,715	-	27,778,715
Deposits on real estate sales	-	25,872,870	25,872,870
	$ 106,919,655	$ 25,872,870	$ 132,792,525

The Partnership manages this risk through detailed monitoring of budgeted and projected project costs and cash requirements. The Partnership mitigates liquidity risk by maintaining relationships with lenders, capital commitments by its partners to fund its liabilities as they become due.

8. Financial instruments and risk management:

(b) Financial risk management (continued):

(ii) Capital management:

The Partnership defines capital that it manages as the aggregate of its partners' equity and debt. The Partnership's primary objective when managing capital is to provide financial capacity and flexibility to meet its strategic objectives.

The Partnership's liquidity needs are for development costs and scheduled debt maturities. The Partnership's strategy is to meet these needs with one or more of the following: cash flow from operations, loan facilities, and refinancing opportunities. The Partnership is subject to risks associated with debt financing, including the possibility that existing debt may not be refinanced or may not be refinanced on as favourable terms or with interest rates as favourable as those of the existing debt. The Partnership manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Partnership monitors its capital using various financial ratios and non-financial performance indicators.

The following schedule details the components of the Partnership's capital:

	June 30, 2024	December 31, 2023
Liabilities:		
Debt on property	$ 60,267,000	$ 60,267,000
Note due to related party	17,972,000	12,295,000
Partner's contributions	31,500,000	31,148,000
	$ 109,739,000	$ 103,710,000

9. Commitments and contingencies:

The Partnership has outstanding letters of credit as at June 30, 2024 of $5,489,142 (2023 - $5,489,142) primarily related to works and services associated with engineering servicing and public art to be performed by the Partnership.

Financial Statements of

ANTHEM METRO KING DEVELOPMENTS LIMITED PARTNERSHIP

And Independent Auditor's Report thereon

Years ended December 31, 2023 and 2022

KPMG LLP
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Vancouver BC V7Y 1K3
Canada
Telephone 604 691 3000
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INDEPENDENT AUDITOR'S REPORT

To the General Partner of Anthem Metro King Developments Limited Partnership

Opinion

We have audited the financial statements of Anthem Metro King Developments Limited Partnership (the Entity), which comprise:

- the statements of financial position as at December 31, 2023, December 31, 2022, and January 1, 2022
- the statements of loss and comprehensive loss for the years ended December 31, 2023 and December 31, 2022
- the statements of changes in partners' equity for the years ended December 31, 2023 and December 31, 2022
- the statements of cash flows for the years ended December 31, 2023 and 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 Entity 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 Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) in the financial statements, which indicates that the Entity has a working capital deficiency, debt maturing in the next twelve months, and has material commitments to fund municipal fees and is reliant upon its shareholders, related parties and third-parties to provide future financing, through debt or equity, to fund its working capital needs, contractual commitments and development plans.

As stated in Note 2(b) in the financial statements, these events or conditions, along with other matters as set forth in Note 2(b) in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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

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

In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Vancouver, Canada
DATE

ANTHEM METRO KING DEVELOPMENTS LIMITED PARTNERSHIP

Statements of Financial Position

		December 31, 2023		December 31, 2022		January 1, 2021
Assets						
Cash	$	158,720	$	177,867	$	167,891
Other assets (note 7(d))		1,655,846		805,630		43,631
Deposits held in trust		13,113,891		-		-
Restricted cash		750,000		-		-
Current assets		15,678,457		983,497		211,522
Investment property (note 4)		132,469,184		95,881,171		93,056,008
Prepaid sales commissions (note 7(a))		6,378,862		-		-
Due from related parties (note 7(c))		3,056,554		-		-
Non-current assets		141,904,600		95,881,171		93,056,008
	$	157,583,057	$	96,864,668	$	93,267,530
Liabilities and Partners' Equity						
Debt on property (note 5)	$	59,997,002	$	48,615,188	$	47,285,605
Due to related parties (notes 7(a) and 7(b))		13,012,907		15,132		1,830,935
Accounts payable and accrued liabilities		30,638,805		509,366		165,956
Current liabilities		103,648,714		49,139,686		49,282,496
Deposits on real estate sales		13,113,891		-		-
Non-current liabilities		13,113,891		-		-
		116,762,605		49,139,686		49,282,496
Partners' equity (note 8)		40,820,452		47,724,982		43,985,034
	$	157,583,057	$	96,864,668	$	93,267,530

Subsequent events (notes 5, 6(b) and 6(c))

See accompanying notes to financial statements.

Approved by the Directors of the General Partner of Anthem Metro King Developments LP:

________________________ Director ________________________ Director

ANTHEM METRO KING DEVELOPMENTS LIMITED PARTNERSHIP

Statements of Loss and Comprehensive Loss

Years ended December 31, 2023 and 2022

	2023	2022
Expenses:		
Sales and marketing (note 7(d))	$ 2,424,388	$ 162,115
Other expenses	127,910	206,025
Amortization of presentation centre	159,311	-
	2,711,609	368,140
Fair value loss on investment property (note 4 (a))	(7,822,921)	(3,409,912)
Loss and comprehensive loss	$ (10,534,530)	$ (3,778,052)

See accompanying notes to financial statements.

ANTHEM METRO KING DEVELOPMENTS LIMITED PARTNERSHIP

Statements of Partners' Equity

Years ended December 31, 2023 and 2022

	General Partner	Limited Partners	Total
Partners' equity, January 1, 2022	$ 10	$ 43,985,024	$ 43,985,034
Contributions	-	7,518,000	7,518,000
Loss and comprehensive loss	-	(3,778,052)	(3,778,052)
Partners' equity, December 31, 2022	10	47,724,972	47,724,982
Contributions	-	3,630,000	3,630,000
Loss and comprehensive loss	-	(10,534,530)	(10,534,530)
Partners' equity, December 31, 2023	$ 10	$ 40,820,442	$ 40,820,452

See accompanying notes to financial statements.

ANTHEM METRO KING DEVELOPMENTS LIMITED PARTNERSHIP

Statements of Cash Flows

Years ended December 31, 2023 and 2022

	2023	2022
Cash provided by (used in):		
Operating:		
Loss and comprehensive loss	$ (10,534,530)	$ (3,778,052)
Items not involving cash:		
Amortization of presentation centre	159,311	-
Fair value loss on investment property	7,822,921	3,409,912
Deposits on real estate sales	13,113,891	-
Deposits held in trust	(13,113,891)	-
Changes in non-cash operating working capital:		
Other assets	(853,651)	(646,537)
Prepaid sales commissions	(3,897,921)	-
	(7,303,870)	(1,014,677)
Investing:		
Additions to investment property	(10,261,379)	(2,404,767)
Additions to presentation centre	(155,875)	(115,462)
	(10,417,254)	(2,520,229)
Financing:		
Partners' contributions	3,630,000	5,695,000
Proceeds from debt on property	24,267,000	1,390,997
Borrowing costs paid	(5,961,062)	(3,260,702)
Repayment of debt on property	(12,954,483)	-
Advances from related parties	15,641,221	7,197
Financing costs paid	(470,699)	(287,610)
Advances to related party	(5,700,000)	-
Restricted cash	(750,000)	-
	17,701,977	3,544,882
Increase (decrease) in cash	(19,147)	9,976
Cash, beginning of year	177,867	167,891
Cash, end of year	$ 158,720	$ 177,867

See accompanying notes to financial statements.

1. Formation and nature of operations:

Anthem Metro King Developments Limited Partnership (the "Partnership") was formed on May 21, 2019 pursuant to a partnership agreement, as amended on November 29, 2019. The Partnership is governed by the laws of British Columbia. The registered office of the Partnership is 1100 - Bentall 4,1055 Dunsmuir Street, Vancouver, British Columbia.

The Partnership is engaged in the development and construction of a mixed-use tower located in Burnaby, British Columbia known as "Citizen".

2. Basis of presentation:

(a) Basis of preparation and measurement:

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") Accounting Standards as issued by the International Accounting Standards Board. These are the Partnership's first financial statements prepared in accordance with IFRS Accounting Standards.

These financial statements are presented in Canadian dollars, which is also the functional currency of the Partnership.

These financial statements present the financial position and results of operations of the Partnership and as such do not include all assets, liabilities, revenues and expenses of partners, nor has any provision been made for income taxes payable by the partners.

These financial statements are prepared on a historical cost basis except for investment property that is recorded at fair value with the changes in fair value recorded in the statement of loss and comprehensive loss.

These financial statements were approved and authorized for issue by the general partner on _________ (date).

(b) Going concern basis of accounting:

These financial statements have been prepared on a going concern basis, which contemplates that the Partnership 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. As at December 31, 2023, the Partnership has a working capital deficiency of $87,970,257 (December 31, 2022 - $48,139,686; January 1, 2022 - $49,070,974), primarily as a result of the current nature of its debt on property and certain municipal fees included in accounts payable and accrued liabilities that the Partnership has agreed with the City of Burnaby to pay upon the occurrence of certain future project milestones. As the Partnership is engaged in development activities, it has no sources of operating cash inflows. Accordingly, its ability to continue as a going concern is dependent upon the ability to extend or refinance its debt on property, obtain additional related party loans and raise additional equity financing.

2. Basis of presentation (continued):

(b) Going concern basis of accounting (continued):

Additional equity financing includes, but is not limited to, continued financial support from its limited partners or raising further capital from additional sources. Although the Partnership has been successful in the past extending the debt on property, obtaining related party loans and receiving the support of its limited partners, there can be no assurance that the Partnership will be able to obtain these in the future. These matters represent material uncertainties that may cast significant doubt on the Partnership'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 Partnership be unable to continue as a going concern. These adjustments may be material.

(c) Critical accounting estimates and judgments:

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities. These judgments, estimates and assumptions are based on historical experience and management's best knowledge of current events and actions that the Partnership may undertake in the future. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Partnership's accounting policies, management has made the following critical judgments and estimates.

Judgements:

(*i*) Classification of investment property:

Management applied judgment in the classification of its property under development as investment property held for capital appreciation rather than for short-term sale in the ordinary course of business as defined by International Accounting Standard 40, Investment Property ("IAS 40"). In determining the classification, management assessed the project against relevant criteria including changes to the business plan, status of municipal approvals and status of construction.

2. Basis of presentation (continued):

(c) Critical accounting estimates and judgments (continued):

Estimates:

(*i*) Valuation of investment property:

Judgement is involved in the determination of whether the fair value of the investment property can be reliably measured or not. The fair value of the investment property is determined by management, in conjunction with an independent real estate valuation expert using recognized valuation techniques (note 4).

Assumptions and estimates are required in determining the unobservable inputs used in the fair value calculations and changes in those inputs may result in a change in the recorded fair value of the property. Changes in market conditions may impact the valuation of the investment property and may result in changes in future revenue and/or profitability.

3. Material accounting policies:

(a) Cash:

Cash consists of cash held at banks.

(b) Restricted cash:

Restricted cash represents bank deposits required to be held related to interest reserves.

(c) Other assets - presentation centre:

The presentation centre is used in the sales and marketing of residential units. The cost of the sales centre is amortized on a straight-line basis over the estimated useful life of the asset, being the expected selling period for the project.

(d) Deposits held-in-trust and deposits on real estate sales:

Deposits held-in-trust represents the initial cash down-payment made by purchasers toward the acquisition of condominium units from the Partnership. Such cash is held by a designated trustee and may be used towards the Partnership's construction costs if authorized by the lenders on the project through an insured program.

Deposits on real estate sales will be recognized as revenue in accordance with the Partnership's revenue recognition policy.

3. Material accounting policies (continued):

(e) Investment property:

(*i*) Recognition and measurement:

Investment property includes property held either to earn rental income or capital appreciation or both. Investment properties are measured initially at costs, which includes all expenditures in connection with the acquisition of property, direct development and construction costs, borrowing costs and property taxes.

Subsequent to initial recognition, the investment property is measured at fair value at each reporting date. Gains and losses arising from changes in fair value of the investment property are included in loss and comprehensive loss in the period in which they arise.

(*ii*) *Borrowing costs:*

Borrowing costs directly attributable to the acquisition and redevelopment of the investment property are capitalized to the carrying value of the investment property until such time as the redevelopment of the investment property is substantially completed or construction has ceased. All other borrowing costs are recognized in loss and comprehensive loss in the period in which they are incurred.

(*iii*) *Change in use:*

Under certain circumstances, an investment property may be redeveloped as property under development for resale or owner-occupied property.

Once appropriate evidence of a change in use is established, typically at the commencement of redevelopment, the property is transferred to property under development for sale or property plant and equipment, respectively, at its carrying value.

(*iv*) *Derecognition:*

An investment property is derecognized when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of the investment property are recognized in the statement of loss and comprehensive loss in the year of retirement or disposal.

Gains or losses on the disposal of an investment property are determined as the difference between net disposal proceeds and the carrying value of the asset on the date the transaction occurred.

3. Material accounting policies (continued):

(f) Fair value measurement:

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 or, in its absence, the most advantageous market to which the group has access at that date. The Partnership uses the fair value hierarchy to classify the significance of inputs to valuation techniques used in making fair value measurements of financial assets and liabilities. The categories are:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (*i.e.*, as prices) or indirectly (*i.e.*, derived from prices); and
- Level 3 inputs are not based on observable market data.

When one Level 1 input is available the Partnership measures the fair value of the instrument using the quoted price in an active market for that instrument (Level 1). A market is regarded as active if transactions for the asset or a liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (Level 2 or Level 3). The chosen valuation technique incorporates all the factors that market participants would consider in pricing a transaction.

(g) Financial instruments:

(*i*) Classification and measurement:

Financial assets are classified and measured to reflect the business model in which assets are managed and the contractual terms of the cash flows. Financial assets are classified and measured in the following three categories: amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition, unless the Partnership identifies changes in its business model in managing financial assets and would reassess the classification of financial assets.

Financial liabilities are classified and measured at amortized cost unless they are designated at FVTPL. For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

3. Material accounting policies (continued):

(g) Financial instruments (continued):

(*i*) Classification and measurement (continued):

The following table summarizes the classifications of the Partnership's financial assets and liabilities.

Financial instrument	
Cash	Amortized cost
Restricted cash	Amortized cost
Due to/from related parties	Amortized cost
Debt on property	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Deposits on real estate sales	Amortized cost

(*ii*) Impairment:

An allowance for expected credit losses ("ECL") is recognized at each balance sheet date for all financial assets measured at amortized cost or those measured at fair value through other comprehensive income. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. ECL is measured under the simplified approach based on the 12-month ECLs.

Impairment losses, if incurred, would be recorded as expenses in the statement of income and comprehensive income with the carrying amount of the financial asset or group of financial assets reduced through the use of impairment allowance accounts. In periods subsequent to the impairment where the impairment loss has decreased, and such decrease can be related objectively to conditions and changes in factors occurring after the impairment was initially recognized, the previously recognized impairment loss would be reversed through the combined statement of income and comprehensive income. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

3. Material accounting policies (continued):

(h) Provisions:

A provision is recognized if, as a result of a past event, the Partnership has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Provisions include estimated future warranty costs on completed and sold development properties.

(i) Income taxes:

The Partnership is not subject to income taxes. The net income or loss of the Partnership is allocated to the individual partners for taxation purposes. As such, there is no provision for income taxes in these financial statements.

(j) Revenue recognition:

Revenue associated with the rent of investment properties is recognized using the straight-line method of rental revenue recognition whereby any contractual free-rent periods and rent increases over the term of a lease are recognized in earnings evenly over the lease term. Initial direct leasing costs incurred in negotiating and arranging tenant leases are added to the carrying amount of the investment properties and are amortized over the term of the lease. Lease incentives, which include costs incurred to make leasehold improvements to tenants' space and cash allowances provided to tenants, are added to the carrying amount of investment properties and are amortized on a straight-line basis over the term of the lease as a reduction in revenue from investment properties

(k) Accounting standards effective in the year:

The Partnership has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. The amendments require the Partnership to disclose "material" rather than "significant" accounting policies. Replacing "significant" with "material" means that management's assessment of the accounting policy information to be disclosed is based on a defined term in IFRS Accounting Standards. The amendments provide guidance on the application of materiality to account policy disclosures and aim to assist entities with providing more relevant, company-specific disclosures. Management has reviewed and updated the accounting policies disclosed in note 3. Material accounting policies (2022 - Significant accounting policies), where applicable, in line with the amendments.

3. Material accounting policies (continued):

(l) Accounting standards issued but not yet effective in the year:

Two amendments to IAS 1, *Presentation of Financial Statements* are effective for February 1, 2024. The first amendment clarifies that the classification between current and non-current liabilities is based on rights that are in existence at the end of the reporting period. The classification is unaffected by expectations of whether an entity will exercise its right to defer settlement of a liability. It also introduces a definition of "settlement" as the transfer of cash, equity instruments, other assets or services to the counterparty. The second amendment introduces Non-Current Liabilities with Covenants. It specifies that the classification of debt as current or non-current at the reporting date is not affected by the entity's compliance to the covenants after the reporting date. Management does not expect the amendments above will have any material impact on the Partnership's financial disclosures.

4. Investment property:

(a) Reconciliation of carrying amount:

The following table is a reconciliation of the investment property balance, representing the property under development.

	2023	2022
Balance, beginning of year	$ 95,881,171	$ 93,056,008
Development costs	38,380,575	3,035,787
Capitalized borrowing costs	6,030,359	3,199,288
Loss on change in fair value	(7,822,921)	(3,409,912)
	$ 132,469,184	$ 95,881,171

(b) Fair value and measurement of fair values:

On November 29, 2019, the Partnership acquired land and improvements for $60,500,000 plus closing costs.

The Partnership engaged an external independent professionally qualified appraiser to support the fair value of the land component of the investment property. The third-party appraiser evaluates external market data provided by independent industry experts to arrive at their determination of fair value of the land. Management reviews the independent appraisal obtained for the land to ensure the assumptions used by the appraiser are reasonable.

4. Investment property (continued):

(b) Fair value and measurement of fair values (continued):

The fair value of the land as at January 1, 2022, December 31, 2022 and December 31, 2023 was determined by management utilizing appraisals dated as of April 10, 2019 and April 10, 2023. Also included in the investment property are additional development activities related to land improvements, as at December 31, 2023, December 31, 2022 and January 1, 2022, which are based on actual costs incurred.

The fair value methodology is considered to be Level 3, as significant unobservable inputs are required to determine fair value.

A reconciliation of the fair value of the land component valued by an external independent appraiser and the total fair value of the Investment Property is summarized as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Fair value of bare land component	$ 93,100,000	$ 91,100,000	$ 91,100,000
Land improvements	39,369,184	4,781,171	1,956,008
	$ 132,469,184	$ 95,881,171	$ 93,056,008

(c) Valuation technique and significant unobservable inputs:

The following table shows the valuation technique used to measure the fair value of investment property, the significant unobservable inputs used, and the interrelationship between the unobservable inputs and the resulting fair value measurement.

Valuation technique	Significant unobservable Inputs	Interrelationship between key unobservable inputs and fair value measurement
Direct comparison approach		
The valuation method is based on comparison to recent sales of properties of similar types, location and quality.	Price per buildable square foot	The estimated fair value would increase (decrease) if the price per buildable square foot based on comparable market transactions increased (decreased).

4. Investment property (continued):

(d) Sensitivity analysis:

The fair value of the investment property has been measured using the direct comparison approach.

The direct comparison approach uses the proposed gross buildable area expected to be developed, multiplied by the price per buildable square foot, which is based on an assessment of comparable properties. This approach also considers the floor space ratio of the planned building, development period and planning status at measurement date. At December 31, 2023, an increase/decrease in the price per buildable square foot of 2% would increase/decrease the fair value by $1,862,000 (2022 - $1,822,000).

5. Debt on property:

	December 31, 2023	December 31, 2022	January 1, 2022
Acquisition loan, maturity date of June 30, 2024, with interest only payments at an interest rate of prime rate +1.25% or BA + 2.75% per annum	$ 45,267,000	$ 36,000,000	$ 36,000,000
Mezzanine loan[1], repaid in full on May 11, 2023 with interest only payments at an interest rate greater of prime rate + 5.05% or 9.00%	-	12,954,483	11,563,487
Mezzanine loan[2], maturity date of November 11, 2024 with interest only payments at an interest rate greater of prime rate + 5.55% or 12.00%	15,000,000	-	-
Less: unamortized deferred financing costs	(269,998)	(339,295)	(277,882)
	$ 59,997,002	$ 48,615,188	$ 47,285,605

The acquisition loan is secured by a first charge over the investment property, a general security agreement executed by the Partnership and a guarantee by a related party by virtue of common ownership. The loan had an initial maturity date of June 30, 2022, which was subsequently extended to June 30, 2024. The maximum available funding under the facility is $45,267,000 (2022 - $36,000,000). The loan includes a $5,600,000 (2022 - nil) letter of credit facility bearing fees at 1.20% per annum. Subsequent to December 31, 2023, the acquisition loan was amended to extend the maturity date to September 30, 2024 and the letter of credit facility increased to $7,000,000.

5. Debt on property (continued):

The mezzanine loan1 was secured by a second charge over the investment property, a general security agreement executed by the Partnership and a guarantee by a related party by virtue of common ownership. The maximum available funding under the facility was $13,400,000 (2022 - $12,000,000). The mezzanine loan was repaid in full on May 11, 2023, from proceeds of the mezzanine loan 2.

The mezzanine loan is secured by a second charge over the investment property, a general security agreement executed by the Partnership and guarantees by related parties by virtue of common ownership. The maximum available funding under the facility is $15,000,000.

6. Related party balances and transactions:

The Partnership's related parties include entities related by virtue of common ownership with one of the partners of the Partnership. The Partnership enters into transactions with its related parties for services. Transactions with related parties are in the normal course of operations and are measured at the amount exchanged.

(a) Sales and marketing agreement:

The Partnership has entered into a Sales and Marketing Agreement with a company related by virtue of common ownership with one of the partners of the Partnership. Pursuant to the agreement, the related party will provide marketing and sales management services for the benefit of the Partnership in exchange for a commission of 2% of the net selling price for each unit sold. The total sales commissions charged pursuant to this agreement as at December 31, 2023 is $2,406,031 (2022 - nil) and this has been recorded as prepaid sales commissions.

Included in accounts payable and accrued liabilities as at December 31, 2023 is $155,909 (2022 - nil) due to unpaid sales commissions (note 8(b)).

The Partnership has also entered into Development Management and Construction Management Agreements with companies related by virtue of common ownership with one of the partners of the Partnership. During the years ended December 31, 2023 and 2022 no amounts were charged to the Partnership pursuant to these agreements.

(b) Due to related parties:

During the year ended December 31, 2023, an entity related by virtue of common control with one of the partners of the Partnership provided an interest-bearing promissory note, funded by third parties, to the Partnership in the amount of $12,295,000 to fund ongoing development costs of the Partnership. The promissory note bears interest at 11% per annum of which 5.5% is paid monthly and the remaining is accrued and compounded to the principal monthly. The promissory note and accrued interest thereon are due and payable on May 31, 2024. As at December 31, 2023, $459,729 (2022 - nil) of interest is accrued to the principal balance.

6. Related party balances and transactions (continued):

(b) Due to related parties (continued):

Subsequent to December 31, 2023, the promissory note was amended to extend the maturity date to November 30, 2024, and bears interest at 14% per annum of which 7% is paid monthly and the remaining is accrued and compounded to the principal monthly.

The amounts due to entities related through common ownership of one of the partners of the Partnership, relating to development costs paid on behalf of the Partnership is $258,178 (2022 - $15,132). The amounts are due on demand and are non-interest bearing.

(c) Due from related parties:

As at December 31, 2023, the Partnership had a promissory note receivable outstanding with a principal balance of $2,700,000 from an entity related by virtue of common control with one of the Partners of the Partnership. The promissory note bears interest at 15% per annum, compounded and accrued to the principal balance semi-annually. The promissory note, including accrued interest thereon in the amount of $356,554, was repaid in full subsequent to December 31, 2023.

(d) Presentation centre lease arrangement:

The Partnership entered into a non-exclusive Discovery Centre Agreement with Anthem Metro Town Discovery Centre Ltd., a company related by virtue of common ownership with one of the partners of the Partnership, to lease-out the premises for the sales centre of the Project. The total payment pursuant to the lease agreement is $2,114,000, which has been paid in its entirety as at December 31, 2023. As at December 31, 2023, $1,359,000 (2022 - $279,000) is included in other assets and $755,000 (2022 - nil) was recognized within sales and marketing expenses in the statement of loss and comprehensive loss during the year ended December 31, 2023.

7. Partners' equity:

Pursuant to the Amended and Restated Limited Partnership Agreement dated November 28, 2019, net income will be allocated as follows:

- First, to each partner to the extent of any cumulative losses allocated to each partner in prior years;
- Second, to the limited partners in accordance with their respective proportionate shares until a cumulative amount received by each limited partner equals an 8% preferred return;

7. Partners' equity (continued):

- Thereafter, to:
  - The limited partners in accordance with their respective proportionate shares to 80% of remaining net income;
  - As to the remaining 20% of the balance of remaining net income:
  - The General Partner up to a maximum of 20% of the balance multiplied by a percentage of the profits of any project component sold to a third party:
  - The General Partner for any project component retained by the General Partner without exceeding $3,000,000;
  - Thereafter, the limited partners in accordance with their respective proportionate shares

Loss shall be allocated firstly to the limited partners based on their respective proportionate share until such time as their respective capital account is zero, and the balance to the general partner.

8. Financial instruments and risk management:

(a) Fair values:

The carrying values of the Partnership's cash, restricted cash, due from related parties, debt on property, due to/from related parties and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial assets and liabilities. Management estimates that these differences are not material to the financial statements.

The valuation of the investment property is a level 3 fair value measurement as it involves significant unobservable inputs and fluctuations in the inputs could significantly alter the fair value (note 4).

(b) Financial risk management:

The Partnership does not enter into financial instrument arrangements for speculative purposes. The Partnership may be exposed to financial risks from its normal operating activities, as follows:

(*i*) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

8. Financial instruments and risk management (continued):

(b) Financial risk management (continued):

(*i*) Interest rate risk (continued):

As described in note 5, the Partnership's debt on property bears interest at floating rates. As such, fluctuations in interest rates will impact the cost of financing in the future. The Partnership would be negatively impacted if interest rates were to increase beyond currently forecasted future interest rates. The Partnership includes forecasted future interest rates in its budgeting and forecasting process and monitors its interest rate exposure on an ongoing basis.

(ii) Credit risk:

Credit risk is the risk of financial loss to the Partnership if a customer or counterparty to a financial asset fails to meet its contractual obligation. The Partnership is exposed to credit risk relating to non-performance of purchasers on presales. The Partnership mitigates its credit risk by requiring graduated deposits from buyers and withholding real estate title until final payments are received.

(*iii*) Liquidity risk:

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they fall due in the normal course of business. The financial liabilities of the Partnership consist of debt on property, due to/from related parties, accounts payable and accrued liabilities and deposits on real estate sales. The Partnership manages this risk through detailed monitoring of budgeted and projected project costs and cash requirements. The Partnership's management has formal monthly meetings addressing the expected cash inflows and outflows to reduce any potential liquidity risk and is also in constant discussions with lenders regarding renewal terms in the normal course of business. The acquisition loan, mezzanine loan and note payable are due within the 12 months following the year ended December 31, 2023. These loans are expected to be extended or refinanced as they fall due until the date in which construction debt is secured and funded at which time these loans will be repaid in full. There is increased liquidity risk should the acquisition loan, mezzanine loan and note payable not be extended or refinanced by the maturity date and construction debt and equity financing is not secured. Management believes that the loans can be refinanced in full by the maturity date at normal commercial terms. The Partnership has successfully raised capital financing in the past and anticipates it will continue to secure new equity required to obtain construction debt to commence construction.

As at December 31, 2023 the Partnership continues to meet its contractual obligation with normal payment terms.

8. Financial instruments and risk management (continued):

(b) Financial risk management (continued):

(*iv*) Capital management:

The Partnership defines capital that it manages as the aggregate of its partners' equity and debt. The Partnership's primary objective when managing capital is to provide financial capacity and flexibility to meet its strategic objectives.

The Partnership's liquidity needs are for development costs and scheduled debt maturities. The Partnership's strategy is to meet these needs with one or more of the following: cash flow from operations, loan facilities, and refinancing opportunities. The Partnership is subject to risks associated with debt financing, including the possibility that existing debt may not be refinanced or may not be refinanced on as favourable terms or with interest rates as favourable as those of the existing debt. The Partnership manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Partnership monitors its capital using various financial ratios and non-financial performance indicators.

The following schedule details the components of the Partnership's capital:

	2023	2022	2021
Liabilities:			
Debt on property	$ 60,267,000	$ 48,954,483	$ 47,563,487
Note due to related party	12,295,000	-	-
Partner's contributions	31,148,000	27,518,000	20,000,000
	$ 103,710,000	$ 76,472,483	$ 67,563,487

9. Commitments and contingencies:

The Partnership has outstanding letters of credit as at December 31, 2023 of $5,489,142 (2022 - nil) primarily related to works and services associated with engineering servicing and public art to be performed by the Partnership.

SCHEDULE A
AUDIT COMMITTEE CHARTER

Anthem Citizen Real Estate Development Trust (the "Trust")

1. Mandate

The primary function of the audit committee (the "**Committee**") is to assist the Trust in fulfilling its responsibilities of oversight and supervision of its accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, and the quality and integrity of its financial statements.

The Committee's primary duties and responsibilities are to:

(a) serve as an objective party to monitor the Trust's financial reporting and internal control system and review the Trust's financial statements;

(b) review the performance of the Trust's external auditors; and

(c) provide an open avenue of communication among the Trust's auditors, the trustees of the Trust and senior management of the Trust and Anthem Properties Group Ltd., in its capacity as manager of the Trust (the "**Manager**").

2. Composition

The Committee shall be composed of three trustees of the Trust as determined by the trustees of the Trust, two of whom shall be free from any relationship that, in the opinion of the trustees, would interfere with the exercise of 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 Trust's financial statements.

(b) The members of the Committee shall be appointed by the trustees of the Trust. Unless a Chair is elected by the trustees, the members of the Committee may designate a Chair. The Chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings and reporting to the trustees.

3. Meetings

The Committee shall meet four times annually, or more frequently as circumstances dictate. If so requested by a member of the Committee, the external auditor shall attend any meeting of the committee held during the term of office of the external auditor.

4. Authority

The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Trust. The Committee has the power to engage and determine funding for outside counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties.

5. Duties and Responsibilities

The Committee shall:

(a) Documents/Reports Review

(1) Review the Trust's financial statements, management's discussion and analysis of financial results ("**MD&A**") and any financial press releases before the Trust publicly discloses this information and report on such review to the trustees.

(2) Review and assess the adequacy of procedures in place for the review of the Trust's public disclosure of financial information extracted or derived from the Trust's financial statements, other than the Trust's financial statements, MD&A and financial press releases.

(b) External Auditor

(1) Oversee the work of the external auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Trust, including reviewing with management of the Manager and the external auditor the overall scope and plans for the audit.

(2) Review annually the performance of the external auditors, who shall be ultimately accountable to the trustees of the Trust and the Committee as representatives of the unitholders of the Trust.

(3) Recommend to the trustees of the Trust the selection and compensation and, where applicable, the replacement of the external auditor nominated for the purpose of preparing or issuing an auditor's report or performing other audit review services for the Trust.

(4) Consult with the external auditor, without the presence of management of the Manager about the quality of the Trust's accounting principles, internal controls and the completeness and accuracy of the Trust's financial statements.

(5) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Trust's external auditors.

(c) Financial Reporting Processes

(1) In consultation with the external auditor, review with management of the Manager the integrity of the Trust's accounting and financial reporting practices and procedures, both internal and external, and approve, if appropriate, changes to the Trust's auditing and accounting practices.

(2) Review and assist with the resolution of any significant disagreement among management of the Manager and the external auditor in connection with the preparation of the financial statements.

(3) Establish procedures for (A) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and (B) the confidential anonymous submission by the Manager's employees of concerns regarding questionable accounting or auditing matters.

(d) Risk Management

(1) Be aware of the risks of the business and ensure management of the Manager has adequate processes in place to monitor, manage and mitigate these risks as they arise.

6. Other

The Committee shall review any related-party transactions not in the ordinary course of business in the absence of a special committee of the board of trustees designated for such purpose.

CERTIFICATE OF THE REDT AND THE PROMOTER

Dated: September 10, 2024

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

ANTHEM CITIZEN REAL ESTATE DEVELOPMENT TRUST

By: (Signed) "*Eric Carlson*" Chief Executive Officer	By: (Signed) "*Rob McJunkin*" Chief Financial Officer

ON BEHALF OF THE BOARD OF TRUSTEES

By: (Signed) "*Brooke Wade*" Trustee	By: (Signed) "*Elva Kim*" Trustee

ON BEHALF OF THE PROMOTER

ANTHEM METRO KING DEVELOPMENTS GP LTD.
as Promoter

By: *(Signed) "Eric Carlson"* President	By: *(Signed) "Rob McJunkin"* Chief Financial Officer

CERTIFICATE OF THE AGENT

Dated: September 10, 2024

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

CIBC WORLD MARKETS INC.

By: *(Signed) "Mark Driman"*
Mark Driman
Managing Director