

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC1208019	2015/05/01	TRANSFER  REMARKS: PLANNING ACT STATEMENTS.	\$10,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	BIN WAN AB RAHMAN, MOHD AZMI BIN MOHD AZMI, WAN AIMAN AKMAL	C
SC1208020	2015/05/01	TRANSFER  REMARKS: PLANNING ACT STATEMENTS.	\$10,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	TAN, HOCK ANN	C
SC1208021	2015/05/01	TRANSFER  REMARKS: PLANNING ACT STATEMENTS.	\$10,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	SINNADURAI, MAHENDRAN	C
SC1208022	2015/05/01	TRANSFER  REMARKS: PLANNING ACT STATEMENTS.	\$10,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	CHAN, YIT KUAN	C
SC1208023	2015/05/01	TRANSFER  REMARKS: PLANNING ACT STATEMENTS.	\$30,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	NG, WAI CHOONG TAN, MABAL	C
SC1208024	2015/05/01	TRANSFER  REMARKS: PLANNING ACT STATEMENTS.	\$10,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	BIN CHIK OMAR, CHIK NAZRIN	C
SC1208025	2015/05/01	TRANSFER  REMARKS: PLANNING ACT STATEMENTS.	\$10,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	BINTI KAIRON, NORLIDA	C
SC1208026	2015/05/01	TRANSFER  REMARKS: PLANNING ACT STATEMENTS.	\$30,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	LOW, CHEE CHEONG	C
SC1208027	2015/05/01	TRANSFER  REMARKS: PLANNING ACT STATEMENTS.	\$10,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	BIN ABDUL HALIM, SUHAIMI	C
SC1208028	2015/05/01	TRANSFER  REMARKS: PLANNING ACT STATEMENTS.	\$10,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	LEE, EWE AI REBECCA	C
SC1208029	2015/05/01	TRANSFER  REMARKS: PLANNING ACT STATEMENTS.	\$20,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	YEE, HOONG HING	C
SC1208030	2015/05/01	TRANSFER  REMARKS: PLANNING ACT STATEMENTS.	\$10,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	CHEOH, BOON LEONG	C
SC1208031	2015/05/01	TRANSFER  REMARKS: PLANNING ACT STATEMENTS.		*** COMPLETELY DELETED *** ANGUS MANOR PARK A2A DEVELOPMENTS INC.	LIM, SHEA LI SHIRLEY YIP, KWOK ONN ANDREW	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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58103-0065 (LT)

PAGE 57 OF 58  
PREPARED FOR BORLAK01  
ON 2023/09/07 AT 12:13:20

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC1280741	2016/02/03	TRANSFER	\$20,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	SINGH, JOGINDAR SANDHU, RAJVINDER SINGH	C
REMARKS: PLANNING ACT STATEMENTS.						
SC1280742	2016/02/03	TRANSFER	\$400,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	ANGUS A2A GP INC. ANGUS A2A LIMITED PARTNERSHIP	C
REMARKS: PLANNING ACT STATEMENTS.						
SC1280743	2016/02/03	TRANSFER	\$440,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	ANGUS A2A GP INC. ANGUS A2A LIMITED PARTNERSHIP	C
REMARKS: PLANNING ACT STATEMENTS.						
SC1280744	2016/02/03	TRANSFER	\$1,000,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	ANGUS A2A GP INC. ANGUS A2A LIMITED PARTNERSHIP	C
REMARKS: PLANNING ACT STATEMENTS.						
SC1282308	2016/02/11	TRANSFER	\$2	LIM, SHEA LI SHIRLEY YIP, KWOK ONN ANDREW	LIM, SHEA LI SHIRLEY YIP, KWOK ONN ANDREW	C
REMARKS: PLANNING ACT STATEMENTS.						
SC1294878	2016/04/08	TRANSFER	\$260,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	ANGUS A2A GP INC. ANGUS A2A LIMITED PARTNERSHIP	C
REMARKS: PLANNING ACT STATEMENTS.						
SC1373344	2016/12/20	TRANSFER	\$160,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	ANGUS MANOR PARK A2A CAPITAL CORPORATION	C
REMARKS: PLANNING ACT STATEMENTS.						
SC1385574	2017/02/08	TRANSFER	\$160,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	ANGUS MANOR PARK A2A CAPITAL CORPORATION	C
REMARKS: PLANNING ACT STATEMENTS.						
SC1385575	2017/02/08	TRANSFER	\$20,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	ANGUS A2A GP INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
SC1385576	2017/02/08	TRANSFER	\$330,000	ANGUS MANOR PARK A2A DEVELOPMENTS INC.	ANGUS MANOR PARK A2A CAPITAL CORPORATION	C
REMARKS: PLANNING ACT STATEMENTS.						
SC1427895	2017/07/06	TRANSFER	\$2	ANGUS MANOR PARK A2A CAPITAL CORPORATION	ANGUS MANOR PARK A2A GP INC. ANGUS MANOR PARK A2A LIMITED PARTNERSHIP.	C
REMARKS: PLANNING ACT STATEMENTS.						
SC1427896	2017/07/06	TRANSFER	\$2	ANGUS MANOR PARK A2A CAPITAL CORPORATION	ANGUS MANOR PARK A2A GP INC. ANGUS MANOR PARK A2A LIMITED PARTNERSHIP	C
REMARKS: PLANNING ACT STATEMENTS.						

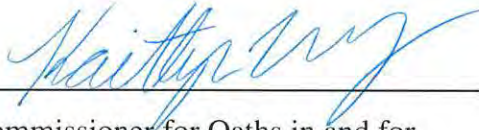
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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC1427897	2017/07/06	TRANSFER	\$2	ANGUS MANOR PARK A2A CAPITAL CORPORATION	ANGUS MANOR PARK A2A GP INC. ANGUS MANOR PARK A2A LIMITED PARTNERSHIP	C
REMARKS: PLANNING ACT STATEMENTS.						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

This is Exhibit "28" referred to  
In the Affidavit of Michael Edwards  
Sworn before me this 24 day of November, 2024



Commissioner for Oaths in and for  
the Province of Alberta

Kaitlyn Wong  
Barrister & Solicitor  
3400, 350 7<sup>th</sup> Avenue SW  
Calgary, Alberta T2P3N9  
Ph: 1-403-261-7388





28

**Township of Essa**  
**5786 Simcoe County Road 21**  
**Utopia, Essa Twp. ON L0M 1T0**  
**Tel. (705) 424-9770**

<b>Requested By:</b> FASKEN MARTINEAU 333 BAY ST., SUITE 2400 BAY ADELAIDE CTR, BOX 20  TORONTO ON M5H 2T6  <b>Certificate No:</b> 8304 <b>Fee:</b> <b>Your File:</b> 261990.23363	<b>Assessed Owners</b> ANGUS MANOR PARK A2A CAPIT ANGUS MANOR PARK A2A GP IN  2030 BRISTOL CIRCLE SUITE 210  OAKVILLE ON L6H 0H2  <b>Municipal Address</b> 8569 5TH LINE	<b>Property Roll Number</b> 4321-010-008-04400-0000  <b>Property Description</b> CON 5 W PT LOT 28  <b>Utility Account Number</b>  <b>Utility Account Balance</b> \$0.00
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**Statement of Current Year Taxes**

Taxes Levied to Date	Local Improvements	Penalty	Amount Paid	Current Owing
\$7,977.68	\$0.00	\$358.68	\$0.00	\$8,336.36

**Statement of Tax Arrears**

Arrears In	Taxes	Interest	Total Outstanding
Year 1	\$3,992.16	\$648.70	\$4,640.86
Year 2	\$0.00	\$0.00	\$0.00
Year 3 and prior	\$0.00	\$0.00	\$0.00

**Total Taxes Owing and Billed at Date of Certification: \$12,977.22**

*Penalty and/or interest levied on outstanding principal is 1.25% levied on the first day of the month after default and then on the first of each month thereafter until paid. Interest and penalty charges have been calculated to the end of the month in which this certificate is issued.*

Local Improvement Charge Breakdown				Current Year Installment Breakdown			
Code	Description	Amount	Expiry	Interim		Final	
				03/27/2024	\$1,883.94	09/27/2024	\$2,106.74
				06/27/2024	\$1,882.00	11/27/2024	\$2,105.00
				Total	\$3,765.94	Total	\$4,211.74
Prior Year Taxes				Total Current Year Taxes Levied:			
December 31, 2023		\$7531.87		\$7,977.68			

I hereby certify that, subject to the qualifications respectively shown the above statement shows:

1. All arrears of taxes returned to this office are due and owing against the above lands.
2. The current amount of taxes on real property and whether any or all of the taxes have been paid as at the date of certification in connection with the above lands, and that no part of the said land has been sold for taxes under the Municipal Tax Act, 1984.
3. That the current taxes shown reflect only those levied to date for the property described.

**Qualifications**

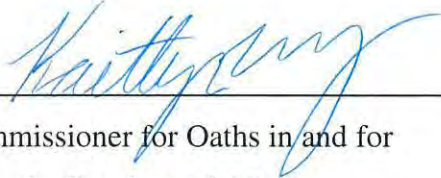
Certified as at: 11/05/2024

*J. J. J. J.*

Tax Collector

1. This certificate is subject to additional taxes which may be levied pursuant to Sections 32 and 33 of the Assessment Act, R.S.O. 1990.
2. This certificate is subject to the adjustment of taxes pursuant to the provisions of Sections 39.1 and 40 of the Assessment Act R.S.O. 1990 and Sections 356, 357 and 358 of the Municipal Act/O. Reg 325/01.
3. The total taxes shown may include additions to the Tax Collector's roll authorized by provincial legislation.
4. The information on this certificate is based on cheques tendered being honoured by the institution upon which they are drawn.
5. The tax Bill is sent to the assessed owner at time of production.
6. A COPY OF THIS CERTIFICATE SHOULD BE GIVEN TO THE NEW OWNERS. THE MUNICIPALITY DOES NOT REBILL.

This is Exhibit "29" referred to  
In the Affidavit of Michael Edwards  
Sworn before me this 12<sup>th</sup> day of November, 2024



Commissioner for Oaths in and for  
the Province of Alberta

Kaitlyn Wong  
Barrister & Solicitor  
3400, 350 7<sup>th</sup> Avenue SW  
Calgary, Alberta T2P3N9  
Ph: 1-403-261-7388



This Offering Memorandum (i) constitutes an offering of securities only in those jurisdictions where, and to those persons to whom, they may be lawfully offered for sale, (ii) is not, and under no circumstances is it to be construed as, a prospectus or an advertisement or a public offering of these securities and (iii) is for the confidential use of only those persons to whom it is transmitted in connection with this offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon. **This Offering is not made to, nor will subscriptions be accepted from, any non-resident of Canada or any person in the United States of America.**

**FURTHER AMENDED AND RESTATED  
CONFIDENTIAL OFFERING MEMORANDUM**

November 21, 2013



*The Issuer*

**HILLS OF WINDRIDGE A2A TRUST  
(the "Trust")**

250 Ferrand Drive, Suite 888 Toronto, Ontario M3C 3G8 Canada  
T: 416.467.7888 E: windridgetrust@a2acanada.ca

**Purpose:** The Trust was established for the purpose of investing in Hills of Windridge A2A Limited Partnership ("Windridge LP"), which in turn was established for the purpose of (i) acquiring up to a 22.67% undivided fractional interest in 415 acres of land (more or less) in Tarrant County within the Dallas-Fort Worth area in Texas, United States of America and (ii) participating, through Windridge LP, in the multi-phase, 1,284-home residential community development to be built by Windridge A2A Developments, LLC on such land and to be known as the "The Hills of Windridge".

**Currently Listed or Quoted:** No. These securities do not trade on any exchange or market.  
**Reporting Issuer/SEDAR Filer:** No. The Trust is not a reporting issuer or equivalent in any jurisdiction.

*The Offering*

**Securities Offered & Price:** Trust units ("Units") at a price of \$100 per Unit. See "Description of the Securities Offered".

**Minimum / Maximum Offering:** \$1,500,000 (15,000 Units) / \$10,500,000 (105,000 Units).  
Funds available under this offering may not be sufficient to accomplish our proposed objectives.

**Minimum Subscribers & Subscription Amount:** 150 subscribers (excluding each Insider of the Trust), with each subscriber purchasing at least one hundred (100) Units. The Administrator may, in its sole discretion, on an individual basis, accept subscriptions for less than 100 Units.  
**Payment Terms:** The subscription price is payable at the time of Closing by bank draft, certified cheque or such other manner as may be accepted by the Trust in its sole discretion. See "Subscription Procedures".

**Proposed Closing Date(s):** On or about March 31, 2014 (or such earlier or later date as may be approved by the Trust in its sole discretion) for the initial Closing. In the event the Minimum Offering has not been reached by April 30, 2014, all subscription funds will be returned to subscribers without interest or deduction. If the Closing of the Minimum Offering occurs by April 30, 2014, but the Maximum Offering has not yet been reached, additional Closings may be held through August 31, 2014.

**Tax Consequences:** There are important tax consequences to the ownership of Units. **All investors will be responsible for the preparation and cost of filing of their own tax returns in respect of this investment.** You should consult your own professional tax advisor to obtain advice respecting any tax considerations or consequences applicable to you prior to investing. See "Certain Canadian Federal Tax Considerations" and "Certain U.S. Federal Tax Considerations".

**Selling Agent:** Yes. Agents, including exempt market dealers and their dealing representatives (as those terms are defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*) will offer the Units for sale. See "Compensation for Selling Commissions, Service Fees And Marketing Fees".

**Resale Restrictions:** Except as described under "Description of the Securities Offered – Redemption", you will be restricted from selling your Units for an indefinite period. See "Resale Restrictions".

**Purchasers' Rights:** You have two (2) Business Days to cancel your agreement to purchase Units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See "Purchasers' Rights".

**HILLS OF WINDRIDGE A2A TRUST COPY – Please complete and submit this page with your subscription agreement.**

Subscriber's Name

Subscriber's Signature

Date

, 201

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a highly risky investment. See "Risk Factors".

*This Offering Memorandum (i) constitutes an offering of securities only in those jurisdictions where, and to those persons to whom, they may be lawfully offered for sale, (ii) is not, and under no circumstances is it to be construed as, a prospectus or an advertisement or a public offering of these securities and (iii) is for the confidential use of only those persons to whom it is transmitted in connection with this offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon. **This Offering is not made to, nor will subscriptions be accepted from, any non-resident of Canada or any person in the United States of America.***

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November 21, 2013



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**HILLS OF WINDRIDGE A2A TRUST**

(the "Trust")

250 Ferrand Drive, Suite 888 Toronto, Ontario M3C 3G8 Canada

T: 416.467.7888 E: windridgetrust@a2acanada.ca

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**INVESTOR COPY – Please retain a complete copy of this Offering Memorandum for your records.**

**No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a highly risky investment. See "Risk Factors".**



# A2A

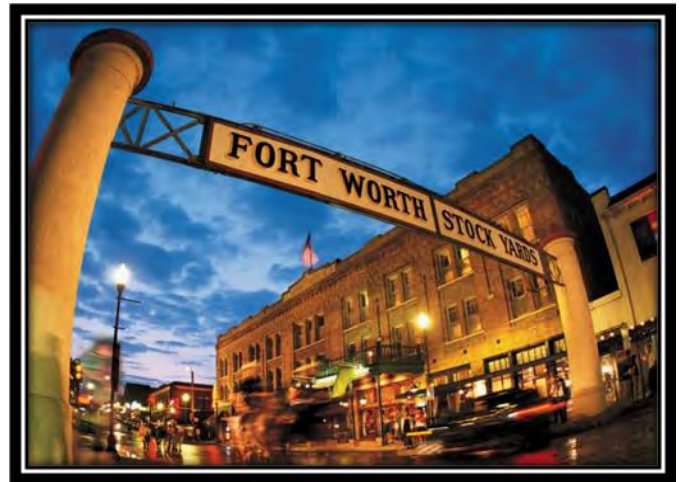
where a world of investment opportunities await you...



Above: View of Fort Worth skyline from the Hills of Windridge.  
Below: Groundbreaking ceremony May 1, 2013.







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## FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements in this Offering Memorandum as they relate to the Trust, Windridge LP, the General Partner and Windridge Developments and their respective views or predictions about possible future events or conditions and their business operations and strategy, may constitute forward-looking information, future oriented financial information or financial outlooks (collectively, “**forward-looking statements**”) within the meaning of applicable Canadian Securities Laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects”, “does not expect”, “is expected”, “anticipates”, “does not anticipate”, “plans”, “estimates”, “believes”, “does not believe” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or achieved) are not statements of historical fact and may be “forward-looking statements”. Forward-looking statements are based on the current expectations, estimates and projections of the Administrator and Windridge Developments at the time the statements are made. They involve a number of known and unknown risks and uncertainties which may cause actual results or events to differ materially from those presently anticipated.

Forward-looking statements in this Offering Memorandum include, but are not limited in any manner to:

- (a) the expectation that the Property will meet the Trust’s and Windridge Developments’ investment objective, including the expectation that the phases of the development, and the sale of the homes to be constructed on the Property, will be completed within the contemplated timetable;
- (b) the anticipated costs to be incurred by the Trust and Windridge Developments to complete development of the Property, and that the Development Fund will be sufficient to fund those costs;
- (c) statements with respect to the current state of the U.S. economy and real estate markets, and the expectation that economic recovery will lead to increases in the demand for and values of real estate properties in the Dallas-Fort Worth Area;
- (d) the anticipated business, operational and other costs to be incurred by the Trust, Windridge LP, the General Partner and Windridge Developments;
- (e) the stated intention to make distributions annually commencing December 31, 2014; and
- (f) the expectation that the Trust will satisfy the requirements stipulated by the Tax Act to qualify as a “mutual fund trust”.

Other forward-looking statements regarding the Trust are based on certain key expectations and assumptions of the Trust concerning anticipated financial performance, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of services and the ability to obtain financing on acceptable terms, which are subject to change based on market conditions and potential timing delays. Although the Trust considers these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

By its very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that expectations will not be achieved. Undue reliance should not be placed on forward-looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives and expectations including, among other things, general economic and market factors, interest rates, business competition, changes in government regulations or in tax laws, in addition to those factors discussed or referenced in “Risk Factors”. These risk factors should not be considered exhaustive. Many of these risk factors are beyond the control of the Trust, the General Partner and Windridge Developments, and each contributes to the possibility that the forward-looking statements will not occur or that actual results, performance



or achievements may differ materially from those expressed or implied by such statements. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these risks, uncertainties and factors are interdependent, and management's future course of action depends upon an assessment of all information available at that time.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Offering Memorandum are made as of the date of this Offering Memorandum and none of the Trust, the General Partner and Windridge Developments undertake, and none is obligated, to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities legislation.

#### **MARKET AND INDUSTRY DATA**

This Offering Memorandum includes market and industry data and forecasts, and surveys, that were obtained from surveys, third-party sources, industry publications and publicly available information as well as industry data prepared by Windridge Developments on the basis of its knowledge of the residential construction industry in which the Trust will operate (including their estimates and assumptions relating to the industry based on that knowledge). Windridge Developments believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although Windridge Developments believes it to be reliable, none of the Trust, the General Partner or Windridge Developments has independently verified any of the data from management or third-party sources referred to in this Offering Memorandum, or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

#### **ELIGIBILITY FOR INVESTMENT**

Based on the current provisions of the Tax Act and the regulations thereunder, and subject to the provisions of any particular plan, provided that the Trust qualifies and continues at all times to qualify as a "mutual fund trust" as defined in the Tax Act, the Units will be a qualified investment for a trust governed by a registered retirement savings plan (a "RRSP"), a registered education savings plan (a "RESP"), a registered retirement income fund (a "RRIF"), a deferred profit sharing plan (a "DPSP"), a registered disability savings plan (a "RDSP") or a tax-free savings account (a "TFSA") (collectively, "Deferred Plans").

Notwithstanding the foregoing, if the Units are a "prohibited investment" (as defined in the Tax Act) for a trust governed by a TFSA, RRSP or RRIF, the holder or annuitant thereof will be subject to a penalty tax as set out in the Tax Act. The Units will generally not be "prohibited investments" if the holder of such Deferred Plans deals at arm's length with the Trust, for the purposes of the Tax Act, and does not have a significant interest in the Trust or a corporation, partnership or trust with which the Trust does not deal at arm's length. Generally, a holder or annuitant will have a significant interest in the Trust if the holder or annuitant and/or persons not dealing at arm's length with the holder or annuitant own, directly or indirectly, 10% or more of the fair market value of the Units. Units will not be a "prohibited investment" if the Units are "excluded property" as the term is defined in the proposed legislation released by the Ministry of Finance (Canada) on December 21, 2012 for trusts governed by a TFSA, RRSP and RRIF. Prospective purchasers who intend to hold Units in a TFSA, RRSP or RRIF are advised to consult their personal tax advisors.

#### **INVESTMENT NOT LIQUID**

The Units offered hereby will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, if ever, a Unitholder will not be able to trade the Units unless he, she or it complies with very limited exemptions from the prospectus and registration requirements under applicable Securities Laws. As the Trust has no intention of becoming a reporting issuer in any jurisdiction in Canada, these

trading restrictions will not expire. Consequently, Unitholders may not be able to liquidate their Units in a timely manner, if at all, or pledge their Units as collateral for loans. See “Resale Restrictions”.

While the Declaration of Trust contains a redemption right, the total cash amount available for the payment of the redemption price of Units by the Trust is limited to \$25,000 in each calendar quarter and is also limited in any 12-month period to 1% of the aggregate Gross Subscription Proceeds of all Units that were issued and outstanding at the start of such 12-month period. If redemptions in excess of these cash limits occur, the redemption of Units may be paid and satisfied by way of an *in specie* distribution of property of the Trust, and/or unsecured subordinated notes of the Trust, as determined by the Trustees in their sole discretion (both as to payment and terms), to the redeeming Unitholder. Such property may not be liquid and generally will not be a qualified investment for Plans and may be a prohibited investment for Deferred Plans. See “Description of Securities Offered – Redemption” and “Risk Factors – Illiquidity of Units and – Redemptions”.

### DISTRIBUTIONS NOT GUARANTEED

Although the Trust intends to distribute its available cash to the Unitholders on an annual basis, such cash distributions may be reduced or suspended. The Trust does not anticipate having any available cash to distribute prior to December 31, 2014. The ability of the Trust to make cash distributions and the actual amount distributed will depend on the ability of Windridge Developments to develop the Property and sell the homes to be built thereon within the contemplated timetable, and will be subject to various factors including those referenced in the “Risk Factors” section of this Offering Memorandum. 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 Subscribers to consider the particular risk factors that may affect the real estate investment markets generally and therefore the availability and stability of the distributions to Unitholders. See “Risk Factors” for a more complete discussion of these risks and their potential consequences.

### EXCHANGE RATE INFORMATION

**Unless otherwise indicated, all references to “\$” or “dollars” in this Offering Memorandum are to Canadian dollars and all references to “U.S.\$” or “U.S. dollars” are to the lawful currency of United States of America. The Units offered hereby are, and all distributions by the Trust will be, denominated in Canadian dollars.** However, all distributions received by Windridge LP on UFI’s to be acquired by the LP using the Gross Subscription Proceeds will be denominated in U.S. dollars. Accordingly, the Trust and the Unitholders are exposed to the impact of fluctuations in the Canadian-U.S. dollar exchange rate. See “Risk Factors – Foreign Exchange Fluctuations”.

The following table sets forth, for the periods indicated, the high, low, average and period-end noon spot rates of exchange for U.S.\$1.00, expressed in Canadian dollars, published by the Bank of Canada.

	Month ended April 30	Quarter ended March 31	Year ended December 31		
	2013 (C\$)	2013 (C\$)	2012 (C\$)	2011 (C\$)	2010 (C\$)
Highest rate during the period .....	1.0270	1.0314	1.0418	1.0604	1.0778
Lowest rate during the period .....	1.0072	0.9839	0.9710	0.9449	0.9946
Average rate during the period .....	1.0187	1.0083	0.9996	0.9891	1.0299
Rate at the end of the period .....	1.0072	1.0156	0.9949	1.0170	0.9946

On May 7, 2013, the last Business Day prior to the date of this Offering Memorandum, the noon buying rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was U.S.\$1.00 equals C\$1.0052.

## GLOSSARY OF TERMS

Certain terms and abbreviations used in this Offering Memorandum are defined below, and grammatical variations of such words and terms shall have corresponding meanings:

**"A2A"** means, collectively, A2A Capital Management Pte. Ltd. and its subsidiaries, affiliates and associates;

**"A2A Capital Management"** means A2A Capital Management Pte. Ltd., a Singapore company;

**"A2A Capital Services"** means A2A Capital Services Canada Inc., a Canadian federal corporation;

**"Administrative Services Agreement"** means the administrative services agreement dated February 13, 2013 between the Administrator and the Trust, as amended and/or restated from time to time, pursuant to which the Administrator will provide certain management and administrative services to the Trust;

**"Administrator"** means A2A Capital Management Inc., an Ontario Corporation;

**"affiliate"** of a person means any person or company that would be deemed to be an affiliated entity of such person within the meaning of National Instrument 45-106 – *Prospectus and Registration Exemptions*;

**"associate"** when used to indicate a relationship with a person or company has the meaning ascribed thereto in the *Securities Act* (Ontario);

**"Auditors"** means the firm of chartered accountants appointed as the auditors of the Trust from time to time and, initially, means Rice & Company LLP;

**"Board"** means the board of trustees of the Trust;

**"Business Day"** means a day which is not a Saturday, Sunday or a legal holiday in the City of Toronto, in the Province of Ontario;

**"Cash Flow"** of the Trust means, for any Distribution Period, the sum of all cash received by the Trust for or in respect of such Distribution Period, including interest received on the LP Notes, amounts received as a limited partner holding LP Units in Windridge LP and all other income, interest, distributions, dividends, proceeds from the investment in the LP Units (other than by way of security interest), returns of capital and repayments of indebtedness, as well as all amounts received by the Trust in any prior Distribution Period to the extent not previously distributed, less:

- (a) all costs and expenses of the Trust that, in the opinion of the Trustee, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued in such prior period;
- (b) all amounts payable in cash that relate to the redemption or repurchase of Units and that have become payable by the Trust in such Distribution Period or prior Distribution Period; and
- (c) any interest expense incurred by the Trust between distributions,

provided that that any funds borrowed by the Trust or the proceeds of the issuance of Units and related transactions in connection therewith will not be included in the calculations of Cash Flow in respect of any Distribution Period;

**“Closing”** means a closing of the Offering;

**“Closing Date”** means the date of a Closing, the first of which is anticipated to occur on or about March 31, 2014 (or one or more such earlier or later dates as may be approved by the Trust in its sole discretion), provided that the first Closing must be held no later than April 30, 2014. In the event the Minimum Offering has not been reached by April 30, 2014, all subscription funds will be returned to subscribers without interest or deduction. If the Closing of the Minimum Offering occurs by April 30, 2014 but the Maximum Offering has not yet been reached, additional Closings may be held up to and including August 31, 2014;

**“Code”** means the United States *Internal Revenue Code of 1986*, as amended, and Treasury Regulations promulgated thereunder, as in effect on the date of this Offering Memorandum;

**“Co-owners”** means the registered owners from time to time, including Windridge LP, of the undivided tenant-in-common interests in the Property;

**“Declaration of Trust”** means the declaration of trust dated February 13, 2013 establishing the Trust, as amended and/or restated from time to time;

**“Deed of Covenant”** means collectively, the restrictive covenant signed by all Co-owners of the Property, upon acquisition of a UFI from Windridge Developments, and, in the case of Windridge LP, means the deed of covenant to be entered into on the initial Closing Date, a copy of which is attached as Schedule B to the Declaration of Trust;

**“Deferred Plans”** means registered retirement savings plans (“**RRSPs**”), registered education savings plans (“**RESPs**”), registered retirement income funds (“**RRIFs**”), deferred profit sharing plans (“**DPSPs**”), registered disability savings plans (“**RDSPs**”) or tax-free savings accounts (“**TFSAs**”), as those phrases are defined in the Tax Act, and **“Deferred Plan”** means any of them;

**“Development Fund”** means up to \$4,600,000 in the case of the Maximum Offering, and U.S.\$690,000 in the case of the Minimum Offering (and amounts in between if the gross proceeds raised are more than the Minimum Offering and less than the Maximum Offering) to be set aside as a reserve by Windridge Developments under the Deed of Covenant which will be used for the Windridge LP's portion of expenses relating to the Property including, without limitation, cost of any Planning, Development and Servicing Activities, as more fully described in “Material Agreements – Deed of Covenant”;

**“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 Windridge LP or the Trust, that have been or are reasonably expected to be incurred in the activities and operations of the Trust or Windridge LP (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 Trustees, necessary or desirable;

**“Distribution Date”** means any date on which the Trustees have determined that a distribution will be made by the Trust to the Unitholders;

**“Distribution Payment Date”** in respect of any Distribution Period, means a date on which the Trust is required to make a distribution of Distributable Cash Flow, which date shall be on or before the 15<sup>th</sup> day of the next calendar month immediately following the end of the Distribution Period or, if such day is not a Business Day, the immediately following Business Day, except in the case of the distribution for any Distribution Period ending December 31, in which case the Distribution Payment Date will be the immediately preceding Business Day or such other date determined from time to time by the Board;

**"Distribution Period"** means each calendar year or calendar quarter, as determined by the Trustees from time to time, from and including the first day thereof and to and including the last day thereof; provided that (i) **"Distribution Period"** shall initially mean each calendar year and (ii) the first Distribution Period will begin on (and include) the initial Closing Date and will end on December 31, 2013;

**"Entity"** means any one of the Trust, Windridge LP or General Partner, and **"Entities"** means two or more of them;

**"General Partner"** means Hills of Windridge A2A GP Inc., an Ontario corporation and the general partner of the Windridge LP;

**"Gross Subscription Proceeds"** means the gross proceeds received by the Trust for the issuance of Units;

**"Insider of the Trust"** means a person who would be an "insider of a corporation" as defined in Regulation 4803(1) of the Tax Act if the references therein to "corporation" were read as references to the Trust;

**"LP Notes"** means the subordinated unsecured promissory notes that may be issued by Windridge LP from time to time;

**"LP Units"** means limited partnership units of Windridge LP and **"LP Unit"** means any of the LP Units;

**"Marketing Fees"** means the fees payable to those persons who are not exempt market dealers, nor their dealing representatives (as those terms are defined in National Instrument 31-103 – Registration Requirements and Exemptions), who provide Marketing Support Services to the Trust and agents selling the Units.

**"Marketing Support Services"** means services rendered to the Trust and agents selling the Units rendered in connection with the marketing of the Units.

**"Maximum Offering"** means the maximum Offering hereunder of 105,000 Units for gross proceeds of \$10,500,000;

**"Minimum Offering"** means the minimum Offering hereunder of 15,000 Units for gross proceeds of \$1,500,000;

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

**"OBCA"** means the *Business Corporations Act* (Ontario) and the regulations thereunder, as the same may be amended or replaced from time to time;

**"Offering"** means the offering of up to \$10,500,000 of Units described in this Offering Memorandum;

**"Offering Memorandum"** means this confidential offering memorandum, including any amendment hereto;

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

**“Planning, Development and Servicing Activities”** means obtaining the reports, information, plans, studies, audits, assessments, inspections, investigations, and other items necessary for the proper design, construction, development and regulatory compliance of the Property; facilitating and participating in legal proceedings, procedures, filings, submissions, applications and other actions necessary for the acquisition, zoning, rezoning, construction, development, maintenance, regulatory compliance and other land use matters related to the Property; contracting, subcontracting, supervising, constructing and maintaining infrastructure and improvements to or on the Property; marketing and selling the Property; in whole or in part and any and all other actions necessary to be taken or made in respect to or in furtherance of the acquisition, planning, development, construction, maintenance and sale of the Property;

**“Property”** means the land comprising 415-acres (more or less) of land located in Tarrant County within the Dallas/Fort Worth area in Texas, United States of America, as more fully described in Exhibit A to the Deed of Covenant (attached as Schedule B to the Declaration of Trust), and where the context requires, the UFI in the Property that are acquired by Windridge LP;

**“Redemption Value”** means the total redemption value of the Units, calculated in Canadian dollars, as described under “Description of the Securities Distributed – Units – Redemption”;

**“Resident”** means a person who is, or is deemed to be, resident in Canada for purposes of the Tax Act;

**“Securities Laws”** means, collectively, the applicable securities laws of each of the provinces and territories of Canada and the respective regulations and rules made under those securities laws together with all published policy statements, instruments, blanket orders and rulings of Canadian securities commissions and all discretionary orders or rulings, if any, of Canadian securities commissions made in connection with the transactions contemplated by the Offering Memorandum and the Declaration of Trust, all as in effect on the date of this Offering Memorandum;

**“Selling Commissions”** means the monetary commission or agency fee, as applicable, payable to agents, including exempt market dealers and their dealing representatives (as those terms are defined in National Instrument 31-103 – *Registration Requirements and Exemptions*) who sell Units and who are entitled to receive such commissions or agency fees under applicable Securities Laws;

**“Service Fees”** means the fees paid to agents, including exempt market dealers and their dealing representatives (as those terms are defined in National Instrument 31-103 – *Registration Requirements and Exemptions*) who sell Units and who are entitled to receive such service fees under applicable Securities Laws;

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

**“Special Resolution”** means a resolution of the unitholders, limited partners or shareholders of an Entity, as the case may be, approved by not less than 66⅔% of the votes cast by those persons who vote in person or by proxy at a duly convened meeting of the respective Entity, or a written resolution signed by the unitholders, limited partners or shareholders of an Entity, entitled, in the aggregate, to not less than 66⅔% of the aggregate number of votes of those persons;

**“Subscribers”** means those persons subscribing for Units pursuant to the Offering, and **“Subscriber”** means any of them;

**“Tax Act”** means the *Income Tax Act* (Canada) and the regulations thereunder, as in effect on the date of this Offering Memorandum;

**"Trust"** means Hills of Windridge A2A Trust, an unincorporated, open-ended investment trust established pursuant to the laws of the Province of Ontario, and, where the context requires, includes its subsidiaries;

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

**"Trustees"** means the trustees of the Trust;

**"UFI Purchase Agreement"** means the agreement of purchase and sale dated May 8, 2013 between Windridge LP and Windridge Developments, as amended and/or restated from time to time, pursuant to which Windridge LP will (i) acquire up to a 22.67% Undivided Fractional Interest in the Property and (ii) contribute funds to the Development Fund, in one or more transactions;

**"Undivided Fractional Interest"** or **"UFI"** means an undivided fractional ownership interest, as tenant in common, in the Property, and each UFI comprises a 1/4,412 undivided fractional ownership interest in the Property;

**"Units"** means the units of the Trust;

**"Unitholder"** means a holder of record of any Units;

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

**"U.S. Securities Act"** means the *Securities Act Of 1933*, as amended, as in effect on the date of this Offering Memorandum;

**"Windridge Developments"** means Windridge A2A Developments, LLC, a Texas limited liability company and (i) the seller of the UFIs to Windridge LP pursuant to the UFI Purchase Agreement and (ii) the initial facilitator under the Deed of Covenant;

**"Windridge LP"** means Hills of Windridge A2A Limited Partnership, an Ontario limited partnership established by the Trust and the General Partner pursuant to the laws of the Province of Ontario and the Windridge LP Agreement; and

**"Windridge LP Agreement"** means the agreement between the Trust and the General Partner dated as of February 13, 2013 establishing Windridge LP, as amended and/or restated from time to time.

## USE OF AVAILABLE FUNDS

### Net Proceeds

The net proceeds of the Offering which will be available to the Trust after the Offering are as follows:

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised by this Offering	\$1,500,000	\$10,500,000
B	Selling Commissions, Service Fees and Marketing Fees <sup>(1)</sup>	\$0	\$0
C	Estimated offering costs <sup>(2)</sup> (e.g., legal, accounting, audit and marketing)	\$0	\$0
D	Net proceeds: D = A - (B+C)	\$1,500,000	\$10,500,000
E	Additional sources of funding required <sup>(3)</sup>	\$0	\$0
F	Working capital deficiency	\$0	\$0
G	Total: G = (D+E) - F	\$1,500,000	\$10,500,000

Notes:

<sup>(1)</sup> All Compensation for Selling Commissions, Service Fees and Marketing Fees will be paid for by Windridge Developments in Canadian dollars from the portion of the proceeds of the sales of the UFI's to Windridge LP that is not dedicated to the Development Fund. See "Material Agreements". The total Compensation for Selling Commissions, Service Fees and Marketing Fees payable by Windridge Developments will not exceed 10.5% of the Gross Subscription Proceeds, which includes all dealing representative, agency and marketing fees that may be agreed to be (and may be lawfully) paid on behalf of the Trust. The maximum amount of Selling Commissions and Service Fees payable by Windridge Developments under the Minimum Offering will be \$148,200 and under the Maximum Offering will be \$1,037,400. Where permitted by applicable Securities Laws, qualified persons will receive up to 1.3% of the Gross Subscription Proceeds (out of the total Compensation for Selling Commissions, Service Fees and Marketing Fees payable by Windridge Developments) as a Marketing Fee for Marketing Support Services provided to the Trust and agents selling the Units. The maximum amount of Marketing Fees payable by Windridge Developments under the Minimum Offering will be \$19,500 and under the Maximum Offering will be \$136,500. See "Compensation for Selling Commissions, Service Fees and Marketing Fees".

<sup>(2)</sup> All offering costs will be paid for by Windridge Developments from funds not otherwise dedicated to the Development Fund.

<sup>(3)</sup> It is not anticipated that any additional funding will be required to meet the Trust's objectives of indirectly acquiring UFIs in the case of either the Minimum Offering or the Maximum Offering. However, the Development Fund may not be sufficient to fund the costs of developing the Property in the timetable contemplated, and such insufficiency may affect the amount and timing of distributions to Unitholders. See "Risk Factors".

### Use of Net Proceeds

The Trust will use the total net proceeds available, as noted above, as follows:

	Assuming Minimum Offering	Assuming Maximum Offering
Investment in Windridge LP <sup>(1)</sup>	\$1,500,000	\$10,500,000

Note:



- <sup>(1)</sup> The Trust's investment in Windridge LP will be through the subscription for LP Units and, if deemed advisable by the Trustees, advances of loans in exchange for LP Notes.

Windridge LP will use the total net proceeds received from the Trust as follows:

	Assuming Minimum Offering	Assuming Maximum Offering
Purchase of UFIs <sup>(1)</sup>	see notes 1 and 2 (142 UFIs)	see notes 1 and 2 (1,000 UFIs)
Contribution to Development Fund <sup>(2)</sup>	U.S.\$690,000	U.S.\$4,830,000
Total	\$1,500,000	\$10,500,000

Note:

- (1) Windridge LP will acquire UFIs from Windridge Developments pursuant to the UFI Purchase Agreement at a price per UFI of (a) \$10,500 (as exchanged into U.S. Dollars by Windridge Developments) less (b) U.S. \$4,600. See "Material Agreements – UFI Purchase Agreement". The UFIs acquired by Windridge LP will represent a 22.67% ownership interest in the Property in the case of the Maximum Offering, and 3.22% ownership interest in the Property in the case of the Minimum Offering (and an ownership percentage in between if the gross proceeds raised are more than the Minimum Offering and less than the Maximum Offering).
- (2) The actual price per UFI purchased by Windridge LP will depend on the Canadian-U.S. dollar exchange rate on the date(s) that Windridge Developments converts the funds it receives from the Windridge LP. However, Windridge LP will pay over to Windridge Developments all of the net proceeds received by Windridge LP from the Trust regardless of the Canadian-U.S. dollar exchange rate applicable on the date such proceeds are received by Windridge Developments.
- (3) For each UFI acquired by Windridge LP, it will contribute U.S.\$4,600 to the Development Fund to be held by Windridge Developments as a reserve under the Deed of Covenant, and which will be used for Windridge LP's portion of expenses relating to the Property including, without limitation, cost of any Planning, Development and Servicing Activities. See "Material Agreements – Deed of Covenant". Windridge Developments will be responsible for paying all Compensation for Selling Commissions, Service Fees and Marketing Fees and offering costs, as well as all legal costs to complete the transfer of the UFIs to Windridge LP, from the remaining funds received from Windridge LP under the UFI Purchase Agreement. The sole member of Windridge Developments is Dirk Foo, a Trustee of the Trust and a director and officer of the General Partner.

## Reallocation

The Trust intends to spend the net proceeds as stated and will not reallocate funds.

## BUSINESS OF THE TRUST

### Establishment and Corporate Structure

#### *The Trust*

Hills of Windridge A2A Trust is a newly formed unincorporated, open-ended investment trust established on February 13, 2013 pursuant to the Declaration of Trust under, and governed by, the laws of the Province of Ontario. The Trust will make an election pursuant to the Code to be classified as a corporation for U.S. federal income tax purposes effective on the date of its formation. The registered and head office of the Trust is located at 250 Ferrand Drive, Suite 888, Toronto, Ontario M3C 3G8.

The Trust is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that statute or any other legislation.

The Trust was established for the sole purpose of investing in Windridge LP.

#### *Windridge LP & General Partner*

Hills of Windridge A2A LP is a newly formed limited partnership established pursuant to and governed by the laws of Ontario. Windridge LP was formed as of February 13, 2013 through the filing of a declaration and entering into of the Windridge LP Agreement, and will be making an election pursuant to the Code to be classified as a corporation for U.S. federal income tax purposes effective on the date of its formation.

Windridge LP was established for the sole purpose of (i) acquiring from Windridge Developments between a 3.22% and a 22.67% undivided fractional interest in the Property and (ii) participating in the multi-phase, 1,284-home residential community development to be built by Windridge Developments on such land and to be known as the "The Hills of Windridge". See "The Property".

The general partner of the Windridge LP is Hills of Windridge A2A GP Inc., a newly formed corporation incorporated pursuant to the laws of Ontario on February 8, 2013.

The registered and head office addresses for Windridge LP and the General Partner are the same as the Trust.

#### *Windridge Developments*

Windridge A2A Developments, LLC is a limited liability company formed under the laws of the State of Texas on May 1, 2012. Its principal place of business is located at 548 Silicon Drive, Suite 100, South Lake, Texas 76092.

Windridge Developments was established for the sole purpose of acquiring and overseeing all aspects of the development of the Property. It is the vendor of the UFIs under the UFI Purchase Agreement and will have a significant amount of strategic input and operational and administrative responsibilities for the development of the Property, the sales of lots or homes thereon, pursuant to the terms of the Deed of Covenant. See "Material Agreements – Deed of Covenant".

#### *Administrator*

A2A Capital Management Inc. is a corporation incorporated pursuant to the laws of Ontario on August 28, 2009. The registered and head office addresses for the Administrator is the same as the Trust.

The Administrator oversees and administers A2A Capital Management's North American projects, and will provide day-to-day administrative services to the Trust and Windridge LP pursuant to the Administrative Services Agreement. See "Material Agreements – Administrative Services Agreement".

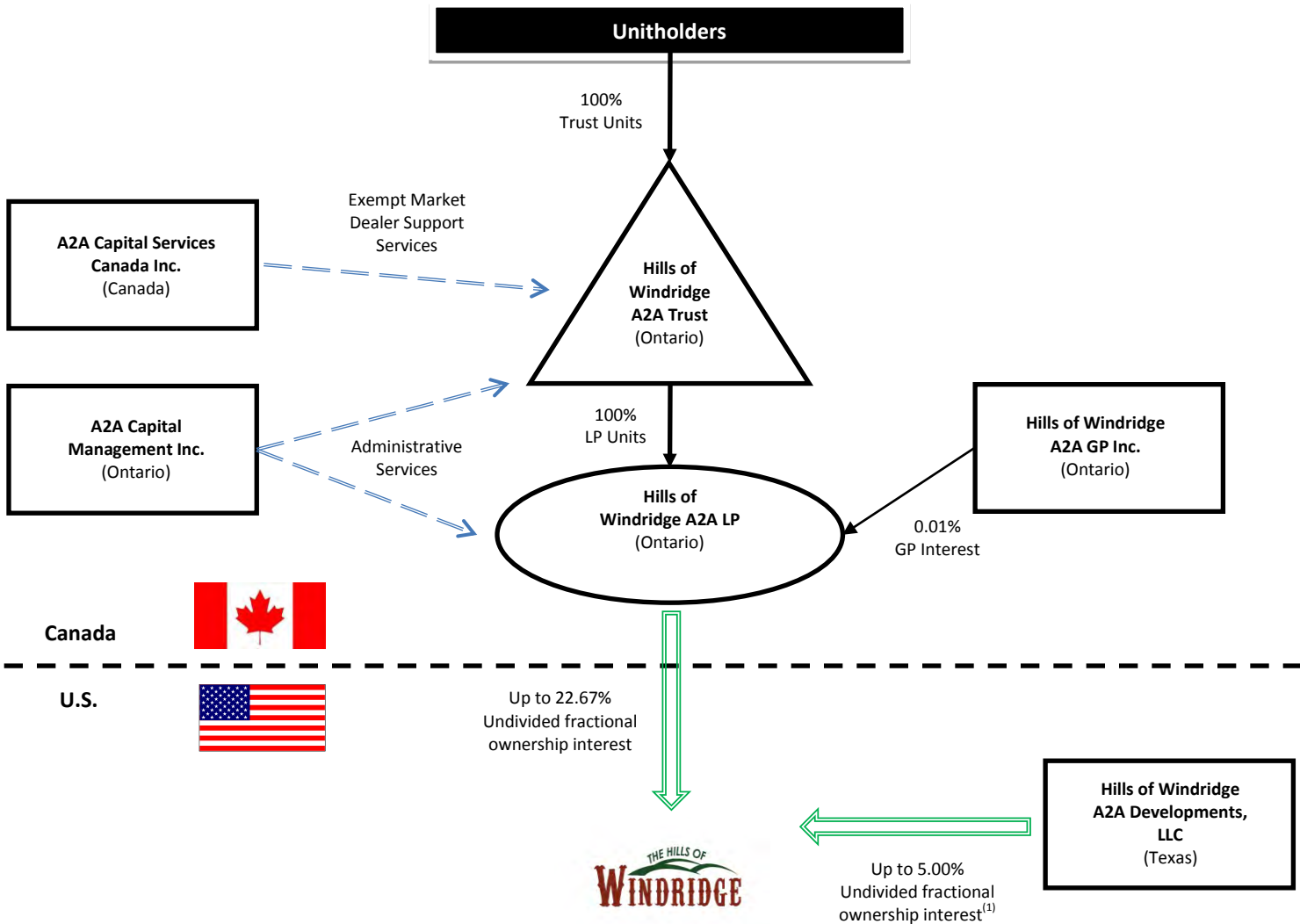
#### *A2A Capital Services*

A2A Capital Services Canada Inc. is a corporation incorporated pursuant to the laws of Canada on November 15, 2012. The registered and head office addresses for the A2A Capital Services is 744 Fourth Avenue SW -Suite 900, Calgary Alberta T2P 3T4.

A2A Capital Services will provide marketing and support services to agents offering Units pursuant to this Offering Memorandum. See "Compensation for Selling Commissions, Service Fees and Marketing Fees".

#### **Group Structure**

The following chart sets forth the relationships among the entities involved in this Offering:



Note:

(1)

Windridge Developments acquired a 100% ownership interest in the Property on September 20, 2012 for approximately U.S.\$5,000,000. Windridge Developments may, but is not obligated to, retain up to 220 of the UFIs (5%), and intends to sell the balance of the UFIs not acquired by Windridge LP (or retained by Windridge Developments) to individuals resident outside of North America (primarily Asia) (the “Offshore Investors”). As of May 6, 2013, a total of 2,450 UFIs (55.5%) had been sold to Offshore Investors at a price of U.S.\$10,000 per UFI for total proceeds of U.S.\$24,500,000.

## Our Business and Development

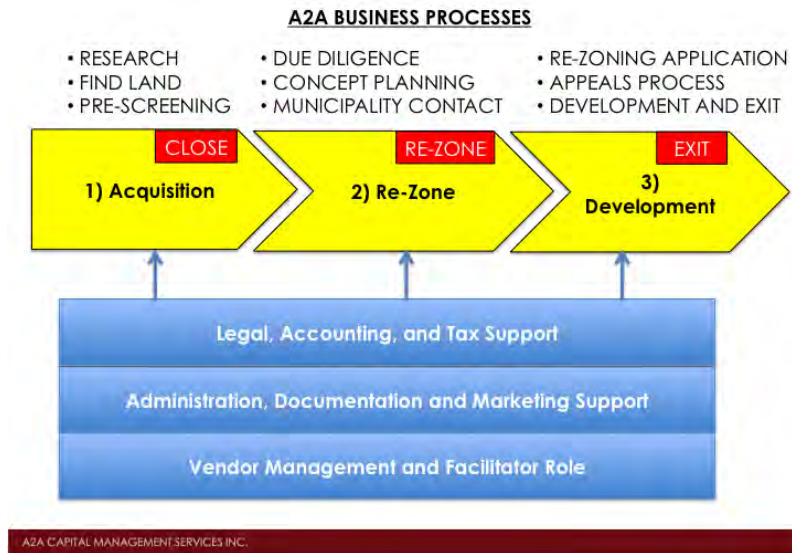
A2A is a company focused and dedicated to the business of integrated land development and investments. It seeks out and offers investors (including Offshore Investors) select opportunities in land investments with the single-minded aim of delivering impressive returns in realistic timetables.

Founded in Singapore in 2009, A2A’s specialized consultative service was the brainchild of a group of dynamic entrepreneurs who pioneered and launched the concept of land banking in Asia as early as the mid-1990’s. Today, A2A has extended its expertise and expanded its operations to include not just land banking but investment programs covering the entire spectrum of land development – from the acquisition of land, right through to the development of land for residential and commercial end-users.

As of the date of this Offering Memorandum, approximately 1,750 acres of land (including the Property) are under A2A's management in North America. For information on the Canadian projects managed by A2A, see Schedule B to this Offering Memorandum.

### *Investment and Development Process in the Real Estate Planning Cycle*

The graphic below depicts an overview of A2A's key processes in its asset management activities to support its business. In addition to acquisition, land planning and development, A2A supports the administrative backroom activities for legal documentation, tax and accounting, marketing and project facilitation.



Working with local land planning consultants who are conversant with the territory in a desired location, A2A takes into account the best possible use of the land and a feasible and economically viable concept plan. To this end, a detailed pre-acquisition action list is put into effect before the land is acquired.

## PRE-ACQUISITION PHASE

### BUSINESS CASE ANALYSIS

Test whether land values (raw and developed) in the target area fits business objectives

### EXIT STRATEGY

Available land in the target area fits the investment horizon

### GEOGRAPHIC PREFERENCES

Marketability of the target area, potential to be flexible to the vision of developers/home builders, political considerations and business environment



The land associated with each project is acquired through the use of a dedicated corporate entity – a special purpose vehicle (SPV) – which undertakes a syndication of the project by means of sales of undivided fractional ownership interests (UFIs) in real estate to investors.

## ACQUISITION PHASE



Concurrent with syndication, all planning and if needed, re-zoning activities will be implemented to obtain necessary zoning approvals to allow for the development of the land. This is the value creation phase. Successful re-zoning is a detailed process that starts from strategic analysis, research, targeting and finding available land that is potentially approvable for development. The drive towards an application for an appropriately optimized and economic land use is done with expert consultants in the field of work (like Weston Consulting in Canada and Wier & Associates in Dallas-Fort Worth in Texas). It also requires focused attention to the political process at the appropriate governmental level: Municipality, County or Province/State.

## STEPS IN REZONING LAND



## VALUE CREATION PROCESS

### The Application Process

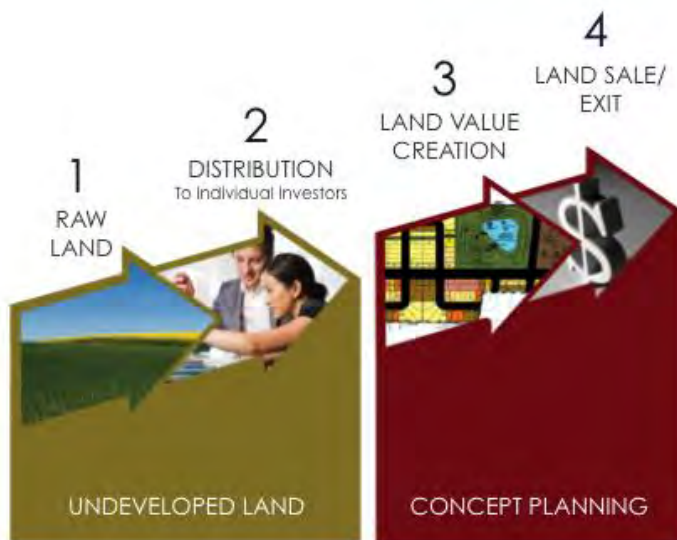
To proceed with the development of the subject lands, an **Official Plan Amendment** and **Zoning Bylaw Amendment** will have to be filed. The studies that support these applications will include:



Since its launch four years ago, A2A has built a strong track record in the re-zoning process, having submitted re-zoning applications on five of its nine Canadian projects, with two of those projects having been successfully rezoned.

Once a project's land is rezoned, the exit strategy formulated at acquisition is implemented. In certain circumstances, and depending on the decision of the Co-owners of a project, A2A will pursue a land sale exit or proceed to build out the project through A2A's enhanced project development plan. The latter case is the strategy being pursued with respect to the Property.

## DEFINITIVE EXIT STRATEGY



*Enhanced*  
PROJECT DEVELOPMENT PLAN





In the case of Property, it was already zoned for residential development upon acquisition by Windridge Developments. As such, all activities since September 2012 have been focused on getting the preliminary plan approved, which was successfully completed November 16, 2012. As of the date of this Offering Memorandum, site plans for Phase 1 of the development have been submitted for approval by the planning authorities. See “The Property”.

#### Long Term Objectives of the Trust

The Trust’s long term objectives are (i) to participate through Windridge LP as a Co-owner in the development of the Property, (i) to distribute annually the profits generated from the sales of lots and/or homes on the Property to the Unitholders commencing December 31, 2014 and (ii) to return a Unitholder’s initial investment in the Trust on or before December 31, 2017. See “The Property – Project Economics” There is no certainty that the Trust will be successful in attaining these objectives, and the Trust will be significantly relying on Windridge Developments to realize the development potential of the Property within the above-mentioned timeframe. See “Forward-Looking Information and Statements” and “Risk Factors”.

#### Short Term Objectives of the Trust and How they Will be Achieved

The Trust’s objectives for the next 12 months are to acquire, through Windridge LP, up to a 22.67% undivided fractional interest in the Property and contribute U.S.\$4,600 to the Development Fund for each UFI acquired.



The Trust anticipates the following activities will be conducted by Windridge Developments on behalf of the Co-owners over the next 12 months, with the costs of these activities being funded from the Development Fund:

What must be done and how it will be achieved <sup>(1)</sup>	Target completion date, or if not known, number of months to complete	Cost to complete (assuming Maximum Offering) <sup>(2)</sup>	Trust's proportionate share cost (assuming Maximum Offering) <sup>(3)</sup>
Servicing of lots	May 2013 - December 2013	U.S.\$5,400,000	U.S.\$1,242,000
Construction of model homes	November 2013 - March 2014	U.S.\$750,000	U.S.\$172,500
Marketing and sales activities	January 2014 - April 2014	U.S.\$600,000	U.S.\$138,000
<b>Total</b>		<b>U.S.\$6,750,000</b>	<b>U.S.\$1,552,500</b>

Notes:

(1) There are no guarantees these objectives will be successfully attained. See "Risk Factors".

(2) The total amount of funds to be set aside in the Development Fund from the sale of all 4,412 UFI's (including to Windridge LP and the Offshore Investors) is U.S.\$20,295,200. As of May 6, 2013, a total of 2,450 UFI's (55.5%) had been sold to Offshore Investors at a price of U.S.\$10,000 per UFI for total proceeds of U.S.\$24,500,000. Of the total proceeds, 46%, or U.S.\$11,270,000, has been contributed by the Offshore Investors to the Development Fund.

(3) For each UFI acquired by Windridge LP, it will contribute U.S.\$4,600 to the Development Fund to be held by Windridge Developments as a reserve under the Deed of Covenant, and which will be used for Windridge LP's portion of expenses relating to the Property including, without limitation, cost of any Planning, Development and Servicing Activities. See "Material Agreements – Deed of Covenant". The amounts above each represent 23% of the total costs to be incurred by Windridge Developments on behalf of all Co-owners (including to Windridge LP). The total cost to the Trust has been rounded for ease of presentation.

It is anticipated that Phase 1 home construction will commence in April 2014. See "The Property – Concept Plan and Development".

#### Insufficient Funds

It is not anticipated that any additional funding will be required to meet the Trust's objectives of indirectly acquiring UFIs in the case of either the Minimum Offering or the Maximum Offering. However, the Development Fund may not be sufficient to fund the costs of developing the Property in the timetable contemplated, and there is no assurance that alternative financing to pay for such costs will be available. Lack of funding for the development of the Property may affect the amount and timing of distributions to Unitholders. See "Risk Factors".

#### THE PROPERTY

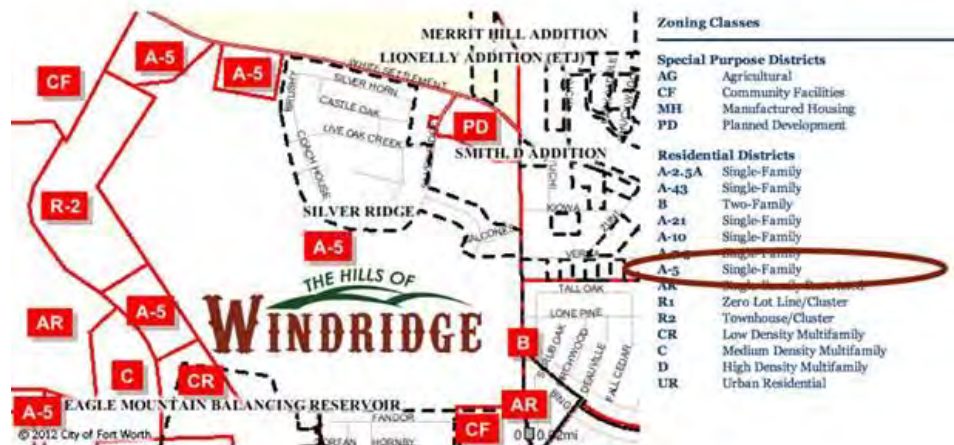


## Description and Location

The Hills of Windridge property is approximately 415 acres of land, adjacent to White Settlement Road to the north and Silver Ridge Road to the east, which has been zoned for single-family residential housing. It lies in Tarrant County due west of, and about 15 minutes' drive from, the city of Fort Worth, and is entirely within Fort Worth city's planning limits.



## PRESENT ZONING DESIGNATION



Source: 2012, City of Fort Worth



Views of the Fort Worth skyline from a high point of the Property.

The Property is a large tract with interesting undulations and beautiful vistas of the Fort Worth skyline and surrounding locale. Several large stands of trees exist on the property providing natural canopy cover and will be retained as much as possible within the requirements of the City's Development Guide. The land use plan of the City identifies the property to be used for residential purposes. Easements for utilities exist and will be taken account of in the concept plan for the subdivision. The site has public utilities available and ready for extension including electric, gas, cable and Internet.



Above: White Settlement Road in the foreground. View is looking towards South.





Above: White Settlement Road runs diagonally at left. View is looking towards Southeast.

The site is characterized by steep grades and ravines. The plan will take these into account and also take advantage of them for ravine views and greenery. There are four retention ponds on the site.



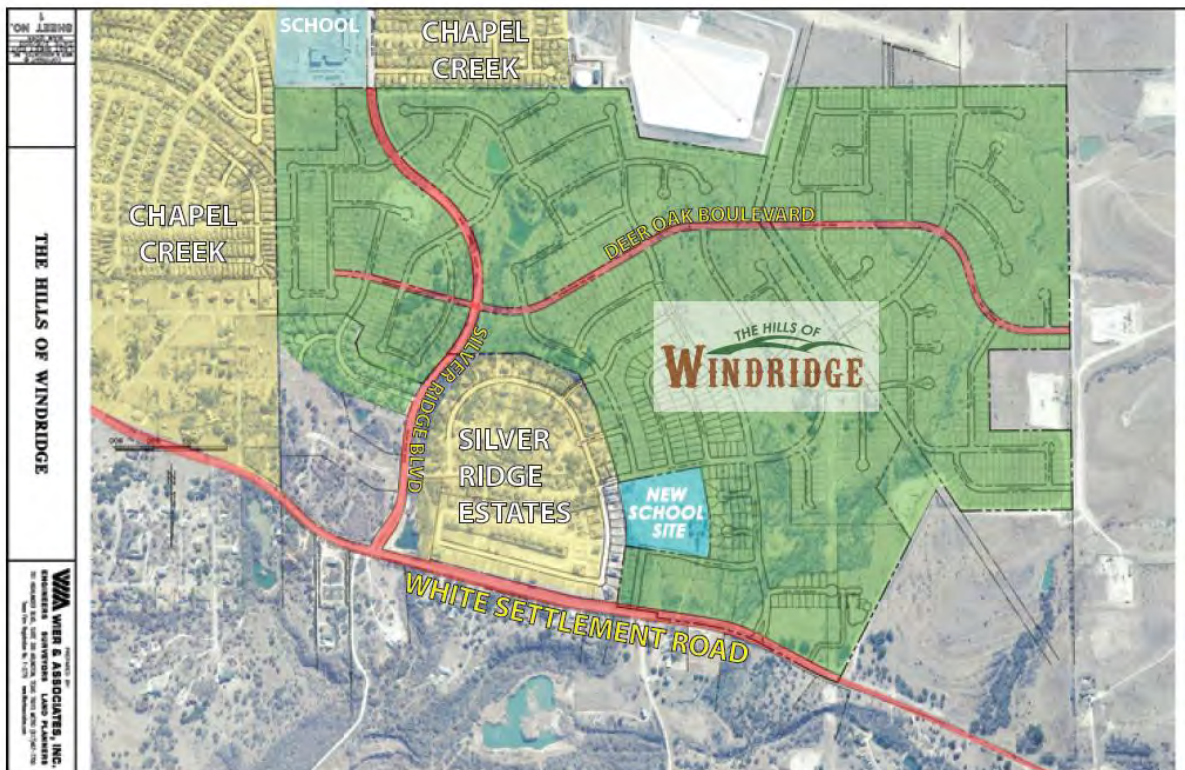
Above: Property abutted by surrounding residential communities.





Above: Existing school to the south of the Property.

Main access to the Property is off of White Settlement Road at the north boundary of the Property. Another entry is located on Silver Ridge Boulevard, which is also the entry for an existing subdivision (The Silver Ridge Estates). The project will extend Silver Ridge Road to the South and tie to an existing stretch of the roadway at the south boundary connecting to the Chapel Creek subdivision to the south of the Hills of Windridge. Another secondary entry point off White Settlement Road, west of the main entry, will act as a minor collector to the subdivision.



The project has received development approvals from the City of Fort Worth on January 8, 2013. With these approvals in place, the project has started the first step of development in regards to grading the land in preparation for placing infrastructure.



Removing trees along entry road between east and west phase 1



Bulldozer arrival to begin grading along fencing area



Above and Below: Grading for phase 1 construction (May 1, 2013)



The Hills of Windridge is an ideal place to build a new residential community that will serve the growing housing demand of the Dallas metroplex. Being located in Tarrant County, it will share in the continued growth of the area which enjoys the highest share of population growth in the Dallas-Fort Worth (“DFW”) area. From 2000-2010, Tarrant County’s population grew by 362,815 residents.



Access is a key highlight of the Property and the planned development project.

#### *Retail*

A short drive leads to the doorstep of major U.S. retailers like JC Penney, Macy's, Wal-Mart and Home Depot. Downtown Fort Worth is also just a 15-minute drive from the Property.



#### *Schools*

The Hills of Windridge is within a 5-minute drive to three schools in the area:

- La Petite Academy – a chain of day care centers with over 500 branches nationwide
- Tannahill Intermediate School – a secondary school with over 700 students
- Blue Haze Elementary School – an elementary school rated “Exemplary” by The Texas Tribune which has close to 700 students

The White Settlement Independent School District is also currently planning to build another elementary school in a parcel contiguous to the Property.

#### *Infrastructure*

The intersection of Interstate 820 and Interstate 30 is less than 4km from the Property. These are major freeway corridors allowing for the movement of goods and people throughout DFW and connect to an international network of freeways spanning North America.

### *Employment*

The Hills of Windridge is also within driving distance to some of the largest employers in the DFW area (all times are approximate):

- Lockheed Martin (3 minute drive)
- Baylor Medical (10 minute drive)
- Naval Air Station Joint Reserve (14 minute drive)
- DR Horton (15 minute drive)
- Cook Children's Medical Center (15 minute drive)
- Bank of America (20 minute drive)
- U.S. Postal Service (20 minute drive)
- Bell Helicopter (25 minute drive)
- American Airlines (40 minute drive)

The property is adjacent to two existing residential communities:

- (1) LIVE OAK CREEK ([www.liveoakcreek.com](http://www.liveoakcreek.com)) – consists of 800 lots of various sizes developed by Wynne Jackson. As of the date of this Offering Memorandum, one of the home builders involved in the project is selling homes within the price range of U.S.\$180,000 - U.S.\$270,000.
- (2) SILVER RIDGE ([www.cheldanhomes.com/Silver-Ridge](http://www.cheldanhomes.com/Silver-Ridge)) – consists of over 60 lots developed by a joint venture between Metro North Development and Redwood Properties. Homes start at U.S.\$150,000.

### **Concept Plan and Development**

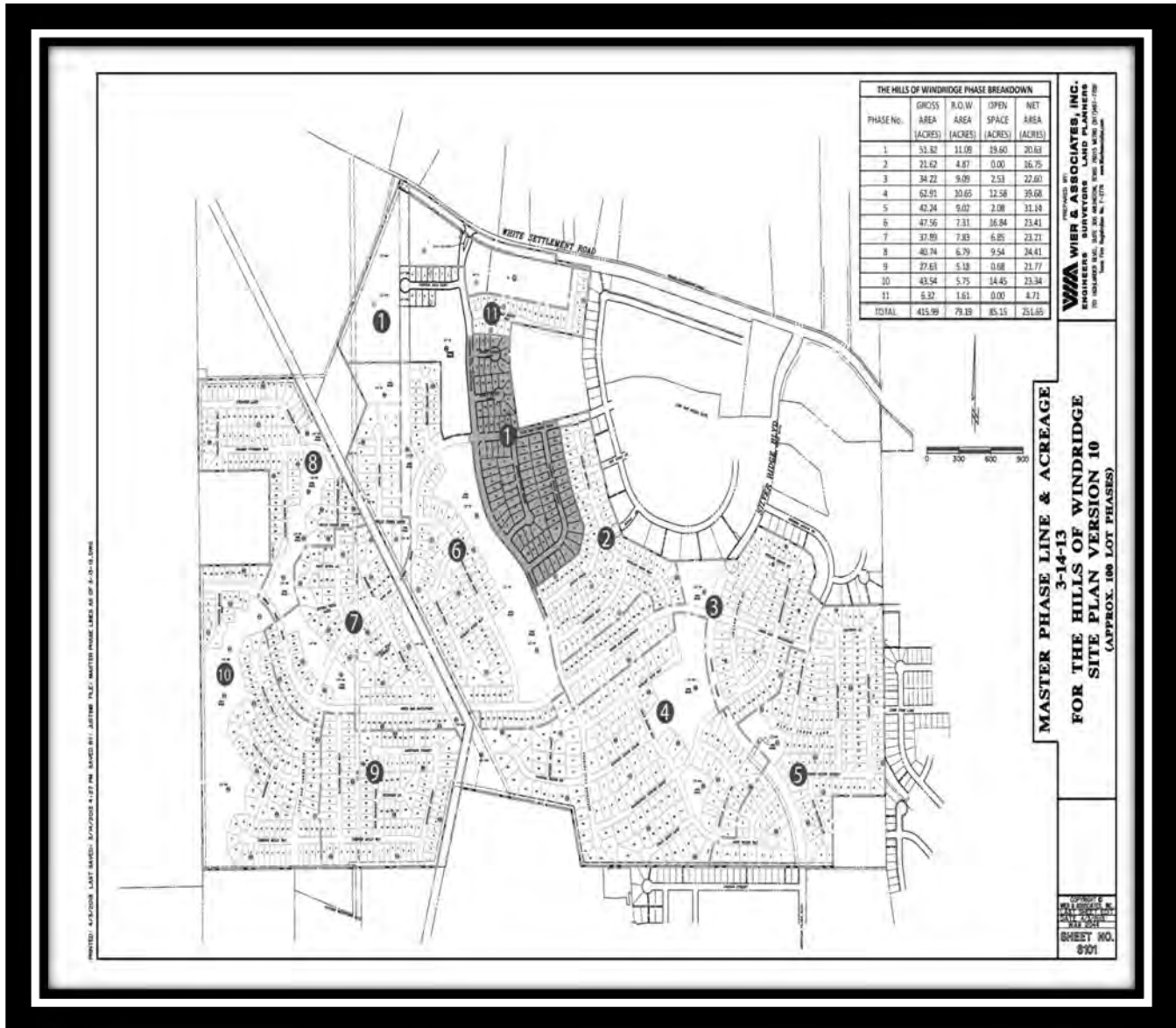
The concept plan developed by Windridge Developments and its consultants calls for a residential community consisting of approximately 1,284 single-family lots to be built out in eleven (11) phases. The Fort Worth City Planning Commission approved the preliminary plan for "The Hills of Windridge" on November 16, 2012.

<b><u>Phase No.</u></b>	<b><u># of Lots/Homes</u></b>	<b><u>Acreage</u></b>
1	118	51.32
2	102	21.62
3	111	34.22
4	133	62.91
5	171	42.24
6	115	47.56
7	130	37.89
8	120	40.74
9	124	27.63
10	128	43.54
11	32	6.32
<b>TOTAL</b>	<b>1,284</b>	<b>415.99</b>

This plan includes about 80 acres of open space and green areas, which will also be used as parks and as an amenity center for homeowners. The development will utilize the terrain to make amenities of the open spaces and drainage ways, and will potentially create a water feature along the north –south main roadway. Detention ponds are also planned and will be created as the phases progress.



Subject to market demand, Windridge Developments can develop one or two phases each year. The working capital allows for the development of a maximum of 340 homes per year. Based on the initial projections, The Hills of Windridge can be completed by 2017. However, the project timeline may be extended or shortened depending on a variety of factors including sales volume, market demand and construction costs. See "Risk Factors".



### Project Economics

Revenue from the development of the Property will be generated through the sale of serviced lots and/or homes. It is anticipated that Windridge Developments will start marketing Phase 1 in late 2013 or early 2014. Based on the projections, homes will be sold at an average of U.S.\$105 per square foot. With sizes of homes ranging from 1,750–3,500 square feet, the estimated average selling price per home will be U.S.\$239,000. The estimated total

revenue for The Hills of Windridge project, if and when all the homes are built and sold out, is U.S.\$306,000,000, depending on the mix of feasible floor plans demanded. The total estimated costs for the development of the Property are U.S.\$261,000,000. Costs are divided into the following categories when preparing the construction budget:

Description	Estimated Costs
Home building, marketing and amenities centre	U.S.\$199,000,000
Servicing costs (physical development of the lots and providing them with water, sewer, drainage, electricity, water, phone and cable)	U.S.\$32,000,000
Facilitator's Fee (\$5,000/home built on the Property; no fee for sale of serviced lots to other homebuilders) See "Material Agreements – Deed of Covenant"	U.S.\$6,000,000
Land cost (payment by Windridge LP and the Offshore Investors to Windridge Developments for the purchase of the UFIs)	U.S.\$24,000,000
<b>TOTAL</b>	<b>U.S.\$261,000,000</b>

The project will not have borrowing costs because the working capital will be funded through the Development Fund. There is expected to be no need for a construction loan to finance the development and construction of the project. The proceeds from the sale of the homes will be used to replenish the working capital to develop the next phase while the profits will be kept in a segregated account. At the end of each year, beginning in 2014, the Co-owners (including Windridge LP) will decide through a vote (by way of a Special Resolution) whether to distribute the accumulated profits or to use such funds as additional working capital, if there is a need to develop more housing units for the following year(s). See "Material Agreements – Deed of Covenant".

Based on initial projections and a complete build-out of the project, the estimated profit from the project will be approximately U.S.\$45,000,000. With 20% of the net income distributed to Windridge Developments under the Deed of Covenant for project management (on top of the Facilitator's Fee referred to above), the Co-owners are projected to receive a total of U.S.\$36,000,000 in estimated distributions over the course of the Property's development (in addition to a return of the initial amounts contributed by a Co-owner to Windridge Developments for the UFI and to the Development Fund). Assuming all 4,412 UFIs are outstanding the estimated schedule of distributions on the UFIs to the Co-owners (including Windridge LP) and to Windridge LP alone is as follows:

Scheduled Distribution Date	Annual Pre-Tax Distributions to all Co-owners <sup>(1)</sup>	Annual Pre-Tax Distribution to Windridge LP (assuming Maximum Offering) <sup>(1)(2)</sup>
December 31, 2014	U.S.\$5,000,000 (U.S.\$1,133/UFI)	U.S.\$1,133,000
December 31, 2015	U.S.\$13,000,000 (U.S.\$2,947/UFI)	U.S.\$2,947,000
December 31, 2016	U.S.\$20,000,000 (U.S.\$4,533/UFI)	U.S.\$4,533,000
December 31, 2017	U.S.\$42,120,000 (U.S.\$9,546/UFI)	U.S.\$9,546,000
<b>TOTAL</b>	<b>U.S.\$80,120,000 (U.S.\$18,159/UFI)</b>	<b>U.S.\$18,159,000</b>

Notes:

<sup>(1)</sup> There are no guarantees these objectives will be successfully attained. See "Risk Factors". Distributions may be a return of capital or a combination of both.

<sup>(2)</sup> Assumes U.S.\$10,000 per UFI (inclusive of the U.S.\$4,600 contributed to the Development Fund) is in the initial amount paid by all Co-owners to Windridge Developments. However, under the UFI Purchase Agreement, Windridge LP will pay to Windridge Developments \$10,500 per UFI (inclusive of the U.S.\$4,600 contributed to the Development Fund).

<sup>(3)</sup> The distributions to Windridge LP will be subject to U.S. and Canadian taxation and therefore the amounts received by Windridge LP will be lower than the amounts shown. In addition, Windridge LP will convert all U.S. dollar distributions received from Windridge Developments into Canadian dollar on or about the date of receipt. The Distributable Cash Flow of the Trust, and therefore the returns to Unitholders, will not equal, and may be less than, the amounts shown above depending on prevailing U.S. dollar-Canadian dollar exchange rates. See "Certain Canadian Federal Tax Considerations", "Certain U.S. Federal Tax Considerations" and "Risk Factors – Foreign Exchange Fluctuations".

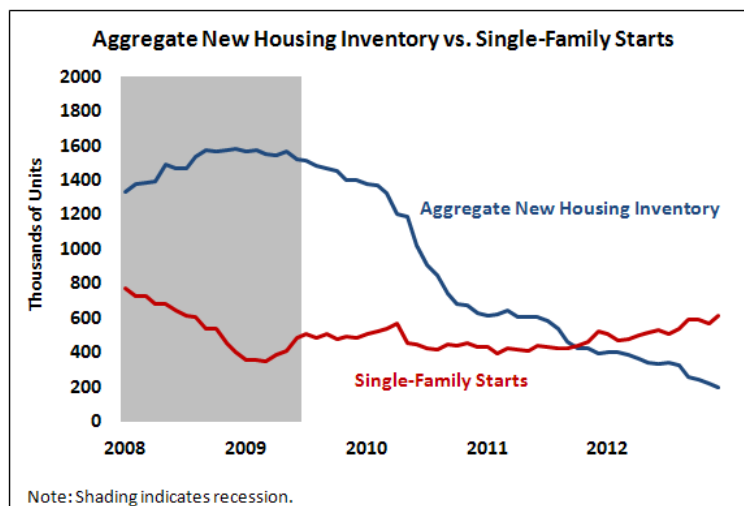
## Why the United States? Texas? Dallas-Fort Worth?

### *U.S. Residential Housing Market*

A2A has been investigating land acquisition opportunities in the United States. While the recovery from the economic downturn since 2007 - 2008 continues to be slow, there has been, by various accounts, a gradual but perceptible creeping out of the trough. Although there are some dark clouds potentially caused by continued European concerns and a relative slowdown in China, which could further stall recovery globally, A2A remains cautiously optimistic that the current local conditions in the U.S. reduced housing inventories, increased housing prices and the end of the subprime housing crisis, may provide opportunities for investment.

The end of 2012 brought closure to several sources of uncertainty while opening new ones. The presidential election is over and the “fiscal cliff” uncertainty was partially solved while other issues like sequestration loom. The good news: the housing market continued to firm up nicely with the National Association of Realtors (NAR) reporting on Jan 22, 2013 that existing home sales in Dec 2012 were up 12.8% above Dec 2011 due to pent up demand, record low mortgage rates and shrinking inventory. Homes are selling faster than a year ago in that the median time on the market for all homes was 73 days compared with 99 days between comparable months in December 2011 and 2012. The median single family home price was U.S.\$180,300 in December, up 11.5% from a year ago. Foreclosures accounted for 24% of December’s sales, down from 32% in December 2011. Builders have started work on homes in December at the fastest pace since the summer of 2008, according to the Commerce Department. The NAR also reported on April 3, 2013 that rising home prices for February 2013 has been the largest amount in seven years, and that this is evidence of a strengthened housing recovery. CoreLogic, a real estate data provider, confirmed in this report that a rise in home prices of 10.2% has been the highest gain since March 2006. The gains were broad based and experienced in 47 of 50 states.

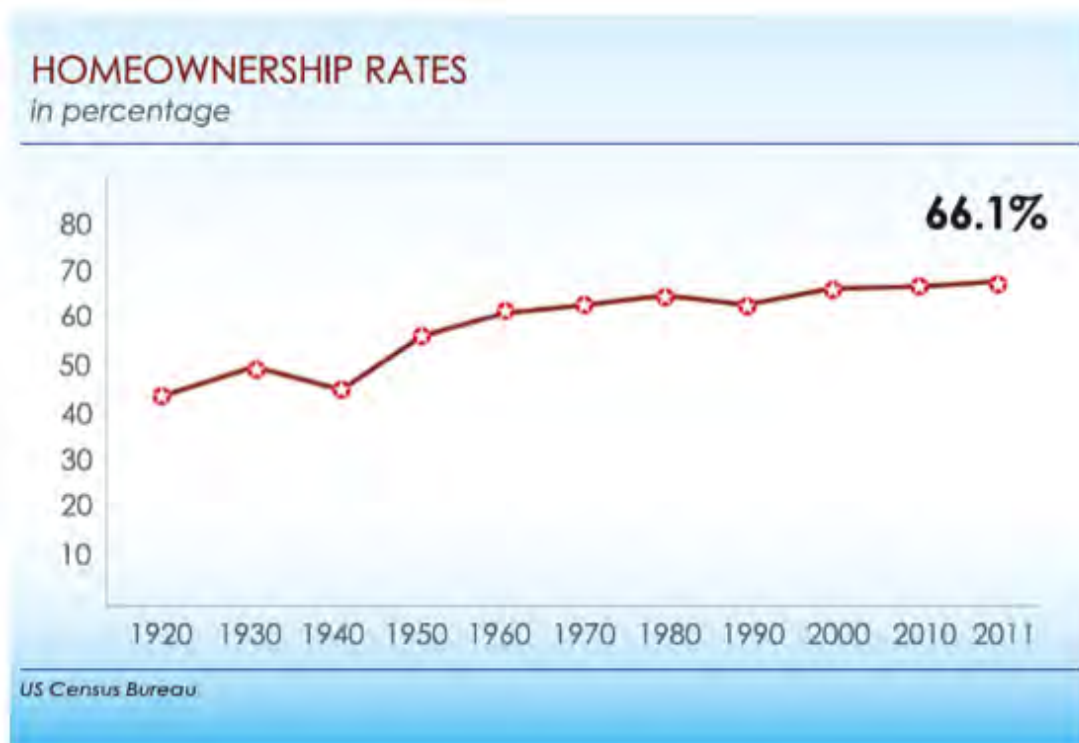
On February 21, 2013, the U.S. Census Bureau released data on new housing starts and building permits. Inventory is an important component of the construction data and recently, as the market has been recovering and completed homes have been selling relatively fast, the aggregate new housing inventory has been declining to some of the lowest levels on record.



The red line in the figure above shows national single-family housing starts, which have climbed nearly 75% from their March 2009 low. This apparently indicates that new building activity is on the rise, but does not tell why or what happens when the homes are completed.

The blue line in the chart above shows national aggregate new housing inventory, which increased leading into the recent recession starting in 2008 and continued to increase until mid-2009. This increase in inventory was a function of both completed but unsold single-family homes. The median time these homes remained on the market, skyrocketed from a low of 3.4 months in September 2006 to a high of 14.4 months in March 2010. However, in recent months, aggregate new housing inventory has fallen to historical lows, as the market recovers and completed homes are being sold relatively quickly. The median number of months on the market is now just 4.6, a decline of 68% from the March 2010 high.

A recent report of the Wall Street Journal dated February 14, 2013 stated the U.S. housing market is bouncing back with overall U.S. housing inventory having dropped in January 2013 to an 11-year low. This decrease was felt nationwide in all major cities, with the exception of Miami (though the level in Miami was below that of January 2011). Reasons behind the decrease included higher demand over the past 18 months, as buyers took up bargains from the foreclosure market, as well as a pickup of traditional demand. Sales have been fueled by interest in the investor market for rental yields and attractive loan rates. Home ownership rates are expected to stay steady going forward.



According to a U.S. Census Bureau News Joint Release with the U.S. Department of Housing and Urban Development dated March 19, 2013:

#### Building Permits

Privately-owned housing building permits in January were at a seasonally adjusted annual rate of 925,000. This is 1.8% ( $\pm 0.9\%$ ) above the revised December rate of 909,000 and is 35.2% ( $\pm 1.5\%$ ) above the January 2012 estimate of 684,000.

Single-family authorizations in January were at a rate of 584,000. This is 1.9% ( $\pm 0.8\%$ ) above the revised December figure of 573,000. Permits for units in buildings with five units or more were at a rate of 311,000 in January.

### Housing Starts

Privately-owned housing starts in January were at a seasonally adjusted annual rate of 890,000. This is 8.5% ( $\pm 11.3\%$ )\* below the revised December estimate of 973,000, but is 23.6% ( $\pm 13.4\%$ ) above the January 2012 rate of 720,000.

Single-family housing starts in January were at a rate of 613,000; this is 0.8% ( $\pm 11.7\%$ )\* above the revised December figure of 608,000. The January rate for units in buildings with five units or more was 260,000.

### Housing Completions

Privately-owned housing completions in January were at a seasonally adjusted annual rate of 724,000. This is 6.0% ( $\pm 7.2\%$ )\* above the revised December estimate of 683,000 and is 33.6% ( $\pm 17.1\%$ ) above the January 2012 rate of 542,000.

Single-family housing completions in January were at a rate of 565,000; this is 7.0% ( $\pm 8.1\%$ )\* above the revised December rate of 528,000. The January rate for units in buildings with five units or more was 152,000.

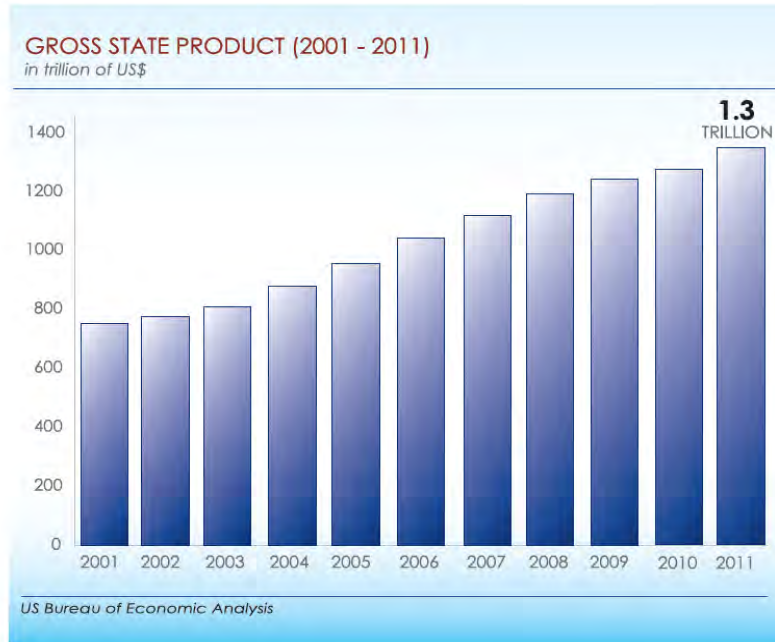
\* 90% confidence interval includes zero. The U.S. Census Bureau does not have sufficient statistical evidence to conclude that the actual change is different from zero.

### Texas

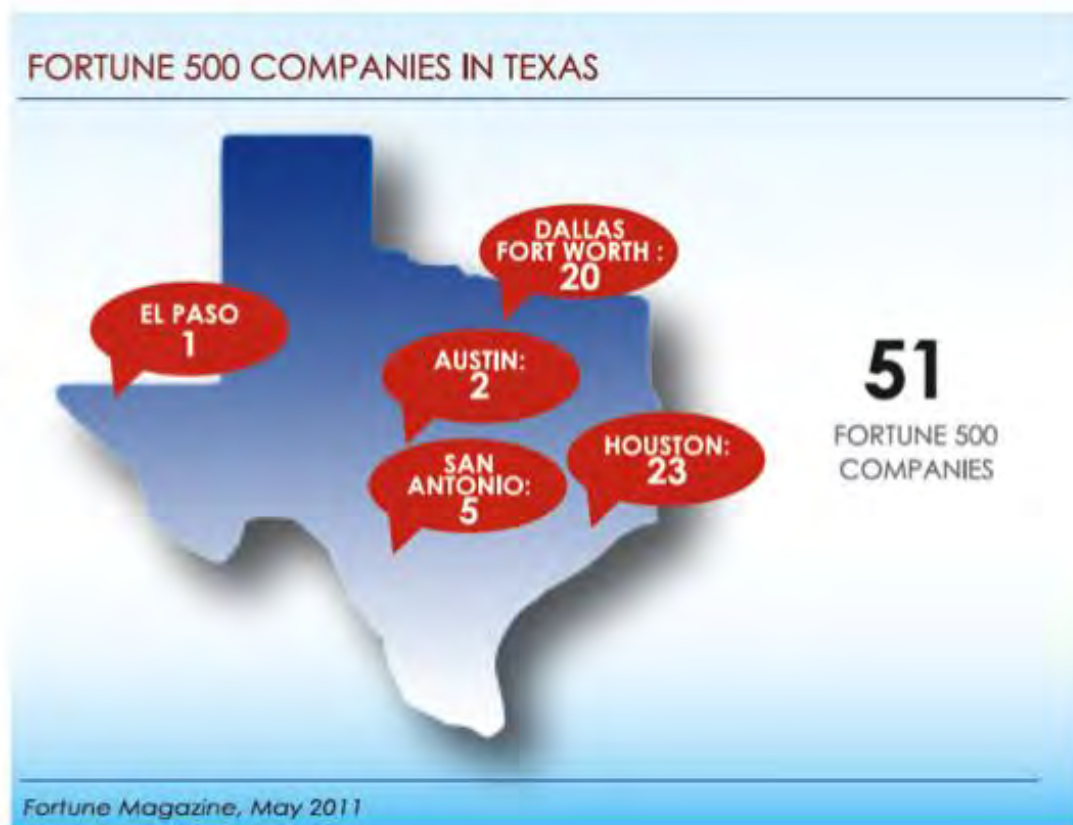
A2A established its first U.S. office in Texas in July 2012. Texas is often quoted to have been the last into the recession, and many signs point to a continuing vibrant economy taking the lead as the rest of the U.S. recovers from the economic slump. In fact, by December 2011, Texas replaced all 427,600 jobs shed during the recession as its economy rebounded more quickly than the U.S. as a whole, and continues to add jobs. Nationally, through November 2012 only 52% of recession-hit jobs have been recovered. Texas and the nation returned to economic growth in 2010 and 2011. In 2011, Texas real gross domestic product grew by 2.4%, compared with 1.6% GDP growth for the United States. (source: <http://www.thetexaseconomy.org/economic-outlook>)



Texas remains the second wealthiest state with a Gross state product of U.S.\$1.3 trillion in 2011, a size comparable to some advanced economies.



Texas offers a pro-business environment attractive to major corporations and employers.



In addition to being the home to top Fortune 500 companies like Exxon-Mobil, Texas Instruments and Kimberley-Clark, Texas has successfully attracted businesses to relocate major parts of their operations in the state. Apple (to Austin) and Lockheed (to Fort Worth) are two important recent examples. It is also anticipated that Texas will benefit from the merger of American Airlines with US Airways.

In recent months, Texas is ahead of the rest of the United States on all key employment statistics, as the following statistics attest (source: <http://www.thetexasconomy.org/economic-outlook>):

- The U.S. added 155,000 non-farm jobs in December 2012. The U.S. unemployment rate was 7.8% for December 2012. Between December 2011 and December 2012, U.S. total non-farm employment increased 1.4%.
- Texas total non-farm employment increased by 4,100 jobs during December 2012. Between December 2011 and December 2012, Texas total non-farm employment increased by 2.5%.
- The Texas unemployment rate was 6.1% for December 2012.
- The Texas unemployment rate has been at or below the national rate for 72 consecutive months.

**Texas Unemployment 2012**

December Rate	6.1%
December 2011 - December 2012 change	-1.3%

**U.S. Unemployment 2012**

January Rate	7.9%
December 2011 - December 2012 change	-0.41%

With regards to housing, Texas has weathered the national real estate crunch without significant damage to property values. Home ownership rates have remained steady. In December 2012, there were 18,496 sales of existing single-family homes, an increase of 3.0% over the previous month and 11.8% more than in December 2011. The median sale price for an existing single-family home was U.S.\$163,300 in December 2012, 8.0% higher than a year ago. In January 2013, the Texas home mortgage foreclosure rate was one in every 1,754 mortgages. This was substantially better than Florida's one in 300, Nevada's one in 344, Illinois's one in 375, and Arizona's one in 501.

**Existing Texas Single Family Home Sales**

**December 2011 - December 2012**

Units	+11.8%
Median Sales Price	+8.0%

**Texas Housing Permits**

**December 2011 - December 2012**

Single-Family	+13.4%
Multi-Family	+51.3%

**Change in Mortgage Foreclosures**

**January 2012 - January 2013**

Texas	-38.1%
U.S.	-29.1%

According to the most recent Texas Quarterly Housing Report issued by the Texas Association of REALTORS® on February 1, 2013, as a capstone to a year of accelerating momentum in Texas real estate, the fourth quarter of 2012 featured the strongest increases in sales volume and price for single-family homes in Texas for the year. The

report shows increasing demand for Texas homes coupled with decreasing inventory, leading to rising prices and improving confidence among homeowners.

As featured in the report:

- 56,488 single-family homes were sold in Texas in the fourth quarter of 2012, which is 19.82% more than the same quarter of the prior year. In addition, the median price was U.S.\$159,200, which is 7.42% more than 2011-Q4. These are the highest figures for sales volume and price in a fourth quarter since the association began issuing the Texas Quarterly Housing Report in 2009.
- The fourth quarter of 2012 also marked the sixth quarter of decreasing inventory for the Texas real estate market, which is an indicator of the balance between supply and demand for homes. The market featured 4.6 months of inventory in 2012-Q4, which is 1.8 months less than the same quarter of the prior year. In comparison, the Real Estate Center cites 6.5 months of inventory as a market in which demand is balanced with supply.

#### *Dallas-Fort Worth (DFW)*

Dallas-Fort Worth is a metropolitan area located in North Texas. DFW serves as the region's economic and cultural hub. With over 6.6 million residents, it is the largest metropolitan area in the south, and the fourth largest in the country. Much of its growth stems from the two largest cities in the area: Dallas and Fort Worth. These two cities, although separated only by 58 kilometers, have very distinct features and strengths. While Dallas is known for its magnificent skyline and towering skyscrapers, Fort Worth has maintained its southern charm, preserving its art deco architecture. Combined, the two complement each other's economy to form the economic powerhouse that North Texas is today.

Over the years, the progress experienced in Dallas and Fort Worth spurred widespread growth across the region. Businesses are sprouting throughout the region with residential communities being built around employment centers. DFW continues to flourish with the multitude of benefits that it offers to new businesses and new residents: an attractive quality of life, strong regional and state economy, low cost of living, young and skilled labor force, pro-business mindset and absence of state corporate and personal income taxes.

The city of Fort Worth is the 16<sup>th</sup> largest city in the U.S., with a population of about 760,000. Fort Worth and Tarrant County were one of the fastest growing areas in the U.S. in the past decade. It is often recognized by the popular business press like Money, Fortune, and other magazines as one of the "Best Places to Live". The growth of key companies like Lockheed Martin, Texas Health Resources, and Fidelity, and the economic impact of natural gas drilling in the Barnett Shale, have cushioned the impact of the recession on the DFW region. The logistics sector has been a catalyst for business growth. The industry is centered in the Alliance area in north Fort Worth and serves as a major intermodal distribution center for many large companies.

Fort Worth is home to major corporations, including American Airlines, Radio Shack, Pier 1 Imports, XTO Energy, and BNSF Railway, Justin Brands, FedEx, Ben E. Keith and Williamson Dickie, health care, finance, telecommunications, education, tourism, retail trade, and services are also significant economic sectors for the area.

Fort Worth also has numerous cultural and entertainment attractions, including the nationally ranked Fort Worth Zoo, a world-class museum district, the Bass Performance Hall, the Historic Stockyards District, Sundance Square, and the Texas Motor Speedway.

Population in the greater Fort Worth area is 1.3 million, with a median household income of more than U.S.\$56,000 in 2012.



With an estimated Gross Metropolitan Product (GMP) of U.S.\$401.3 Billion (IHS Global Insight 2011), DFW is the 6<sup>th</sup> richest metropolitan area in the country. Its economy also exhibits tremendous resiliency through its ability to bounce back from the recession in top form. In 2011, DFW ranked 2<sup>nd</sup> in terms of GMP growth among the 10 biggest metropolitan economies in the United States. The industries that mainly contributed to its GMP growth in recent years were trade/exports, finance and professional services. DFW currently has 19% of the total state population, produces 31% of Texas' total output and has 48% of the states' high-tech workforce. Characterized by strong economic growth and a diverse economy, DFW's workforce of 3 million includes a strong manufacturing base and a large corporate sector

2011 GROSS METROPOLITAN PRODUCT (GMP)		
in billions of US \$		
RANK		GMP
1	New York-Northern New Jersey-Long Island, NY	1,287.7
2	Los Angeles-Long Beach-Santa Ana, CA	755.0
3	Washington-Arlington-Alexandria, DC	546.8
4	Chicago-Joliet-Naperville, IL	433.9
5	Houston-Sugarland-Baytown, TX	420.4
<b>6</b>	<b>Dallas-Fort Worth-Arlington, TX</b>	<b>401.3</b>
7	Philadelphia-Camden-Wilmington, PA	352.7
8	San Francisco-Oakland-Fremont, CA	335.3
9	Boston-Cambridge-Quincy, MA	326.0
10	Atlanta-Sandy Springs-Marietta, GA	283.8

estimates based on IHS Global Insight

Bloomberg's Businessweek also ranks DFW as the 5<sup>th</sup> strongest metropolitan area in the U.S., attributing its edge to the presence of big companies in the area.

DFW's vibrant economy drives the growth of employment in the area. As of November 2012, DFW has created a total of 72,600 jobs within a 12-month period (source Metrostudy-MetroUSA). This is the 3<sup>rd</sup> highest job gains in the country, placing DFW ahead of metropolitan areas like New York, San Francisco, Seattle and Chicago in terms of job growth. With an unemployment rate of 5.9%, it has one of the lowest jobless rates in the country.

#### MATERIAL AGREEMENTS

The following summarizes all material agreements, and certain of the material terms thereof, to which the Trust or Windridge LP is currently or proposed to be a party to in conjunction with the completion of the Offering. **These summaries do not purport to be complete and for a complete understanding of all of the provisions of the applicable agreement, reference should be made to the agreement itself, a copy of which is attached to this Offering Memorandum (in terms of the Declaration of Trust and Deed of Covenant) or is otherwise available from the Trust. Capitalized terms in these summaries which are not defined in this Offering Memorandum are defined in the applicable Agreement.**

#### Declaration of Trust

The rights and obligations of the Unitholders and the Trustees are governed by the Declaration of Trust. For a full summary of the Declaration of Trust, see "Description of the Securities Offered".

## **Windridge LP Agreement**

The rights and obligations of the General Partner and the parties holding LP Units will be governed by the limited partnership agreement establishing Windridge LP among the General Partner, the Trust as the initial limited partner and all persons who subsequently become limited partners of Windridge LP holding LP Units.

### *Capital in Windridge LP*

The capital of Windridge LP will consist of an unlimited number of LP Units, the interests held by the General Partner as general partner, and the LP Notes (if any are issued). All of the LP Units and the LP Notes (if any are issued) will be held by the Trust. The Trust has contributed \$10.00 to the capital of Windridge LP in full satisfaction of its initial capital contribution and received ten (10) LP Units in exchange therefor. Immediately after the initial Closing, Windridge LP will re-purchase such LP Units for a purchase price of \$10.00 and, upon the completion of such purchase and sale, such LP Units shall be cancelled and shall no longer be outstanding for any purpose of the Windridge LP Agreement.

### *Allocation of Net Income and Net Losses*

Net income and net losses of Windridge LP will be allocated (except for U.S. federal income tax purposes) among the General Partner and the Trust on the following basis:

- (a) first, 0.01% of net income or net losses will be allocated to the General Partner; and
- (b) second, the balance of net income or net losses will be allocated to the Trust.

### *Cash Flow Distributions*

To the extent cash flow permits, Windridge LP will pay and distribute an amount equal to all cash flow from its investment in UFI in that year after payment of all current obligations of Windridge LP including accrued and unpaid interest on the LP Notes (to the extent any are issued). Cash flow will be distributed on a yearly (or shorter periodic) basis as follows:

- (a) 0.01% to the General Partner; and
- (b) 99.99% to the Trust.

### *Distributions upon Wind-up, etc.*

Upon the liquidation, dissolution or wind-up of Windridge LP, the assets of Windridge LP will be liquidated and the proceeds thereof will be distributed as follows:

- (a) first, to pay all expenses incurred in the winding-up of Windridge LP, including all applicable taxes;
- (b) second, to pay all of the liabilities of Windridge LP, including the LP Notes and any other loans or advances made by their respective limited partners and any amounts owing to the General Partner in respect of costs and expenses owing to them;
- (c) third, to establish such reserves as the General Partner considers necessary; and
- (d) fourth, the balance to the General Partner (as to 0.01% )and the Trust (as to 99.9%).

Alternatively, the Trust may approve by Special Resolution the distribution of all assets of Windridge LP *in specie*, in which event the General Partner and the Trust shall, subject to the provisions of the Windridge LP Agreement, be entitled to receive an undivided interest in each and every asset of Windridge LP as follows: the General Partner – 0.01% and the Trust – 99.9%.

#### *Additional Capital Contributions*

No limited partner of Windridge LP will be required to make additional capital contributions to Windridge LP over and above the purchase price paid for such limited partner's units.

#### *Management of Windridge LP*

The General Partner shall have continuing exclusive authority over the management of Windridge LP, the conduct of its affairs, and the management and disposition of the property of Windridge LP, except for certain limited matters being subject to votes of the limited partners holding LP Units. The General Partner does not have any rights to vote.

#### *Removal of the General Partner*

The Trust may, by Special Resolution and upon 30 days' written notice to the General Partner, remove the General Partner without cause, and may immediately remove the General Partner for cause, if such cause is not remedied after reasonable notice from the Trust. In either such case, the Trust will appoint, concurrently with the removal, a replacement general partner to assume all of the responsibilities and obligations of the removed general partner, and the removed general partner will be released of its liabilities under the Windridge LP Agreement and indemnified (subject to exceptions) for any damages and expenses with respect to events which occur in relation to Windridge LP after the appointment of the new general partner.

#### *Voting*

Each LP Unit will have attached to it the right to exercise one vote at meetings of Windridge LP. Certain powers, relating generally to the existence and fundamental powers of Windridge LP, are specified in the Windridge LP Agreement to be exercisable only by way of a Special Resolution passed by the limited partners holding LP Units.

### **UFI Purchase Agreement**

#### *Purchase and Sale*

Windridge LP has entered into the UFI Purchase Agreement with Windridge Developments wherein the latter has agreed to sell to Windridge LP up to 1,000 UFIs at a price per UFI of (a) \$10,500 (as exchanged into U.S. Dollars by Windridge Developments) less (b) U.S. \$4,600. Following each Closing and sale of Units by the Trust, the Trust will invest the Gross Subscription Proceeds into Windridge LP, and Windridge LP will use all of such proceeds to buy up to 1,000 UFIs from Windridge Developments as well as make a contribution to the Development Fund of U.S.\$4,600 per UFI acquired to be used by Windridge Developments, in accordance with the Deed of covenant, for purposes of defraying the costs and expenses of the development of the Property. See "Use of Available Funds – Use of Net Proceeds" and "– Deed of Covenant".

The actual price per UFI purchased by Windridge LP will depend on the Canadian-U.S. exchange rate on the date(s) that Windridge Developments converts the funds it receives from Windridge LP.

### *Due Diligence*

Windridge LP has acknowledged that it has conducted such due diligence including, without limitation, such investigations and such tests and inspections regarding the physical condition of the Property as it reasonably deems desirable or necessary, and that the UFI's are being sold "as is, where is".

### *Closing*

On each closing of a purchase and sale of UFI's, Windridge Developments shall (i) effect the legal transfer of the UFI's to Windridge LP and (ii) in addition to delivering customary closing documentation, deliver a title opinion from a Texas solicitor acceptable to Windridge confirming that Windridge Developments is the owner of the UFI's being sold free and clear of charges, liens, and similar financial encumbrances, except for the Deed of Covenant and other restrictive covenants affecting Offshore Investors.

### **Deed of Covenant**

As a condition of sale of the UFI's by Windridge Developments to Windridge LP, Windridge Developments requires the purchasers to provide certain covenants to and for the benefit of Windridge Developments and for all others who may become owners of a UFI. These covenants are intended to facilitate, amongst other things, the carrying out of the development of the Property by Windridge Developments, on behalf of all of the Co-owners. On the initial Closing Date, Windridge LP and Windridge Developments will enter into the Deed of Covenant.

### *Appointment of the Facilitator*

Under the Deed of Covenant, Windridge Developments is appointed the Facilitator (the "**Facilitator**") to carry out the instructions and directions of the Co-owners (including Windridge LP). In carrying out the instructions of Co-owners, the Facilitator shall have the power and authority to administer the Property as attorney and agent of the Co-owners. The Co-owners may by Ordinary Resolution from time to time appoint another person other than Windridge Developments to be the Facilitator.

Subject to contrary instructions from the Co-owners passed by Ordinary or Special Resolution, the Facilitator is authorized at all times to act for and on behalf of the Co-owners:

- (a) in connection with the sale of each UFI, to receive and deposit U.S.\$4,600 into the Development Fund to be maintained in one or more bank accounts opened with a United States bank in the name of the Facilitator;
- (b) to pay all expenses properly relating to the Property including, without limitation, the cost and expenses associated with any Planning, Development and Servicing Activities, from the Development Fund to the extent of funds available therein;
- (c) to execute, deliver and carry out all agreements which require implementation, delivery or execution by or on behalf of the Co-owners in connection with the Property, including without limitation, agreements relating to the Planning, Development and Servicing Activities;
- (d) to pay all income, realty and all other taxes as applicable, file tax returns and submit tax instalments and payments as they become due, and to pay all other fees and other expenses relating to the orderly maintenance and management of the Property out of the Development Fund to the extent of funds available therein;
- (e) to obtain the amount and type of insurance coverage necessary to protect the Property and the Co-owners from all usual perils of the type covered by prudent owners of comparable properties and to pay for such insurance out of the Development Fund to the extent of funds available

therein, and if funds are not therein available, at the cost of the Co-owners (including Windridge LP);

- (f) to employ, pay and discharge on behalf of the Co-owners out of the Development Fund to the extent of funds available therein, all employees, contractors, or subcontractors necessary to be employed in the management and operation of the Property and the Planning, Development and Servicing Activities, and if funds are not available in the Development Fund then at the cost of the Co-owners;
- (g) to contract on behalf of the Co-owners for water, gas, electricity and other services and commodities necessary for the construction, operation, development and maintenance of the Property and to pay for the cost thereof out of the Development Fund to the extent of funds available therein and if funds are not therein available then at the cost of the Co-owners;
- (h) to distribute such amount of the Net Income to each Co-owner on a proportionate basis as the Facilitator deems available for distribution and not required for any of the purposes set out above or for construction or the development of the Property. Each Co-owner's proportionate share thereof (a "**Proportionate Share**") shall be determined by a fraction the numerator of which shall be the number of UFI(s) owned by such Co-owner and the denominator shall be 4,412. For the purposes of the Deed of Covenant, "**Net Income**" shall mean the gross receipts (which, for greater certainty, shall exclude proceeds from the sale of the UFIs) derived in any way from dealing with the Property, received from the ownership, operation, use, leasing, sale of and/or development and/or any other dealing with of the Property, less the aggregate of all proper expenses and charges incurred in connection with the Property, calculated on an accrual basis, including, without limitation:
  - (i) realty taxes, property tax assessments, charges or levies due and owing with respect to the Property, and any money due and owing from improvements to the Property;
  - (ii) all costs and expenses of any sale;
  - (iii) all development and re-zoning costs and expenses;
  - (iv) all costs and expenses of operating, maintaining, leasing, managing, using, and/or developing the Property, and the costs and expenses of repair;
  - (v) lighting, electricity and public utilities costs and expenses;
  - (vi) professional fees reasonably attributed to the Property, its operation, use, sale re-zoning and/or development;
  - (vii) all other costs, expenses or disbursements which are properly attributable to the Property, except payments to the Co-owners on account of capital or distribution of Net Income;
  - (viii) Facilitator's Fees; and
  - (ix) reserves in such amount as deemed reasonably appropriate by the Facilitator from time to time, including without limitation for the purposes of the continued Planning, Development and Servicing Activities of the Property consistent with the Development Plan approved by the Co-owners.

In exchange for the services provided by the Facilitator, the Facilitator shall be paid Facilitator's Fees consisting of (i) a fee in the amount of U.S.\$5,000 per house sold to any third-party owner who is not a Co-owner and (ii) a fee in the amount of 20% of the Net Income (collectively, the "**Facilitator's Fees**").

The Facilitator is authorized to withhold any amounts required to be withheld from any distribution or other payment to a Co-owner pursuant to the provisions of any applicable law and to make payment of any such amount on behalf of such Co-owners to the State of Texas, the IRS or other governmental entity, as may be required by law.

#### *Covenant of Windridge LP*

Windridge LP covenants to the other Co-owners:

- (a) to be responsible for its Proportionate Share of the expenses and charges incurred in connection with the Property, and when called upon to contribute its Proportionate Share of such expenses and charges; and
- (b) to waive all individual rights of possession, use, occupation and rights of access to the Property and any part thereof and to exercise such rights collectively only; in order to facilitate the future re-zoning and ultimate development of the Property for the benefit of all Co-owners collectively.

#### *Meetings of Co-owners*

The first general meeting of Co-owners shall be held as soon as feasible after the sale by Windridge Developments of 95% of the UFI's, and thereafter general meetings of Co-owners shall be held as often as is necessary when decisions or instructions are required from Co-owners with respect to the Property or when Co-owners representing 15% or more of the total UFI's requisition for a meeting. All meetings shall be held in Texas unless otherwise determined by the Facilitator. Co-owners shall have one vote for each UFI owned by a Co-owner and may attend a meeting in person or by proxy.

The Facilitator shall provide all Co-owners 14 days written notice of the first general meeting, which notice shall include an agenda for the meeting and:

- (a) a resolution for the confirmation of appointment of the Facilitator;
- (b) recommended decisions and instructions as may be appropriate for the leasing, rental and/or re-zoning of the Property and/or undertaking Planning, Development and Servicing Activities;
- (c) a recommendation for the appointment or confirmation of appointment of professional advisers and consultants for the management of the Property and to carry out Planning, Development and Servicing Activities; and
- (d) a recommendation for the overall development plan of the Property, which will comprise the development phases for the Property, projection of Net Proceeds and its distribution plan ("**Development Plan**").

Not less than 14 days written notice shall be given for all other general meetings and each notice for general meeting after the first meeting shall be accompanied by an agenda setting out the matters to be placed before the Co-owners and the resolutions for consideration and, if thought fit, approval. Each agenda shall be accompanied by supporting materials, if any, sufficiently detailed to inform Co-owners of the matters to be considered at the meeting.

The following shall always require a decision of the Co-owners by way of Ordinary Resolution:

- (a) approving or ratifying a proposal or plan to re-zone, develop and/or build structures on the Property;
- (b) subject to limited exceptions requiring approval by a Special Resolution, consenting to the amendment of the Deed of Covenant or other restrictive covenant affecting a Co-owner;
- (c) appointment and confirmation of a firm of public accountants qualified to practice in United States to prepare the financial statements for the Property and any activities carried on with respect to the Property; and
- (d) any matter relating to ordinary day to day management of and dealings with the Property not expressly requiring a Special Resolution.

The following shall always require a decision of the Co-owners by the way of Special Resolution:

- (a) approving the sale or exchange of all or any part of the Property not being the sale of a UFI by Windridge Developments or other Co-owners; provided that, no such sale by such Co-owners shall include an interest in the Property of any other Co-owner; and
- (b) approving or ratifying the giving of a loan or advance by the Facilitator to a Co-owner for the purposes of assisting a Co-owner in satisfying and performing their financial obligations under the Deed of Covenant or other restrictive covenant affecting a Co-owner.

#### *Sale of the Property*

An offer (the “**Offer**”) to purchase the Property or any portion or phase of the Property received by the Facilitator, which the Facilitator deems credible and on normal commercial terms, shall be presented to the Co-owners for decision. If such offer to purchase is accepted by the Co-owners by Special Resolution, then such Resolution shall authorize, and be deemed to have authorized, the Facilitator to accept the Offer as agent of the Co-owners which acceptance shall be binding upon all of the Co-owners. The Facilitator shall have the right of first refusal, exercisable by notice in writing to the Co-owners, within 14 days after the Co-owners have passed a Special Resolution to accept the Offer, to purchase the Property on the same terms and conditions as the Offer. If the Facilitator fails to give such notice within 14 days, then the Facilitator shall accept the Offer and complete the transaction in accordance therewith on behalf of the Co-owners.

#### *Transfer of UFIs*

No Co-owner other than Windridge Developments, shall sell, transfer, mortgage or otherwise encumber or dispose of a UFI, except in accordance with the provisions of the Deed of Covenant.

UFIs may be sold, assigned and transferred by Windridge LP only if the following conditions, amongst others, are satisfied:

- (a) the transferor and transferee have delivered to the Facilitator an executed assignment and an executed registrable transfer form for the transfer of title to the transferee, and all other documentation requested by the Facilitator;
- (b) The transferee has agreed in writing to be bound by the terms of the Deed of Covenant, to assume the obligations of the transferring Co-owner under the Deed of Covenant in respect of the UFI being assigned and transferred;

- (c) the transferee pays such costs, expenses and disbursements, including legal fees as are reasonably incurred by the Facilitator by reason of the assignment and transfer and registration of the transferee as registered owner; and
- (d) The transferee shall provide the Facilitator with evidence reasonably satisfactory to the Facilitator that the transferee is not a U.S. Person as defined under Section 7701(a)(30) of the IRC or Rule 902 k of the Securities Act.

#### *Termination*

The Deed of Covenant shall remain in full force and effect until the title to the Property and all subdivisions and parts thereof are transferred to a third-party owner and thereafter shall continue to be binding on Windridge LP until monies (including the balance of the Development Fund, if any and sales proceeds) are distributed by the Facilitator to the Co-owners in their respective Proportionate Shares.

#### **Administrative Services Agreement**

##### *Retention of Administrator*

Pursuant to the terms of the Administrative Services Agreement, the Administrator has been appointed to provide the Trust with management and administrative services necessary to manage the day-to-day operations of the Trust and Windridge LP. In carrying out its obligations under the Administrative Services Agreement, the Administrator will be required to exercise its powers and discharge its duties diligently, honestly, in good faith and in the best interests of the Trust and/or Windridge LP, as applicable, including exercising the standard of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

##### *Services*

The services to be provided by the Administrator under the terms of the Administrative Services Agreement include, without limitation:

- (a) overseeing the sale of the Units and the completion of all matters related to the closing of subscriptions for Units, including responding to inquiries from financial agents, investors and others as they may arise from time to time;
- (b) preparing and filing all reports required in the jurisdictions in which Units have been sold in order to comply with applicable Securities Laws;
- (c) appointing, supervising and removing third-party service providers and any replacements upon such terms as the Administrator shall think fit;
- (c) providing investor communications and reporting services;
- (d) co-ordinating preparation and distribution of financial statements and other disclosure from time to time and at such times as specified in the Declaration of Trust or as may otherwise be required by applicable laws;
- (e) doing all such acts, taking all such proceedings, executing all such documents and exercising all such rights and privileges, although not specifically mentioned here, as the Administrator may deem necessary to administer the Trust and Windridge LP and carrying out the purposes of the Trust and the Windridge LP, as the case may be, in order for such entity to seek to achieve its objectives;



- (f) maintaining proper books, accounts and records;
- (g) providing administrative, executive and management personnel having the requisite experience and skill to perform the obligations of the Administrator under the Administrative Services Agreement, including to carry out the business and administrative services as contemplated by the section entitled “Description of the Securities Distributed – Powers and Responsibilities of the Board of Trustees” contained within the Offering Memorandum; and
- (h) monitoring regularly on an ongoing basis the Trust’s compliance with the requirements under the Tax Act (to qualify as a “mutual fund trust” thereunder, and attending to the filing of all applicable tax returns and take whatever steps necessary to ensure that Trust qualifies as a “mutual fund trust” at all times.

Notwithstanding the above, it may at times be prudent for the Administrator to delegate certain of its responsibilities under the Administrative Services Agreement to third party providers. In the event that the Administrator was to outsource any of its obligations under the Administrative Services Agreement, such delegation will be done at the expense of the Administrator and will not relieve the Administrator of its obligations under such agreement.

#### *Personnel*

The personnel engaged by the Administrator will not be employees of the Trust. The Administrator will provide such administrative, executive and management personnel as may be reasonably necessary to perform its obligations by using its own employees and will therefore be responsible for all employment matters with respect to such employees. Pursuant to the terms of the Administrative Services Agreement, the Administrator will bear all costs and expenses incurred by the Administrator 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 Clifton Foo, as Chief Executive Officer, and Warren Soo, as Chief Financial Officer, to the Trust.

#### *Term*

The term of the Administrative Services Agreement will continue, subject to earlier termination in certain circumstances, until the earlier of the winding-up or dissolution of Windridge LP and the Trust and December 31, 2023. The Administrative Services Agreement can be terminated early in certain circumstances, including upon the dissolution, liquidation, bankruptcy, insolvency or winding-up of the Administrator.

#### *Indemnification*

The Administrative Services Agreement contains indemnification provisions whereby the Trust and Windridge LP will indemnify the Administrator against any loss, expense, damage or injury suffered in the scope of its authority under the Administrative Services Agreement, provided the same does not result from wilful misconduct, bad faith, gross negligence or breach of its standard of care owed under the Administrative Services Agreement. In addition, under the Administrative Services Agreement, the Administrator indemnifies the Trust and Windridge LP against any loss, expense, damage or injury suffered as a result of the Administrator’s wilful misconduct, bad faith, gross negligence or breach of its standard of care owed under the Administrative Services Agreement.

#### *Fees and Expenses*

There is no fee paid to the Administrator, although the Trust will be required to reimburse the expenses incurred by the Administrator in performing its functions under the Administrative Services Agreement.

## INTERESTS OF TRUSTEES, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

### Compensation and Securities Held

The following table sets out information about each of the trustees, directors and officers of the Trust, the General Partner, Windridge Developments (the “**Promoter**”) and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of the voting securities of the Trust.

Name and Municipality of principal residence	Positions held and date of obtaining that position <sup>(1)</sup>	Compensation anticipated to be paid by the Trust in the current financial year <sup>(2)</sup>	Number, type and percentage of Units to be held after completion of:	
			Minimum Offering <sup>(3)</sup>	Maximum Offering <sup>(3)</sup>
Dirk Foo Singapore	Trustee, Director and President of General Partner, Director and Sole Member of Windridge Developments	Nil	See Note 3	See Note 3
William Friedman Toronto, Ontario	Trustee	\$10,000 <sup>(4)</sup>	See Note 3	See Note 3
Steven Warsh Toronto, Ontario	Trustee	\$10,000 <sup>(4)</sup>	See Note 3	See Note 3
Clifton Foo Southlake, Texas	Chief Executive Officer of the Administrator, Director of Windridge Developments	Nil	See Note 3	See Note 3
Warren Soo Singapore	Chief Financial Officer of the Administrator	Nil	See Note 3	See Note 3
Milton Bartlett Singapore	Director and Secretary of General Partner, President of the Administrator	Nil	See Note 3	See Note 3
Glenn Pickard Calgary, Alberta	Director of General Partner	Nil	See Note 3	See Note 3
Jeff Peterson Trophy Club, Texas	Director of Windridge Developments	Nil	See Note 3	See Note 3
Windridge A2A Developments, LLC	Promoter	Nil	Nil	Nil

Notes:

<sup>(1)</sup> Each Trustee has held his position since the creation of the Trust on February 13, 2013.

<sup>(2)</sup> The Trust has not yet completed a financial year.

<sup>(3)</sup> None of the above Trustees or officers of the Trust currently hold, or have any intention of holding, any Units. However, Trustees, directors and/or officers of the Trust, the General Partner, the Administrator or Windridge Developments may acquire Units pursuant to the Offering at the same price paid by Subscribers.

<sup>(4)</sup> Represents an annual retainer to act as a trustee. Each of Mr. Friedman and Mr. Warsh provide legal and/or real estate advisory services to A2A for which they are compensated in addition to this annual retainer.

### Management experience

The name and principal occupation for the past five years of the directors and senior officers of the Trust, the General Partner, Windridge Developments:

Name	Principal Occupation and Related Experience
Dirk Foo	Dirk's ambition and drive have served him well through his decade's long career in sales that eventually lead to real estate investment sale and marketing. In 1999, Dirk acquired a real estate development corporation, Multi-Match Ptd. Ltd. and, in 2000, he was offered a position with Walton International Group. While working with Walton International Group, Dirk was the Senior Vice President of Asia sales and led Walton International Group's Asian network to record sales year over year. After leaving Walton International Group, Dirk took a sabbatical before returning to work in real estate investment sales in 2011, this time with A2A Capital Management. Dirk's passion and years of experience in real estate sales has helped A2A Capital Management grow and expand into new markets.
William Friedman	William has been recognized as a 2013 Top Rated Lawyer in Canada. William received a law degree in both common law and civil law from the University of McGill in Montreal. He was called to the Bars of the Province of Quebec in 1975 and the Province of Ontario in 1978. Since being called to the bar in Ontario, William has published various articles including an article in the Future of Corporate Law in Canada and has participated in the preparation of the 5 <sup>th</sup> addition of Falconbridge on Mortgages. William's practice focuses on major real estate transactions, mergers and acquisitions, corporate finance and civil litigation. He has advised on various major real estate projects including the interim financing of Terminal 3 at the Pearson International Airport, the sale of the Toronto Skydome and the land lease for Canada's Wonderland, as well as numerous other acquisitions and dispositions of real estate. William Friedman has since 1997 received an AV Preeminent Rating. This is the highest possible rating in both Legal Ability and Ethical Standards reflecting the confidential opinions of members of the Bar and the Judiciary for lawyers in Canada and the United States by Lexis Nexis.
Steven Warsh	Steven received a Bachelor of Arts from the University of Toronto in 1977 and a Masters of Business Administration from York University in 1979. Throughout his 34 year entrepreneurial career, Steven has participated in all aspects of real estate including acquisitions, syndications, financings and dispositions, as well as the planning and development of a wide range of real estate projects with corporations like Cadillac Fairview Corporation Ltd., JHS Investments Ltd. and Commercial Focus Realty Services Inc. Recently, Steven has worked as Development Partner with the Greyrock Group of Companies that focuses on hi-rise development projects in the Greater Toronto Area. Additionally, Steven is President and CEO of Terra Development Services Limited. Terra advises clients on the acquisition of real estate assets and facilitates and manages the development process for real estate with a view to maximize value for stakeholders. Terra Development Services Limited principally focuses on the development of residential real estate projects, both land development, low rise subdivisions and hi-rise, and has experienced much success.

Throughout his career Steven has served on a number of charitable boards including the Canadian Friends of the Hebrew University of Jerusalem, B'nai Brith and Macabi

Canada.

Name	Principal Occupation and Related Experience
Clifton Foo	Clifton received a Bachelor of Accountancy from the National University of Singapore and a Masters of Business Administration from the University of Melbourne. Clifton worked with Philips Electronics for twenty years and achieved the position of Director of Marketing before leaving the corporation in 2010. Clifton also has broad work experience in as diverse markets as Asia-Pacific, Europe, North America and Brazil. For the last three years, he has worked with the A2A group of corporations and is currently CEO of A2A Capital Management in Canada and CEO of A2A Capital Management USA, LLC. Over the last three years working with the A2A group, Clifton has gained much experience in land acquisition, asset management and operations administration working in the development of residential real estate in both Ontario and Texas. Clifton has been based in North America for about 15 years. He spends his time now between Toronto and Dallas.
Warren Soo	Warren holds a Masters Degree in Accountancy from the Royal Melbourne Institute of Technology (RMIT) University in Melbourne, Australia. Warren is a CPA with CPA Australia since 2000 and an Associates Member of the Institute of Certified Public Accountants of Singapore (ICPAS). Warren began his career in auditing at KPMG in Singapore specializing in the banking and finance sector before leaving the company in 2001 as a Senior Auditor. His extensive experience in accounting and finance related to real estate development began when he took the position of Vice President of Finance with a global real estate company. In 2009, Warren worked as Chief Financial Officer of another real estate development firm. In 2011, Warren brought this wealth of real estate development knowledge to A2A Capital Management and the Administrator where he is currently employed as Chief Financial Officer.
Milton Bartlett	Milton is the Deputy Chief Executive Officer of A2A Capital Management and a founding member of the company. He holds a degree in Economics from University of California, Los Angeles (UCLA) and brings close to three decades of expansive professional experience in finance, investment portfolio management, foreign exchange and derivatives trading with some of the leading financial names on Wall Street. He spent six years in account management at Drexel Burnham Lambert Incorporated and Dean Witter Reynolds Inc. In addition, he was Vice President for Lehman Brothers, and was in charge of their SIMEX derivatives trading in Singapore. He has also been involved in real estate investments since 2005, most recently with Priority Wealth Group prior to founding A2A Capital Management.
Glenn Pickard	Glenn earned a double diploma in Aviation and Archaeology & Anthropological Study from Mount Royal University in Calgary in 2003. He has since worked in the field of real estate, beginning as a freelance agent in Calgary. In 2004, he joined one of the largest land investment organizations in North America as a sales consultant. His stellar performance brought him to an assignment in Asia from 2004 to 2009. As Regional Business Development officer, Glenn oversaw the development of institutional sales and channel services across Asia. Since 2010, Glenn has been head of sales for A2A real estate investment projects and products, and is responsible for all the A2A group's sales operations in North America and the Asia Pacific region.

Name	Principal Occupation and Related Experience
Jeff Peterson	Jeff attended the University of Phoenix and received a Bachelor of Science Degree in Business Accounting. Jeff has seventeen years of accounting experience in manufacturing and service industries. In his previous post at Travelocity, Jeff was the Director of Finance. For the last ten years, he has been a licensed real estate broker in the state of Nevada, winning many sales awards while working for several high profile real estate developments such as Temple Development, Beazer Homes and American West Homes. Currently Jeff is a Director of Windridge Developments and the Vice President of Acquisitions and Development of A2A Capital Management USA Inc. He has accumulated experience in the complete value chain of managing development projects from acquiring land, re-zoning, development and property sales. Jeff has also earned the designation of Certified New Home Sale Professional (CSP). Jeff drives a team and process to ensure that A2A effectively targets land investments that will be successfully re-zoned and ultimately developed.

### Penalties, Sanctions and Bankruptcy

To the Trustees' knowledge, no trustee, director, executive officer or control person (collectively, an "Insider") of the Trust, the General Partner or Windridge Developments, or any issuer in which an Insider was a director, executive officer or control person, has during the last 10 years:

- (i) been subject to any penalty or sanction or any cease trade order that has been in effect for a period of more than 30 consecutive days; or
- (ii) made a declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation or proceedings, arrangement or compromise with creditors, or appointed a receiver, receiver manager or trustee to hold assets.

### CAPITAL STRUCTURE

#### Share Capital

The following table sets out the capital structure of the Trust:

Description of security	Number authorized to be issued	Number outstanding as at the date hereof <sup>(1)</sup>	Number outstanding after:	
			Minimum Offering	Maximum Offering
Units	Unlimited	1	15,000	105,000

Notes:

<sup>(1)</sup> See "– Prior Sales".

#### Long Term Debt

The Trust currently has no outstanding long term debt, and does not currently intend to borrow funds for the purposes of satisfying the expenses of the Trust. If necessary, the Declaration of Trust permits the Trust to borrow money (up to a maximum principal amount of \$50,000) from the Administrator as necessary to pay expenses of the Trust, and to pay interest on such unsecured loan (if any is charged) at a rate not in excess of then current

prime rate offered by the Trust's bankers, plus 1.00%. See "Description of the Securities Offered – Powers and Responsibilities of the Board of Trustees".

### **Prior Sales**

A2A Investments Inc. settled the Trust with an initial contribution of \$100 in consideration for the issuance of one Unit. Immediately after the initial Closing, the Trust will re-purchase such Unit for a purchase price of \$100 and, upon the completion of such purchase and sale, such Unit shall be cancelled and shall no longer be outstanding.

### **DESCRIPTION OF THE SECURITIES OFFERED**

The Trust is offering a minimum of 15,000, and a maximum of 105,000, Units at a price of \$100 per Unit.

The rights and obligations of the Unitholders and the Trustees are governed by the Declaration of Trust. The following is a summary of certain material provisions of the Declaration of Trust. This summary does not purport to be complete and reference should be made to the Declaration of Trust itself, a copy of which is attached as Schedule A to this Offering Memorandum.

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

#### *Units*

The beneficial interest in the net assets and net income of the Trust is represented by a single class, described and designated as "Units". The Trust is authorized to issue an unlimited number of Units.

Each Unit entitles the holder to the same rights and obligations as a Unitholder and no Unitholder is entitled to any privilege, priority or preference in relation to any other Unitholder.

On the redemption of Units, the Trust may in its sole discretion, designate payable to redeeming Unitholders, as part of the redemption price, any capital gains realized by, and income of, the Trust in the taxation year in which the redemption occurred. On termination or liquidation of the Trust, the Unitholders of record are entitled to receive all of the assets of the Trust remaining after payment of all debts, liabilities and liquidation expenses of the Trust.

#### *Limitation on Non-Resident Ownership*

In order for the Trust to maintain its status as a "mutual fund trust" under the Tax Act, the Trust must not be established or maintained primarily for the benefit of Non-Residents, except in limited circumstances. Among those circumstances are that all or substantially all of the mutual fund trust's property is not "taxable Canadian property", as defined by the Tax Act. Although it is not expected that the Trust will own "taxable Canadian property", Non-Residents will not be permitted to be the beneficial owners of more than 49% of the Units 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 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 are held by Non-Residents, the Board may send a notice to Non-Resident holders of Units, 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 holders of Units and their rights will be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the Board which is unpaid and owing to such Unitholders. The Board will have no liability for the amount received provided that they act in good faith.

#### *Distributions*

The Trust will distribute to its Unitholders its Distributable Cash Flow for each Distribution Period in which such amounts are realized. The Trust intends to declare quarterly cash distributions on December 31 in a given year with the first of these distributions to be made December 31, 2013. The Trust will own all of the issued and outstanding limited partnership units of Windridge LP and will be entitled to receive all of the Distributable Cash of Windridge LP. Windridge LP will elect to be classified as a corporation for U.S. federal income tax purposes. Accordingly, Windridge LP will be subject to applicable U.S. income and withholding taxes. Windridge LP will satisfy its U.S. tax liability, or make sufficient reserves for its applicable U.S. taxes, prior to making distributions to the Trust. The Trust will then distribute the Distributable Cash Flow to the Unitholders, a Canadian resident Unitholder (other than a Deferred Plan) generally will be entitled to a credit in respect of the U.S. taxes paid by Windridge LP in computing its Canadian taxable income to the extent permitted by the detailed rules in the Tax Act. See "Certain Canadian Federal Income Tax Considerations", "Certain U.S. Federal Income Tax Considerations", "Risk Factors – Risk Factors Relating to the Trust's Canadian Tax Status" and "Risk Factors – Risk Factors Relating to the Trust's U.S. Tax Status".

Distributions on the Units, including any returns of capital and the distribution of proceeds on the termination of the Trust, will be determined and declared in Canadian dollars.

The ability of the Trust to make cash distributions and the actual amount distributed will depend on the ability of Windridge Developments to sell lots and/or houses on the Property, and will be subject to various factors including those referenced in the "Risk Factors" section of this Offering Memorandum. 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.

The Trust may designate for the purposes of the Tax Act any income or capital gains realized by the Trust as a result of the redemption of Units (including any income or capital gains realized by the Trust on an *in specie* redemption of Units) as being paid to the redeeming Unitholders, with the result that the taxable portion of such gains and income generally may be deductible by the Trust.

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

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

#### *Distribution on Termination of the Trust*

On the termination of the Trust, the assets of the Trust shall be liquidated and the proceeds distributed in the following order:

- (a) to pay the liabilities of the Trust and to establish reserves for the contingent liabilities of the Trust; and
- (b) to redeem the Units from Unitholders.

#### *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, 25% or more of the Units outstanding.

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 an 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. 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 another day, not less than 10 days later, selected by the Board and notice will be given to the Unitholders of such adjourned meeting. The Unitholders present at any adjourned meeting will constitute a quorum.

Each Unitholder is entitled to one vote per Unit held.

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

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

The following actions requires approval by Special Resolution:

- (a) the removal of any Trustee approved by the Administrator;
- (b) the amendment of this Declaration of Trust or changes to the Trust, including changes to the investment restrictions and operating policies as specified in Article 7 in the Declaration of Trust;
- (c) a reduction in the amount payable on any outstanding Units upon liquidation of the Trust;
- (d) an increase in the liability of any Unitholders; and
- (e) an amendment, modification or variation in the provisions or rights attaching to the Units.

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.

#### *Termination of the Trust*

In the event that the Board has not terminated and dissolved the Trust by December 31, 2023, the Trust will call a meeting of Unitholders to determine by Special Resolution whether the Trust will:

- (a) sell Windridge LP, or cause Windridge LP to sell the UFI, for cash or securities listed on a stock exchange or a combination of cash and securities listed on a stock exchange; or
- (b) continue in operation.

In addition, the Board may at any time terminate and dissolve the Trust by giving written notice to each of the then Unitholders of its intention to terminate the Trust at least 90 days before the date on which the Trust is to be terminated. Upon termination, the net assets of the Trust will be distributed to the holders of the Units on a proportionate basis. Prior to the termination date, the Board will convert the assets of the Trust to cash. After payment of the liabilities of the Trust, the Unitholder registered as such at the close of business on the date fixed as the termination date will be entitled to receive from the Trust the proportionate share of the value of the Trust attributable to such Unitholder's 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:

- (a) removing any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law or regulation applicable to or affecting the Trust;
- (b) providing, 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) making 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;
- (d) making amendments which, in the opinion of the Trustees, are necessary or desirable to remove conflicts or inconsistencies between the disclosure in the Offering Memorandum and the Declaration of Trust;
- (e) making changes or corrections in the Declaration of Trust which are of a typographical nature or are required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;
- (f) bringing 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 or investment fund industries provided that any such amendment does not adversely affect the rights, privileges or interests of Unitholders;

- (g) maintaining, or permitting the Administrator to take such steps as may be desirable or necessary to maintain, the status of the Trust as a “mutual fund trust” and a “unit trust” for the purposes of the Tax Act or to respond to amendments to the Tax Act or to the interpretation thereof;
- (h) subject to (g), removing the limitation on Non-Resident ownership; and
- (i) making amendments as are required to undertake an internal reorganization involving the sale, lease, exchange or other transfer of the Trust as a result of which the Trust has substantially the same interest, whether direct or indirect, in the Trust Property that it had prior to the reorganization and, for greater certainty, includes an amalgamation, arrangement or merger of the Trust and its affiliates with any entities, provided that in the opinion of the Trustees, based on the advice of counsel, the rights of Unitholders are not materially 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 Administrator upon not less than 30 days’ prior written notice to Unitholders.

#### *Information and Reports*

The Trust will furnish to Unitholders annual audited financial statements and other reports as are from time to time required by this Declaration of Trust and by applicable law. The Trust will also make available to the Unitholders any documents or reports received from Windridge Developments (or any replacement facilitator) pursuant to the Deed of Covenant. In addition, on or before March 31 in each calendar year, the Trust will forward to Unitholders tax reporting information in such manner as will enable a Unitholder to report the income tax consequences of their investment in Units in the Unitholder’s annual Canadian income tax return.

#### *Liability of Trustees and Unitholders*

On December 16, 2004, the *Trust Beneficiaries’ Liabilities Act, 2004* (Ontario), came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust if, when the act or default occurs or the liability arises, (a) the trust is a reporting issuer under the *Securities Act* (Ontario) and (b) the trust is governed by the laws of Ontario. **Although the Trust is governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust, it is not, and has no intention of becoming, a reporting issuer under the *Securities Act* (Ontario) or any other Securities Laws. See “Risk Factors”.**

The Declaration of Trust provides that no Unitholder or annuitant or beneficiary of a trust governed by a Deferred Plan/or of any Deferred Plan of which a Unitholder acts as an annuitant will be held to have any personal liability as such, and that no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any Unitholder or annuitant for any liability whatsoever, whether constituting extra contractual or contractual liability or arising in tort, contract or otherwise, to any Person in connection with the Trust’s property, including for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees or any obligation which a Unitholder or annuitant would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such (“**Trust Liability**”). Only the Trust’s assets are intended to be liable and subject to levy or execution for satisfaction of such Trust Liability. Each Unitholder and annuitant will be entitled to be reimbursed out of the Trust’s assets in respect of any payment of such Trust Liability made by such Unitholder or annuitant.

The Declaration of Trust further provides that the Trustees shall cause the Trust’s operations to be conducted, with the advice of counsel, in such a way and in such jurisdictions as to avoid, to the extent they determine practicable and consistent with their fiduciary duty to act in the best interests of the Trust, any material risk of liability to the Unitholders for claims against the Trust. Any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage and, to the extent the Trustees determine it to be practicable and consistent with their fiduciary duties to act in the best interest of the Trust, any written instrument which is a material

obligation, shall contain a provision that the obligation created is not personally binding upon the Trustees, the Unitholders or officers, employees or agents of the Trust, but that only the Trust's property or a specific portion thereof is bound.

### *Redemption*

A Unitholder holding Units wishing to redeem the whole or any part of his or her Units (a "**Redemption**") may deliver a notice of such desire (the "**Redemption Notice**") to the Trust at any time. Upon receipt by the Trust of the Redemption Notice, the Unitholder shall thereafter cease to have any rights with respect to the Units tendered for redemption (other than to receive the redemption payment therefor) including the right to receive any distributions thereon that are declared payable to the Unitholders of record on a date that is subsequent to the date of receipt by the Trust of the Redemption Notice. Units shall be considered to be tendered for redemption on the date that the Trust has, to the satisfaction of the Board, received the Redemption Notice and further documents or evidence the Trust may reasonably require with respect to the identity, capacity or authority of the person giving such notice.

Subject to applicable laws and the conditions listed below, the Trust will redeem the Units specified in such Redemption Notice. The price per Unit payable upon redemption will be based on the total redemption value of the Units (the "**Redemption Value**"), being an amount equal to 95% of the fair market value of a Unit determined by the Trustees, in their sole discretion, using reasonable methods of determining fair market value; provided, however, that (i) fair market value of a Unit may or may not be equal to a *pro rata* share of the net asset value of the Units, depending on the methods used by the Trustees in making a particular determination of such value and (ii) fair market value of a Unit will reflect a reduction of all Compensation for Selling Commissions, Service Fees and Marketing Fees paid by or on behalf of the Trust (as disclosed in the "Compensation Selling Commissions, Service Fees and Marketing Fees" section below) at the time the Unit was acquired;

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

- (a) the total amount payable by the Trust by cash payment in respect of the redemption of Units for the calendar quarter in which the redemption date occurs will not exceed \$25,000; and
- (b) the total amount payable by the Trust by cash payment in respect of the redemption of Units in any twelve month period ending at the end of the calendar quarter in which the redemption date occurs will not exceed 1% of the aggregate Gross Subscription Proceeds of all Units that were issued and outstanding at the start of such twelve month period.

If any of the conditions in paragraphs (a) and (b) above preclude the payment of the redemption price in cash (and the Board does not, in its sole discretion, waive such limitation in respect of all Units tendered for redemption in any particular calendar quarter), the redemption price shall be paid and satisfied by way of an *in specie* distribution of property of the Trust and/or unsecured subordinated notes of the Trust, as determined by the Trustees in their sole discretion. The terms of such notes, if issued, shall be determined by the Trustees in their sole discretion. Property distributed by the Trust on a redemption may be illiquid, generally will not be qualified investments for Deferred Plans and may be prohibited investments for Deferred Plans.

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

See "Risk Factors – Illiquidity of Units and – Redemptions".

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

*Powers and Responsibilities of the Board of Trustees*

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

- (a) holding the Trust Property in safekeeping, retaining moneys, securities, property, assets or investments, and investing moneys from time to time forming part of the Trust Property;
- (b) ensuring that the Gross Subscription Proceeds are invested in the LP Units and the LP Notes net of any expenses incurred by the Trust;
- (c) borrowing money (up to a maximum principal amount of \$50,000) from the Administrator as necessary, and to pay interest on such unsecured loan (if any is charged) at a rate not in excess of the then current prime rate offered by the Trust's bankers, plus 1.00%;
- (d) paying properly incurred expenses of the Trust;
- (e) depositing monies from time to time forming part of the Trust Property in such accounts;
- (f) possessing and exercising rights, powers and privileges appertaining to ownership of or interests in Trust Property;
- (g) holding legal title to the Trust Property;
- (h) ensuring compliance with applicable Securities Laws;
- (i) preparing and filing or causing to be prepared and filed any and all requisite returns, reports and filings;
- (j) monitoring the Trust's tax status as a "mutual fund trust" within the meaning of the Tax Act;
- (k) providing all requisite office accommodation and associated facilities;
- (l) providing or causing to be provided to the Trust all other administrative and other services and facilities required by the Trust; and maintaining or causing to be maintained complete records of all transactions in respect of the investment portfolio of the Trust;
- (m) prescribing any instrument provided for or contemplated by this Declaration of Trust;
- (n) remitting distributions to Unitholders;
- (o) appointing the auditors of and registrar and transfer agent for the Trust; and
- (p) except as prohibited by law, delegating from time to time to the Trust's employees, consultants, agents and other persons including, without limitation, the Administrator, the doing of such things and the exercise of such powers hereunder as the Board may from time to time deem expedient, so long as any such delegation is not inconsistent with any of the provisions of this Declaration of Trust and subject at all times to the general control and supervision of the Board as provided for therein,



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

The Declaration of Trust provides that any Trustee may resign upon written notice to the Trust. A Trustee may be removed at any time with or without cause by the Administrator; provided however that the Unitholders shall have replaced any Trustee by way of a Special Resolution. Any removal of a Trustee shall take effect immediately following the aforesaid vote or resolution. 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, or are deemed to be, resident in Canada for purposes of the Tax Act, or by the Unitholders at a meeting of the Unitholders.

The Declaration of Trust provides that, subject to certain limitations, the Trustees and executive officers of the Trust (and the directors and officers of any affiliated entity) will be indemnified out of the Trust Property in respect of any civil, criminal or administrative action or proceeding to which such person is made a party by reason of being or having been a Trustee or officer or director of the Trust or such affiliated entity, and/or in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon such parties as a result of the exercise of his or her powers or duties under the Declaration of Trust.

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

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

#### **SUBSCRIPTION PROCEDURES**

A Subscriber may subscribe for Units by delivering the following to (i) the Trust c/o A2A Capital Services at 744 Fourth Avenue SW., Suite 900, Calgary, Alberta T2P 3T4, or (ii) to the Trust's agents, if any, at the addresses provided by them:

- (a) an initialled copy of the face page of this Offering Memorandum;
- (b) a completed subscription agreement in the form provided by the Trust including all applicable schedules and exhibits; and
- (c) if the Subscriber is making:
  - (i) a direct investment, a certified cheque or bank draft payable to "The Hills of Windridge A2A Trust", or payment in such other manner as may be acceptable to the Trust, for the aggregate purchase price of the Units subscribed for pursuant to the subscription agreement; or
  - (ii) an investment through a Deferred Plan, confirmation that the funds representing the aggregate purchase price of the Units subscribed for pursuant to the subscription agreement are held in such Subscriber's Deferred Plan account.

The Trust reserves the right to accept or reject subscriptions in whole or in part at its discretion. Any funds for subscriptions that the Trust does not accept will be returned promptly after such determination.

In the case of direct investments, the Trust (or its agent) will hold the subscription funds in trust in a segregated account pending Closing. At a Closing of the Offering, the Trust will deliver to each direct investment Subscriber a copy of the Unit certificate(s) representing fully paid and non-assessable Units, provided the subscription price has been paid in full.

In the case of an investment through a Deferred Plan, the administrator of the Deferred Plan will advance the subscription funds to the Trust from the Subscriber's Deferred Plan account in exchange for Units certificate(s) representing fully paid and non-assessable Units. The administrator of the Deferred Plan may require that it hold the original Unit certificate(s) in trust for as long as the administrator retains the Deferred Plan of the Subscriber.

Subscribers should note that administrators of their Deferred Plan may require additional documents and forms to be completed. Subscribers should also note that administrators of their Deferred Plan may charge additional fees to administer their Deferred Plan and these fees are not associated with the Trust.

The first Closing Date is anticipated to be on or about March 31, 2014 (or one or more such earlier or later dates as may be approved by the Trust in its sole discretion), provided that the first Closing must be held no later than April 30, 2014. In the event the Minimum Offering has not been reached by April 30, 2014, all subscription funds will be returned to direct investment Subscribers without interest or deduction. If the Closing of the Minimum Offering occurs by April 30, 2014, but the Maximum Offering has not yet been reached, additional Closings may be held up to and including August 31, 2014.

In the event that a Subscriber provides the Trust with a cancellation notice prior to midnight of the second (2<sup>nd</sup>) Business Day after the day on which a subscription agreement is signed by the Subscriber, all subscription proceeds (if any) will be promptly returned to such Subscriber without interest or deduction. See "Purchasers' Rights - Two Day Cancellation Right For all Subscribers".

## **CERTAIN CANADIAN FEDERAL TAX CONSIDERATIONS**

### *Introduction*

The summary is prepared by Cadesky and Associates LLP, tax advisor on Canadian income tax matters for the Trust and Windridge LP.

We understand that the purpose of the Trust is to raise funds to invest in LP Units and, to the extent issued, in LP Notes. Windridge LP will use the subscription proceeds to invest in UFI's of the Property. Windridge LP, along with all other Co-owners, intends to develop, market and sell homes and/or lots on the Property. Based on independent advice provided to Windridge LP by its accounting advisors, Windridge Development intends to treat the ownership of the UFI's as creating, for U.S. tax purposes, a U.S. partnership (the "Deemed Partnership"). Thus, the ownership of UFI's held by Windridge LP will be considered as investment in partnership units for U.S. income tax purposes. The sale of real property by the Deemed Partnership will produce business income or loss that is effectively connected with a U.S. trade or business and any income or loss will be allocated to its partners including Windridge LP.

Furthermore, we understand that both the Trust and Windridge LP will elect to be treated as corporations for U.S. purposes. The business income earned by the Deemed Partnership will be allocated to Windridge LP. Windridge LP will be taxable in the U.S. at the rates and in accordance with tax rules applicable to a U.S. corporation. The U.S. income will be subject to corporate as well as branch tax which is described separately under "Certain U.S. Federal Income Tax Considerations". Because start-up development costs are expected to be capitalized to the cost of land as inventory, there is no expectation of large deductions unless substantial economic losses are realized. In any event, tax losses may not be allocated from the Trust to a Unitholder. Thus, Windridge LP is not expected to be a tax shelter as more fully described later in this summary.

The income of the Deemed Partnership will be allocated to Windridge LP, and Windridge LP will allocate its income to the Trust for Canadian tax purposes. The Trust will then pay or make the income payable to its Unitholders. Individual Unitholders can expect to receive foreign business income which will be taxable in Canada at personal income tax rates. A foreign tax credit may be claimed for the U.S. tax paid by Windridge LP within certain limits. To the extent that LP Notes are issued and interest income is earned, the interest income, net of applicable expenses, may be distributed to Unitholders as property income and will also be taxable to Unitholders at personal income tax rates.

We understand that there is a risk that the Deemed Partnership may be considered as a publicly traded partnership (“PTP”) and thus a corporation for U.S. federal income tax purposes (see “Certain U.S. Federal Income Tax Considerations” below for more detailed discussion of the U.S. federal income tax implications.) For Canadian income tax purposes, there is a long standing position of the CRA that the Canadian tax treatment of a foreign entity is derived from its legal form regardless of the tax treatment of the entity in the foreign country. In the view of the CRA, the Deemed Partnership will likely be treated as a partnership and not a corporation unless the Deemed Partnership has attributes of a corporation which are: legal personality separate and distinct from its partners with the power to enter into valid and enforceable legal relationships, and to assume legal duties without imposing liabilities on its partners. We understand that the Deemed Partnership does not have the attributes of a corporation as described above and thus distribution of income from the Deemed Partnership will be considered as foreign business income allocated from a partnership for Canadian income tax purposes regardless of whether it is treated as a PTP or a partnership for U.S. income tax purposes. If the Deemed Partnership is treated as a corporation for U.S. income tax purposes, instead of the branch tax on profits earned, a withholding tax will apply on “dividends” distributed from the PTP.

Subject to certain conditions, the Units will be a qualified investment for Deferred Plans. Unitholders who invest through a Deferred Plan will not be taxable on the income received by the Deferred Plan until it is withdrawn, but the Deferred Plan will not receive a tax credit for the U.S. tax paid.

Each prospective investor should seek advice on whether to hold the Units as an individual or through a Deferred Plan, noting that the anticipated U.S. tax rate is estimated to be approximately 37%.

The following is a summary of the principal Canadian federal income tax considerations applicable to a Unitholder who acquires Units pursuant to this Offering and:

- is a natural individual and a resident of Canada for the purposes of the Tax Act at all relevant times;
- deals at arm’s length with the Trust;
- is not affiliated with the Trust; and
- holds the Units as capital property.

This summary also applies to a Unitholder that invests through a Deferred Plan.

This summary is not applicable to anyone who is a U.S. citizen or a green card holder.

The summary describes, in general, the income tax implications of the acquisition, holding and disposition of Units by a Unitholder meeting the conditions above. The summary assumes that transactions are carried out substantially as described in the Offering Memorandum, the Declaration of Trust, and the Windridge LP Agreement, and that all arrangements are legally valid and binding. The summary also assumes that the Trust qualifies as a “mutual fund trust” at all times.

We understand that an individual may invest directly in the Units of the Trust or indirectly through a Deferred Plan. While the summary describes the implications that apply to both of these options, we are not making a recommendation as to which of these options is preferred. Potential investors are advised to obtain their own professional advice that is suitable to their particular circumstances.

The determination of whether a Unitholder holds the Units as capital property is dependent on specific facts and circumstances surrounding the acquisition and holding of the Units. In general, the Units will be considered to be capital property to a Unitholder unless such Units are held in the course of carrying on a business of buying and selling securities or such Units are acquired in one or more transactions considered to be an adventure or concern in the nature of trade. An election is available pursuant to subsection 39(4) of the Tax Act to certain Unitholders (other than traders or dealers in securities) who might not otherwise be considered to hold the Units as capital property and wish to elect to have their Units treated as capital property. The election is irrevocable and once made applies not only to the Units but also to all other "Canadian securities" as defined in the Tax Act owned or subsequently acquired by the Unitholder.

This summary is based on 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 ("**Proposed Amendments**"), the tax advisor's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**"), and relies upon advice from the Trustees, the Administrator and the General Partner as to certain factual matters. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. There can be no assurance that any Proposed Amendments noted below will be enacted in the form publicly announced or at all.

#### *Warnings*

**The summary is general in nature and is not intended to be specific tax advice to any particular Unitholder. The income tax consequences of acquiring, holding and disposing of Units will vary depending on an investor's particular circumstances, including the Province or Territory in which the investor resides or carries on business. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Units. No representation is made that the CRA will necessarily agree with all aspects of this summary, and no advance income tax ruling will be sought from the CRA. Consequently, prospective investors should seek independent professional advice regarding the tax consequences of investing in the Units, based upon their own specific circumstances.**

#### *Highlights of Canadian Federal Income Tax Implications*

The following is a brief highlight of the Canadian federal income tax implications which are discussed in more detail below.

- The Units will be qualified investments for Deferred Plans such as RRSPs, RESPs, RRIFs, DSPSs, RDSPs and TFSAs as long as the Trust qualifies as a "mutual fund trust" as defined in the Tax Act. The conditions to qualify as a mutual fund trust are discussed further below.
- The Trust is taxable on its income earned less allowable expenses unless distributed to the Unitholders. It is expected that all taxable income of the Trust will be distributed to Unitholders before the end of each fiscal year of the Trust. In addition, any foreign taxes paid to a foreign jurisdiction (*i.e.*, the U.S.) will also be allocated to the Unitholders. Thus the Trust is not expected to be liable for any significant amount of income tax under the Tax Act.
- Unitholders (other than those investing through Deferred Plans) are taxable on income distributed from the Trust based on their specific circumstances. To the extent that foreign taxes

were paid on the income distributed and the said foreign taxes were allocated by the Trust to the Unitholders, a foreign tax credit may be claimed by the Unitholders against Canadian income tax on the foreign income received. Where the income will be considered foreign business income, a federal surtax of 48% is applied to the federal income tax instead of provincial income tax. Unitholders that acquire the Units in their Deferred Plans and receive distributions from the Trust are not expected to be taxable on the amount received unless the Units are considered “prohibited investments” discussed below under “– Taxation of Deferred Plans”.

- Distributions that are return of capital (and not income) are not taxable to the Unitholders but reduce the adjusted cost base of the Units owned by the Unitholders. A capital gain will result if the reduction of adjusted cost base results in an amount less than zero.
- Dispositions of Units (whether through a sale to another party, gift or redemption) by a Unitholder who holds the Unit as a capital property may result in a capital gain (if proceeds are greater than the adjusted cost base) or a capital loss (if the proceeds are less than the adjusted cost base) as determined pursuant to the Tax Act.
- The Windridge LP is not taxable for Canadian income tax purposes on its income earned. It allocates the income to its partners.

#### *Status of the Trust*

This summary assumes the Trust will qualify as a Mutual Fund Trust at all times and will not be a SIFT Trust at any time.

To qualify as a mutual fund trust, the following conditions must be met:

- (a) the Trust must be a Canadian resident and a “unit trust” for purposes of the Tax Act. There are two types of unit trusts: open-ended and closed-ended. The Trust intends to qualify as an open-ended unit trust. In order to qualify as an open-end unit trust, the Trust must meet the following conditions:
  - (i) it is an *inter vivos* trust;
  - (ii) the interest of each beneficiary is described by reference to units of the trust, and
  - (iii) at least 95% of the fair market value of all issued units of the trust are units that have conditions attached thereto requiring the trust to accept, at the demand of the holder thereof and at the prices determined and payable in accordance with the conditions, the surrender of the units, or fractions or parts thereof, that are fully paid.
- (b) the only undertaking of the Trust must be (i) the investing of its funds in property (other than real property or interests in real property), (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) that is capital property of the Trust, or (iii) any combination of the activities described in (i) and (ii); and
- (c) the Trust must comply with certain minimum requirements with respect to the number of Unitholders, and dispersal of its Units (the “**minimum distribution requirements**”).

With respect to the above conditions: (i) the Trustee and Administrator intend to cause the Trust to qualify as an open-ended unit trust throughout the life of the Trust; (ii) the Trust’s undertaking conforms with the restrictions for mutual fund trusts in that its only undertaking will be investing in Windridge LP; and (iii) the Trustees and the Administrator have advised us that they have no reason to believe that, following the closing of the Offering, the

Trust will not comply with the minimum distribution requirements at all material times. The Trustees and the Administrator have also advised us that they intend to ensure that the Trust will meet the requirements necessary for it to qualify as a mutual fund trust no later than the initial Closing and at all times thereafter and to file the necessary election so that the Trust will qualify as a mutual fund trust throughout its first taxation year.

The SIFT Rules apply to treat certain trusts similar to corporations and to tax the investors similar to shareholders. One of the conditions is where the trust holds at least one “non-portfolio property”. “Non-portfolio property” includes Canadian real estate and Canadian resource/timber property, where the value of such property exceeds 50% of the equity value of the trust, any property used in carrying on a business in Canada, and investments in securities of a Canadian entity.

The Trust does not intend to hold investments that are “non-portfolio property”. The Trust intends to invest its funds in LP Units and possibly LP Notes. Windridge LP will invest the funds in UFI in the Property. The Units are not “publicly traded” and UFIs are not “non-portfolio properties” as the term is described above. We understand that the Declaration of Trust contains investment restrictions that preclude the Trust from acquiring, retaining or holding any investment that would result in the Trust being a “SIFT Trust” as defined in the Tax Act. Similarly, the investment restrictions applicable to Windridge LP as set out in the Windridge LP Agreement preclude Windridge LP from taking any action or investing in any property that would result in the Windridge LP being a SIFT Partnership.

If the Trust were not to qualify as a mutual fund trust at all times or the Trust were to become a SIFT Trust, the income tax considerations described below would, in some respects, be materially and adversely different.

Provided that the Trust qualifies and continues to qualify as a “mutual fund trust” as defined in the Tax Act, the Units will be a qualified investment for Deferred Plans. For certain tax consequences of holding Units in a Deferred Plan, see “– Taxation of Deferred Plans” below.

#### *Taxation of the Trust*

The Trust computes its income taxable in Canada in respect of its properties as an individual resident in Canada and files a Canadian trust return on or before 90 days after its year end. The taxation year of the Trust is the calendar year. In computing the income that is taxable to the Trust each taxation year, the Trust must include all income earned and any net realized taxable capital gains. The Trust’s income and net realized taxable capital gains will include its *pro rata* allocation of partnership income from Windridge LP (described below) and any interest received or receivable from the LP Note (if any are issued). Certain deductions are allowed and may be claimed including:

- (a) costs incurred in the issuance of Units deducted by the Trust on a five year, straight line basis; and
- (b) reasonable current administrative and other expenses that are incurred to earn income.

If, after taking into account of the allowed deductions above, the Trust has residual income, the Trust may pay tax on the income or alternatively, distribute the income and net realized taxable capital gains to its beneficiaries/Unitholders. The Trust may deduct all income and net realized taxable capital gains that are paid or become payable by it to Unitholders in the year. An amount will be considered to be paid or payable in a taxation year if it is paid to the Unitholder in the year by the Trust or if the Unitholder is entitled by the end of that year to enforce payment of the amount. Where the Trust has insufficient cash to distribute such amounts in a particular taxation year, the Trust may make one or more in-kind distributions in the form of additional Units.

The Declaration of Trust provides that an amount equal to all of the Trust income for each year, together with any Net Realized Capital Gains (as the term is defined in the Declaration of Trust) and other applicable amounts, will be distributed to the Unitholders so that the Trust will not be liable for tax under Part I of the Tax Act in any taxation



year. The distribution will be paid or declared payable to the Unitholders of the Units by way of distributions of cash, or additional Units if there is insufficient cash to meet the distribution amount. Income of the Trust payable to Unitholders in the form of additional Units generally will be deductible to the Trust in computing its income.

#### *Redemption of Units*

The Declaration of Trust provides that Units may be redeemed at the request of the Unitholders and that the redemption proceeds will be paid with cash or an *in specie* distribution of its property and/or unsecured subordinated notes of the Trust. We understand that the redemption value will be determined based on 95% of the fair market value of a Unit, as determined by the Trustees, in their sole discretion, using a reasonable method of determining the fair market value. If redemption proceeds are paid by a distribution of the Trust's property including the LP Notes (if any are issued), the Trust is deemed to have disposed of such property for proceeds of disposition equal to the fair market value thereof. The Trust will realize a capital gain (or a capital loss) to the extent that the proceeds from the disposition of the property exceed (or are less than) the adjusted cost base of the relevant property and any reasonable costs of disposition.

In the event the Trust would otherwise be liable for tax on its net realized taxable capital gains for a taxation year, due to distribution of property of the Trust to satisfy any or all of the redemption proceeds, it would be entitled to reduce (or receive a refund in respect of) its liability for such tax by an amount based on the redemption of Units of the Trust during the year (known as the "capital gains refund").

The calculation of refund pursuant to the capital gains refund mechanism relies on setting a certain value as a proxy for the percentage of the value of the Trust fund that was paid out by way of redemptions in the year. As such, in certain circumstances, the capital gains refund in a particular taxation year may not completely offset the Trust's tax liability for the taxation year arising in connection with the transfer of property *in specie* to redeeming Unitholders on the redemption of Units. The Declaration of Trust provides that all or a portion of any capital gain or income realized by the Trust in connection with such redemptions may, at the discretion of the Trustees, be treated as capital gains or income paid to, and designated as capital gains or income of, the redeeming Unitholder. Such income or the taxable portion of the capital gain so designed must be included in the income of the redeeming Unitholder (as income or taxable capital gains) and will be deductible by the Trust in computing its income for the particular taxation year in which the Units are redeemed.

#### *Taxation of the Windridge LP*

Windridge LP is not taxable in Canada on its activities. Instead, each partner of Windridge LP is required to include its share of the Windridge LP's income, gains and losses for the fiscal year ending in the taxation year of the partner. In computing the Windridge LP's income, non-capital loss, and net capital loss, the Windridge LP is treated as if it was a separate person resident in Canada with respect to each partnership activity carried on. In computing the income or loss of the Windridge LP, it is entitled to deduct its reasonable administrative and other expenses including interest expense on the LP Note (if any are issued) incurred by it to earn income. The income or loss of the Windridge LP for a fiscal year will be allocated to the partners of the Windridge LP, in the manner set out in the Windridge LP Agreement, subject to the detailed rules in the Tax Act. Substantially all of the income or loss will be allocated to the Trust.

Subject to a limitation based on the Trust's at-risk amount (discussed below), the Trust's share of losses of the Windridge LP (other than capital losses) for any fiscal year may be applied against income of the Trust from any other source to reduce income for the relevant taxation year and, to the extent it exceeds other income for that year, generally may be carried back three years and forward 20 years and deducted in computing taxable income for those years.

Allowable capital losses (one-half of capital losses) are only deductible against taxable capital gains (one-half of capital gains) for purposes of the Tax Act. Accordingly, the Trust's share of any allowable capital losses of the

Windridge LP will be deductible generally against taxable capital gains realized in the year, any of the three years preceding the year or any year following the year.

#### *Tax Shelter Rules*

Any investment in limited partnerships must be accompanied by an analysis of whether the investment may be considered a tax shelter investment. Under the Tax Act, a tax shelter investment is defined as an investment where it is reasonable to consider, with regard to statements and representations made concerning the arrangement, that within four years, deductible losses will result equal to or exceeding the cost of the investment net of any prescribed benefits. A prescribed benefit includes, among other things, limited recourse debt and certain benefits (such as guarantees of minimum economic performance). If the investment is a tax shelter, losses are deductible only if a tax shelter registration number is obtained from the CRA. Furthermore, the losses may be reduced or eliminated by other rules, such as the at-risk and limited recourse debt rules.

A prescribed benefit includes a guarantee but only, generally speaking, if given to limited partners or a partnership by the promoter or a non-arm's length person.

Borrowings generally will be considered limited recourse for purposes of the tax shelter rules unless: (i) bona fide arrangements, evidenced in writing, are made, at the time the indebtedness arises, for repayment of the indebtedness and all interest thereon within a reasonable period not exceeding 10 years; and (ii) interest is payable at least annually, at a rate equal to or greater than the lesser of the prescribed rate of interest under the Tax Act in effect at the time the indebtedness arose and the prescribed rate of interest applicable from time to time during the term of the indebtedness. Such interest must be paid not later than 60 days after the end of each taxation year.

We understand that Windridge LP is not expected to incur any significant external borrowing and no guarantees will be given (such as a minimum level of income). In addition, costs of development of the real property will be added to the cost of the land inventory and thus no gain or loss is expected to be realized until the real estate is sold. We understand from the Trustee and Administrator that it is not expected that any loss would exceed the Trust's investment within four years. As such, it is very unlikely that Windridge LP would be considered as a tax shelter. Accordingly neither the Trust nor Windridge LP will register with CRA as a tax shelter.

#### *At-Risk Amount*

The Trust as a limited partner, may not deduct losses from the Windridge LP which exceed its "at-risk amount". Generally speaking, the at-risk amount is the amount of the Trust's original capital contributed to the Windridge LP, plus the Trust's share of income earned by the Windridge LP, and subsequent capital contributions to the Windridge LP, less withdrawals of capital, losses of the Windridge LP, and the amount of any guarantee or indemnity provided to it or a limited partner against the loss of the limited partner's investment. It is not contemplated that the Windridge LP will provide any guarantee, indemnity or have limited recourse borrowings.

The Trust's at-risk amount will initially be approximately equal to the amount contributed as capital to the Windridge LP for subscription of the Units. Thereafter, if losses were to occur, the Trust's at-risk amount would be reduced, year by year until income is earned by the Windridge LP. Losses of the Windridge LP allocated to the Trust cannot be distributed to the Unitholders. If the at-risk amount is reduced to nil, no losses can be claimed by the Trust.

It is not expected that there will be losses realized and allocated by Windridge LP in the early years of the project because they will be capitalized to the cost of inventory. Thereafter, profit is projected. Based on this, it is unlikely that the at-risk amount would be reduced to nil, based on the business plan as we understand it.

### *Interest in the Windridge LP*

The Trust's adjusted cost base in the Windridge LP is the initial capital contribution to acquire the LP Units, increased by income allocated to the Trust and reduced by all distributions of cash or other property made by the Windridge LP to the Trust. If at the end of any fiscal year of the Windridge LP, the adjusted cost base of the Windridge LP interest held by the Trust is negative, a capital gain equal to the negative amount will be deemed to have been realized and the adjusted cost base of the Windridge LP interest will be increased by the amount of such deemed capital gain.

### *Taxation of Unitholders other than those investing through Deferred Plans*

#### Trust Distributions – Income Distribution

Except where a Unitholder has invested through a Deferred Plan, income and net realized taxable capital gains paid or payable to the Unitholders by the Trust will be required to be included in computing income of the Unitholder for a particular taxation year. Any loss of the Trust for purposes of the Tax Act cannot be allocated to, or treated as a loss of, a Unitholder as mentioned above.

The Trust will make the appropriate designations such that the character of the foreign income or capital gain will flow through to the Unitholders. Its net taxable capital gains and foreign source income (and associated foreign taxes paid) shall be treated as such in the hands of the Unitholder for purposes of the Tax Act. Interest income of the Trust is distributed as income from property.

Business income allocated from the Deemed Partnership to Windridge LP and subsequently to the Trust and distributed by the Trust to its Unitholders is not income attributable to any province or territory in Canada and thus will be taxable at the federal tax rate plus additional surtax of 48% of the applicable federal tax bracket. For an individual who is taxable at the highest federal marginal rate of 29%, the additional surtax is 48% of the 29% which is equal to 13.92%, making the effective rate 43.92%. A foreign tax credit for the U.S. taxes income tax and branch tax, when designated by the Trust, will be allowed. For U.S. tax purposes, the income is taxed at a corporate rate of 34% plus branch tax of 5% which will make the effective U.S. tax about 37%. Thus, an individual who is taxable at the highest rate in Canada of 43.92% may have additional Canadian tax to pay but the amount of additional tax should not be substantial.

There may be differences that arise in calculating income subject to tax in the U.S. and in Canada, due to different tax laws. If need be, any U.S. tax not taken in the year as a business foreign tax credit may be carried back three years and carried forward 20 years.

Where the Deemed Partnership is treated as a corporation for U.S. federal income tax purposes, income distributed from the Deemed Partnership and received by Windridge LP and subsequently distributed to the Trust will be considered a distribution of dividends subject to U.S. withholding tax. The rate of withholding is 5% under the Canada-U.S. Treaty provided the beneficial owner is a company which owns at least 10% of the voting stock of the company paying the dividends and certain limitation of benefits provisions contained in the Canada-U.S. Treaty do not apply, see discussion in "Certain U.S. Federal Income Tax Considerations - U.S. Federal Income Taxation Of The Trust". If Windridge LP does not own 10% or more of the voting stock in PTP, the withholding tax rate is 15%. Branch tax will not apply where withholding taxes apply to distributions from PTP as a corporation.

Since Windridge LP will be treated as a corporation for U.S. income tax purposes, Windridge LP will be liable to file and report all of its activities and arrange for payment of any U.S. taxes owing. As such, the income will be taxable for US tax purposes at the partnership/Deemed Partnership level, and neither the Trust nor the Unitholders should be required to pay US tax. Unitholders should have no requirement to file U.S. returns.

### Trust Distribution – Capital Distribution

The non-taxable portion of any net realized capital gains of the Trust (currently being one-half thereof) that is paid or payable to a Unitholder in a year will not be included in computing the Unitholder's income for the year. Any other amount in excess of the net income of the Trust that is paid or payable to a Unitholder in a year generally should not be included in the Unitholder's income for the year. However, such an amount if paid or becomes payable to a Unitholder (other than as proceeds of disposition in respect of the redemption of Units) will reduce the adjusted cost base of the Units held by such Unitholder, except to the extent that the amount either was included in the income of the Unitholder or was the Unitholder's share of the non-taxable portion of the net capital gains of the Trust the taxable portion of which was designated by the Trust in respect of the Unitholder. To the extent that the adjusted cost base of a Unit otherwise would be less than zero, the Unitholder will be deemed to have realized a capital gain equal to the negative amount.

The cost for tax purposes of a Unit acquired pursuant to this Offering will be the subscription price of the Unit. Units issued to a Unitholder in lieu of a cash distribution of income will have a cost to the Unitholder equal to the amount of income of the Trust distributed by the issuance of such units. Under the Tax Act, the adjusted cost base of these units will be averaged with the adjusted cost base of all other Units already owned by the Unitholder in order to determine the respective adjusted cost base of each such Unit. The adjusted cost base of Units disposed of is based on such average calculated immediately prior to the disposition.

### Disposition of Units

A Unitholder who has disposed of or is deemed to have disposed of Units, whether by redemption of the Units owned or otherwise, will realize a capital gain equal to the amount by which the proceeds exceed the adjusted cost base of the Units immediately before such disposition and any reasonable costs of disposition. Conversely, a capital loss will result if the adjusted cost base plus reasonable costs of disposition of the Units exceeds the proceeds of disposition.

The calculation of proceeds of disposition and adjusted cost base are to be determined in accordance with the Tax Act. Proceeds of disposition do not include any amount payable by the Trust that must otherwise be included in the Unitholder's income.

The cost to a Unitholder of a Unit acquired pursuant to this Offering will include all amounts paid by the Unitholder for the Unit subject to certain adjustments described in the Tax Act. The cost of additional Units received in lieu of a cash distribution will be the amount of income of the Trust distributed by the issuance of such additional Units. For purposes of determining the adjusted cost base to a Unitholder, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the holder.

A redemption of Units in consideration for cash or other assets of the Trust, as the case may be, will be a disposition of such Units for proceeds of disposition equal to such cash or the fair market value of such other assets received, as the case may be, less any income or capital gain realized by the Trust in connection with the redemption of those Units to the extent that such income or capital gain is designated by the Trust to the redeeming Unitholder. Unitholders exercising the right of redemption will consequently realize a capital gain, or sustain a capital loss, depending upon whether such proceeds of disposition exceed, or are exceeded by, the adjusted cost base of the Units redeemed. Where income or capital gain realized by the Trust in connection with the distribution of property *in specie* on the redemption of Units has been designated by the Trust to a redeeming Unitholder, the Unitholder will be required to include in income the income or taxable portion of the capital gain so designated. The cost of any property distributed *in specie* by the Trust to a Unitholder upon a redemption of Units will be equal to the fair market value of that property at the time of the distribution. The Unitholder will thereafter be required to include in income any income derived from the property.

One-half of any capital gain realized by a Unitholder from a disposition of Units and the amount of any net taxable capital gains designated by the Trust in respect of the Unitholder will be included in the Unitholder's income as a

taxable capital gain. One-half of any capital loss realized on the disposition of a Unit may be deducted against any taxable gains realized by the Unitholder in the year of disposition, in the three preceding taxation years or any subsequent taxation year, subject to the detailed rules contained in the Tax Act.

#### Alternative Minimum Tax

Taxable capital gains, resulting from either a disposition of Units by a Unitholder who is an individual or the designation by the Trust in respect of such a Unitholder, may give rise to alternative minimum tax depending on the Unitholder's circumstances.

An individual, including an *inter vivos* and a testamentary trust, must calculate both taxable income for regular income tax purposes and alternate minimum taxable income for alternate minimum tax purposes, in accordance with rules in the Tax Act. To the extent that the amount of alternate minimum tax calculated is higher than the regular income tax liability, the difference is an additional alternative minimum tax payable.

Certain other factors may influence the calculation of alternate minimum tax, such as having capital gains, Canadian source dividend income, or losses from other sources. Normally these increase the potential exposure to or the amount of alternate minimum tax. For this reason, persons should consider carefully the alternate minimum tax implications of an investment in the Trust, by reference to their own situations.

To the extent that alternate minimum tax is paid in a given year (by virtue of alternate minimum tax exceeding tax calculated under the regular method), the excess can be applied and refunded in any of the next seven years, to the extent that the regular tax in the year of application exceeds the alternate minimum tax.

#### *Taxation of Unitholders investing through Deferred Plans*

Amounts of income and capital gains realized by a Unitholder investing through a Deferred Plan are generally not taxable under Part I of the Tax Act, provided that the Units are qualified investments for the Deferred Plan and that the Units are not a prohibited investment. Because the income is not taxable, no U.S. foreign tax credit can be claimed in respect of U.S. taxes paid and distributed to the Unitholder investing through a Deferred Plan. See "Status of the Trust" above. Unitholders should consult their own tax advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Deferred Plan.

The Units should not be a prohibited investment provided that the beneficiaries of a Deferred Plan do not hold a "significant interest" (as defined in the Tax Act) in the Trust or a corporation, a partnership or a trust with which the Trust does not deal at arm's length and provided that such beneficiaries deal at arm's length with the Trust for the purposes of the Tax Act. If the Units are a prohibited investment, there is a penalty tax payable of 50% of the fair market value of the prohibited investment. The tax may be refunded if the prohibited investment is disposed of within the first calendar year following the calendar year in which the tax arose, or any later time that the Minister considers reasonable in the circumstances. Unitholders who invest through Deferred Plans should note that while the Units may qualify as mutual fund trust and thus considered as "qualified investments", properties *in specie* may not be "qualified investments". Unitholders should consult their own tax advisors in this regard.

#### *Taxation on Death*

For Canadian income tax purposes, on death of a Unitholder, a deemed disposition will result whereby the Units of the Trust will be considered to be sold at fair market value. This may result in a capital gain. Relief is provided, however, where the deceased directs the investment to a spouse or a spousal trust.

## CERTAIN U.S. FEDERAL TAX CONSIDERATIONS

**CIRCULAR 230 STATEMENT: TO COMPLY WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS OFFERING MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY PROSPECTIVE INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE U.S. INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

**PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL, NON-U.S. AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE UNITS.**

The following is a summary of certain U.S. federal income tax considerations applicable to the Trust and Windridge LP that was prepared by The Ruchelman Law Firm, special counsel to the Trust. Except as provided in “U.S. Federal Income Taxation of Interest Paid on LP Notes held by Canadian Residents who are Non-U.S. Holders on Redemption of Units” below, this summary does not address any United States federal tax considerations applicable to a Unitholder. No rulings have been or will be sought from the Internal Revenue Service (“IRS”) with respect to any of the U.S. federal income tax issues discussed in this summary. As a result, there can be no assurance that the IRS will not successfully challenge the conclusions reached in this summary. U.S. federal income tax treatment that is different from this summary could negatively impact Cash Flow, Distributable Cash Flow, amounts paid to the Unitholders and the value of the Units.

This summary is not exhaustive of all possible U.S. federal income tax considerations applicable to the Trust and Windridge LP, but rather is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser of Units.

This summary is based on the Code, the Treasury Regulations, IRS rulings and official pronouncements, judicial decisions and the Canada/U.S. income tax treaty (the “Treaty”), all as in effect on the date of this Offering Memorandum and all of which are subject to change, possibly with retroactive effect, or different interpretations, which could affect the accuracy of the statements and conclusions set forth below.

For purposes of this discussion, the term “Non-U.S. Holder” means a person who is not: (i) a citizen or individual resident in the United States for U.S. federal income tax purposes; (ii) a corporation or other entity taxable as a corporation created or organized under the laws of the United States or political subdivision thereof; (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; (iv) a trust, if (A) a court within the United States is able to exercise primary supervision over the trust’s administration and one or more United States persons have the authority to control all of its substantial decisions, or (B) the trust was in existence on August 20, 1996 and has properly elected under applicable Treasury Regulations to continue to be treated as a United States person; or (v) a person subject to Section 877 of the Code.

### *U.S. Federal Income Taxation of Foreign Corporations*

In general, a foreign corporation engaged in a United States trade or business is subject to U.S. federal income tax on income that is effectively connected with the conduct of such United States trade or business and, if an income tax treaty with the United States applies, is attributable to a permanent establishment maintained by the foreign corporation in the United States (“ECI”). ECI will be subject to U.S. federal income tax on a net basis at the regular United States federal graduated rates of tax that apply to United States corporations. A foreign corporation’s ECI is computed by claiming deductions that are attributable to the effectively connected gross income on a timely filed return. A foreign corporation that derives ECI (including amounts received as a partner through an actual or a constructive partnership or a disregarded entity) may be required to make quarterly payments of estimated United



States tax or be subject to quarterly withholding tax in connection with its profit share from an actual or a constructive partnership, and is required to file a U.S. federal income tax return. Furthermore, a foreign corporation with ECI may also be subject to federal branch profits taxes, as discussed below under “U.S. Federal Income Taxation of Windridge LP - Branch Taxes”.

A foreign corporation is also generally subject to a 30 percent United States tax, which is generally collected by payer withholding, on certain types of income which are not ECI, but are derived from United States sources, unless the foreign corporation otherwise establishes an exemption from, or a reduced rate of, tax under an applicable income tax treaty. These types of income generally include passive income such as dividends, rents and royalties, and compensation, certain interest and other “fixed or determinable annual or periodical” (collectively referred to as “**FDAP**”) income. Unless an exception applies, a foreign corporation will be subject to withholding tax on the gross amount of any FDAP income it derives from United States sources and will not be entitled to a United States tax deduction for any expenses to the extent allocable to FDAP income.

#### *U.S. Federal Income Taxation of the Trust*

##### Generally

The Trust intends to take the position that it is a business entity for U.S. federal income tax purposes, and it will make a protective election to be classified as a corporation for U.S. federal income tax purposes effective on the date of formation. The Trust does not expect to be engaged in a United States trade or business nor does it expect to be a partner of a partnership, as determined under U.S. tax law, or owner of a disregarded entity that is engaged in a United States trade or business. Therefore, the Trust does not expect to have any ECI that would be subject to U.S. federal income tax.

Distributions from Windridge LP to the Trust with respect to the LP Units should not be subject to tax as FDAP income from United States sources. As discussed below under “U.S. Federal Income Taxation of Windridge LP - Branch Taxes”, interest paid by Windridge LP with respect to the LP Notes (to the extent any are issued) may be treated as paid by a United States corporation. As such, the interest would be treated as FDAP income derived from United States sources, and the Trust may be subject to tax, which would be withheld by Windridge LP on such interest. The statutory withholding tax rate is 30 percent, but that rate is reduced if a United States income tax treaty applies. In this case, we expect that the Trust should be eligible for the benefits of the Treaty, including a reduction in the tax and withholding to zero on interest that is not contingent interest for portfolio interest purposes.

##### Limitation on Benefits

As mentioned above, we expect that the Trust should be eligible for the benefits of the Treaty. To be eligible for the benefits of the Treaty, the limitation on benefits (“**LOB**”) provision of the Treaty must be met. Under the Treaty, in general, a qualified resident of Canada eligible for treaty benefits includes a Trust if it meets a two-pronged test of which the first prong is an “ownership test” and the second is a “base erosion test.” We expect that both the ownership test and base erosion tests should be met since (i) non-residents of Canada will not, in general, be permitted to be the beneficial owners of more than 49 percent of the Units (see “Description of the Securities Offered – Limitation on Non-Resident Ownership”) and (ii) based on current projections, it is expected that expenses that are deductible for Canadian income tax purposes that are paid or accrued by the Trust to persons who are non-residents of Canada will be less than 50 percent of the Trust’s gross income for any fiscal period.

##### Application of Article IV Paragraphs 6 and 7 of the Treaty

Generally, Article IV paragraphs 6 and 7 of the Treaty applies to fiscally transparent entities. If those provisions of the Treaty apply, they will, in general, limit the Treaty’s application to amounts derived by or through such entities. In general, we expect that the rules applicable to fiscally transparent entities under Articles IV paragraphs 6 and 7

of the Treaty should not apply because (a) both the Trust and Windridge LP are residents of Canada under the Article IV paragraph 1 of the Treaty and (b), under Canadian tax law, the treatment of amounts derived by the Trust through Windridge LP should be the same if such amounts were derived directly by the Trust.

#### *U.S. Federal Income Taxation of Windridge LP*

##### Generally

Windridge LP will elect under applicable Treasury Regulations to be treated as a corporation for U.S. federal income tax purposes effective on the date of formation. Windridge LP will directly own and acquire between 3.22 and 22.67 percent of the UFI in the Property by purchase from Windridge Developments. Based on independent advice provided to Windridge LP by its accounting advisors, Windridge Developments intends to treat the ownership of the UFI as creating, for U.S. tax purposes and only for U.S. tax purposes, a constructive U.S. partnership (the “**Deemed Partnership**”), and Windridge Developments will file a partnership tax return with the IRS.

If a non-U.S. investor is a partner in a partnership that is engaged in a U.S. trade or business, each non-U.S. investor in the partnership is deemed to be engaged in that same U.S. trade or business and is subject to U.S. tax on its distributive share of any ECI arising from such trade or business. It is expected that the ownership, development, sales and rental activities of the Property by the Deemed Partnership will constitute the conduct of a trade or business. Based on independent advice provided to Windridge LP by its accounting advisors, Windridge LP intends to make a protective election with the IRS to insure that such treatment will exist; the election allows real estate income to be treated as ECI even if the real estate activities do not amount to a trade or business as a matter of fact or law, aside from the election. As a result, Windridge LP will be deemed to be engaged in a U.S. trade or business as a result of owning such UFIs and being a partner of the Deemed Partnership that operates a U.S. trade or business, and Windridge LP’s income generally will be treated as ECI of Windridge LP. Pursuant to the discussion under “— U.S. Federal Income Taxation of Foreign Corporations” above, Windridge LP generally will be subject to U.S. federal income tax on its net taxable income which is ECI. Windridge LP will therefore file an annual U.S. federal income tax return, report its ECI on such return less applicable deductions and pay any required taxes. Windridge LP does not expect to derive FDAP income from United States sources.

In general, U.S. partnerships that have ECI (such as the Deemed Partnership) and that have foreign partners (such as Windridge LP) are subject to special withholding tax rules under Code section 1446. These rules require the Deemed Partnership to withhold U.S. federal income tax at the maximum applicable rates with respect to Windridge LP’s allocable share of ECI. The amount of the withholding tax is based on the annualized income for the period and is due on a quarterly basis. At the present time, that rate is 35 percent. When Windridge LP files its corporate income tax in the U.S., it will, in general, be entitled to a credit for the amounts withheld. If the tax withheld exceeds the actual tax liability, then Windridge LP will, in general, be entitled to a refund of the excess tax withheld when Windridge LP files its U.S. federal income tax return. For purposes of the withholding tax under Code section 1446, net operating losses of prior years are not always allowed as an offset, even if they may be claimed as a deduction on the corporate tax return for the year.

In computing its United States taxable income, Windridge LP expects to deduct interest paid on the LP Notes (to the extent any are issued) and other deductible expenses incurred by Windridge LP, including the expenses related to the ownership, leasing and operation of the real estate, in each case to the extent that any such deductions are allocable to Windridge LP’s income which is ECI. See “— Interest Deductions” below.

In addition to the U.S. federal income tax on taxable income which is ECI, Windridge LP generally will be liable for a 5% branch profits tax on its after-tax earnings attributable to ECI. See “— Branch Taxes” below.

#### Risk of a Publicly Traded Partnership

Special rules treat a partnership as a corporation for U.S. Federal income tax purposes if the partnership is classified as a publicly traded partnership (“PTP”). In general, a partnership is a PTP if its interests are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof. Interests in a partnership are not readily tradable on a secondary market or the substantial equivalent thereof if (i) all interests in the partnership were issued in a transaction (or transactions) that was not required to be registered under the Securities Act of 1933; and (ii) the partnership does not have more than 100 partners at any time during the taxable year of the partnership. It is expected that the Deemed Partnership may have more than 100 investors.

A special exception provides that a PTP will not be treated as a corporation under these rules if 90% or more of its gross income consists of “qualifying income.” Qualifying income includes real property rents, interest, dividends and gains from the sale of property that generates real property rental income, dividends or interest.

Based on independent advice provided to Windridge LP by its accounting advisors, Windridge Developments does not intend to treat the Deemed Partnership as PTP. However, Windridge LP was advised that its non-PTP status will have to be monitored on a continuing basis. No opinion of counsel or IRS ruling will be obtained on this issue. Accordingly, there exists a risk that the Deemed Partnership may be treated as a PTP and thus a corporation for U.S. federal income tax purposes. If the Deemed Partnership is treated as a PTP and thus a corporation for U.S. federal income tax purposes, the Deemed Partnership will be subject to U.S. corporate income taxation. Additionally, distributions from the Deemed Partnership will be treated as dividend distributions to the extent of current and accumulated earnings and profits and subject to a withholding tax rate of 30 percent unless Windridge LP is entitled to a reduced rate of withholding under the Treaty and appropriate documentation to that effect is provided to the Deemed Partnership on a timely basis. Interest and penalties may also apply to any deemed failure to file appropriate tax returns or payments of tax. Prospective investors should consult their own tax advisors regarding the risk of an application of the PTP rules to Windridge LP and its effect on an investment in the Units.

#### Risk of FIRPTA Withholding

Windridge LP will be purchasing the UFI's from Windridge Developments. At the time of purchase, Windridge Developments will have in effect a timely filed election to be treated as a U.S. corporation for U.S. federal income tax purposes. Windridge Developments expects that it will change its tax classification from being a corporation to being a disregarded entity shortly after completion of the sales of the UFI's; classification as a disregarded entity means that Windridge Developments will no longer exist as a separate taxable entity and its sole owner will be viewed for tax purposes as owning all its assets. The sole owner of Windridge Developments is a non-US person. If Windridge Developments did not make an election to be treated as a corporation at the time it sold the UFI's to Windridge LP, Windridge LP would have been obligated to withhold 10 percent of the amount realized on that sale and remit that amount to the IRS under the Foreign Investment in Real Property Tax Act (“FIRPTA”). A determination letter may be obtained from the IRS to reduce the amount of the withholding tax. If the IRS were to assert that the initial election of Windridge Developments to be treated as a corporation for U.S. federal income tax purposes should be disregarded for lack of economic substance or a comparable reason, the IRS may assert that Windridge LP is liable for taxes it would have been required to withhold if it purchased the UFI's when Windridge Developments was treated as a disregarded entity, as well as interest and penalties. If the IRS successfully asserts that the transitory check the box election lacks economic substance, then a possible 40 percent penalty may result, based on the amount of tax that was avoided by the transaction without economic substance. The economic substance doctrine requires that the taxpayer have a change in economic position, other than tax savings, and a valid business purpose for the transaction. No opinion of counsel or IRS ruling has been sought as to the U.S. tax effect of making and then reversing the foregoing election. Thus, there is a risk that the IRS could try to set aside the filing made by Windridge Developments to be treated as a corporation for U.S. federal income tax purposes, which, if successfully asserted, would adversely affect Windridge LP and its investors. Prospective

investors should consult their own tax advisors regarding the risk of FIRPTA withholding and its effect on investment in the Units.

#### Interest Deductions

Based on independent advice provided to Windridge LP by its financial or accounting advisors, the Trust and Windridge LP intend to treat the LP Notes (to the extent any are issued) as debt of Windridge LP for U.S. federal income tax purposes; however, neither the Trust nor Windridge LP has obtained an opinion of counsel on this issue nor obtained a private letter ruling from the IRS on this issue. The determination of whether the LP Notes (to the extent any are issued) are debt or equity for U.S. federal income tax purposes is based on an analysis of the facts and circumstances. There is no clear statutory definition of debt, and its characterization is governed by principles developed in case law, which analyzes numerous factors that are intended to identify the economic substance of the particular instrument. Although the Trust and Windridge LP intend to take the position that the LP Notes (to the extent any are issued) are debt for U.S. federal income tax purposes, there can be no assurance that this position will not be challenged by the IRS. If such a challenge were sustained, interest payments on the LP Notes would be recharacterized as non-deductible distributions with respect to Windridge LP's equity, and Windridge LP's net taxable income which is ECI (and thus its U.S. federal income tax liability) would be increased. As a result, Windridge LP's after-tax cash flow would be reduced which would negatively impact cash flows and the cash available for distribution to the Unitholders and could negatively impact the value of the Units. Windridge Developments and the Administrator have calculated the maximum impact of the treatment of interest payments on the LP Notes as non-deductible based on its current projections, and believes that such an event would not have a material adverse impact on expected distributions to Unitholders based on those projections.

Code Section 163(j), the so-called "earnings stripping rules," may also limit Windridge LP's ability to deduct interest paid on the LP Notes (to the extent any are issued) where the status of the LP Notes as debt for U.S. income tax purposes is not challenged by the IRS, a challenge is not sustained on appeal within the IRS or as a result of a final court decision. In general, Code Section 163(j) limits a corporation's deductions for interest paid to related foreign persons exempt from United States tax in years that: (i) the debt-to-equity ratio of the United States corporate taxpayer exceeds 1.5 to 1 (based on the tax basis of assets) and (ii) the corporation's net interest expense (i.e., the excess of interest expense over interest income) exceeds 50 percent of "adjusted taxable income" as defined. The provision applies, inter alia, when an income tax treaty to which the U.S. is a party reduces the 30 percent withholding tax imposed under Section 1441 or 1442 of the Code (in which case, a portion of the interest is deemed to be exempt) or exempts interest entirely. The Treaty provides that interest paid to a qualified resident of Canada is taxable only in Canada, and therefore is exempt from U.S. tax. Adjusted taxable income is generally defined as the corporation's taxable income computed without regard to net interest expense, net operating loss deductions, deductions attributable to domestic production activities, depreciation, and amortization. For purposes of Code Section 163(j), a corporation and a creditor of the corporation will generally be "related" if the creditor owns, directly or by attribution, stock of the corporation representing more than 50 percent voting power or value. The Trust owns 100 percent of the LP Units; however, Windridge LP's debt-to-equity ratio will not exceed 1.5 to 1 initially and is not expected to exceed 1.5 to 1 in any subsequent taxable year. Based on current projections by the of Windridge LP's results, Windridge Developments and the Administrator do not expect that the application of Code Section 163(j) (if applicable at all) will have a material adverse impact on its cash flow or distributions to the Trust.

#### Budget Proposal and Proposed Legislation

In computing its United States federal taxable income, Windridge LP expects to deduct certain items such as the interest paid on the LP Notes (to the extent any are issued). Substantive changes to existing U.S. federal income tax law have been proposed that, if adopted, may affect the ability to take certain operations-related deductions, including deductions related to United States real estate activities. We are unable to predict whether any changes, or other proposals, ultimately will be enacted. Any such changes would negatively impact Cash Flow, Distributable Cash Flow, amounts paid to the Unitholders and the value of the Units.

### Branch Taxes

Under the “branch profits tax” rules of Code Section 884 (as modified by the Treaty), Windridge LP generally will be subject to an additional tax equal to 5 percent of its effectively connected earnings and profits as defined in Code Section 884(b) and (d) that exceed \$500,000 or its equivalent in U.S. dollars, as adjusted for certain items. Under these rules, reductions in Windridge LP’s “U.S. net equity” in its U.S. trade or business conducted through Windridge LP (e.g., as a result of Windridge LP’s distributions to the Trust) may trigger such tax, if and to the extent the branch profits tax on the accumulated effectively connected earnings and profits of an earlier year has been deferred. If deductions for interest paid on the LP Notes (to the extent any are issued) are denied or limited (as discussed above), Windridge LP’s earnings and profits and its resulting liability for branch profits tax could increase substantially. In that case Windridge LP’s after-tax cash flow would be reduced, which would negatively impact Cash Flow, Distributable Cash Flow, amounts paid to the Unitholders and the value of the Units.

Provided that the LP Notes (to the extent any are issued) are respected as debt for United States federal income tax purposes, interest paid on the LP Notes will be “branch interest” under Code Section 884(f) and will be treated as paid by a United States corporation under Code Section 884(f)(1). However, because the Treaty generally reduces to zero the applicable rate of withholding on payments of interest to Non-U.S. Holders who are entitled to claim the benefits of the Treaty, interest payments on the LP Notes held by the Trust generally should not be subject to United States branch interest tax.

### *U.S. Federal Income Taxation of Interest Paid on the LP Notes Held by Canadian Residents Who Are Non-U.S. Holders on Redemption of Units*

As discussed above, interest paid on the LP Notes (to the extent any are issued) will be “branch interest” under Code Section 884 and will be treated as paid by a United States corporation. As such, if, upon redemption of the Units, a Canadian resident who is a Non-U.S. Holder receives LP Notes pursuant to an in specie distribution, interest paid on the LP Notes to such holder may be subject to applicable United States withholding taxes unless such holder is eligible and properly claims the benefits of the Treaty, in which case, such holder will be entitled to the reduced rate of withholding under the Treaty and, therefore, will not be subject to U.S. withholding tax on such interest. In order to receive a reduced withholding rate, such holder must provide a properly completed and executed IRS Form W-8BEN (or a suitable substitute or successor form) duly claiming such treaty benefit prior to the payment of interest. Interest paid on the LP Notes received on redemption of Units held by Canadian residents who are Non-U.S. Holders may also qualify for the “Portfolio Interest Exemption” from United States withholding tax, provided the holder of the LP Notes: (a) is a Non-U.S. Holder; (b) (i) does not own, actually or constructively, 10 percent or more of the total combined voting power of all of the LP Units entitled to vote, (ii) is not a controlled foreign corporation related, directly or indirectly, to Windridge LP within the meaning of section 864(d)(4) of the Code, and (iii) is not a bank receiving interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and (c) certifies on IRS Form W-8BEN (or a suitable substitute or successor form) under penalties of perjury that such person is a Non-U.S. Holder and provides their name and address or otherwise satisfies applicable documentation requirements.

### *Application of Foreign Account Tax Compliance Act*

In general, beginning on January 1, 2014, the Foreign Account Tax Compliance Act (“**FATCA**”) imposes a new 30 percent U.S. withholding tax on payments of FDAP income made from U.S. sources, which would include, e.g., interest paid on the LP Notes (to the extent any are issued), unless the holder of the instrument certifies its FATCA exempt status on applicable withholding certificates (e.g., Form W-8BEN or a suitable substitute or successor form) or otherwise satisfies applicable documentation requirements as specified under the FATCA regulations. However, the LP Notes (to the extent any are issued) should be “grandfathered” if issued before 2014 and thus exempt from this new withholding tax unless the terms of the debt are significantly modified after January 1, 2014, which would cause the debt to be treated as re-issued. Prospective investors should consult their own tax advisors regarding the application of FATCA and its effect an investment in the Units.

### COMPENSATION FOR SELLING COMMISSIONS, SERVICE FEES AND MARKETING FEES

All Selling Commissions, Service Fees and Marketing Fees, will be paid for by Windridge Developments from the proceeds of the sales of the UFI to Windridge LP. The total Selling Commissions, Service Fees and Marketing Fees payable by Windridge Developments will not exceed 10.5% of the Gross Subscription Proceeds and includes Selling Commissions, Service Fees and Marketing Fees that may be agreed to be (and may be lawfully) paid on behalf of the Trust.

Of the Selling Commissions, Service Fees and Marketing Fees payable by Windridge Developments, it is expected that the breakdown of the amount payable will be as follows:

	<u>% of Gross Subscription Proceeds</u>
Exempt Market Dealer sales commission	≈ 8.0%
Exempt Market Dealer service fee	≈ 1.2%
Marketing Fee	Not more than 1.3%
<b>Total</b>	<hr/> <b>Not more than 10.5%</b> <hr/>

The maximum amount of Selling Commission, Service Fees and Marketing Fees payable by Windridge Developments under the Minimum Offering will be \$157,500 and under the Maximum Offering will be \$1,102,500.

The Trust and Windridge Developments may enter into agency or referral agreements with appropriate parties. It is anticipated that such agreements, if entered into, will contain terms and conditions that are customary in respect of offerings of the nature of the Offering, which may include the ability of such agents to terminate their respective obligations at any time before a Closing upon certain occurrences.

In addition, Windridge Developments may pay corporate finance fees and/or due diligence fees to potential agents for the purposes of their review and due diligence in order to allow them to determine whether to sell the Units. These corporate finance fees and/or due diligence fees will be paid by Windridge Developments without resort to the funds contributed to Development Fund under the Deed of Covenant.

### MARKETING FEES

Qualified persons from A2A Capital Services who are not exempt market dealers, nor their dealing representatives (as those terms are defined in National Instrument 31-103 – *Registration Requirements and Exemptions*) will assist in marketing the Units pursuant to this Offering Memorandum. The Marketing Fees are paid for Marketing Support Services provided to the Trust, dealers and their dealing representatives.

A2A Capital Services will receive up to 1.3% of the Gross Subscription Proceeds (out of the total Selling Commissions payable by Windridge Developments) as a marketing fee for Marketing Support Services provided to the Trust and agents selling the Units. The maximum amount of Marketing Fees payable by Windridge Developments under the Minimum Offering will be \$19,500 and under the Maximum Offering will be \$136,500.



### **SELLING COMMISSIONS AND SERVICE FEES**

Agents, including exempt market dealers and their dealing representatives (as those terms are defined in National Instrument 31-103 – *Registration Requirements and Exemptions*) will offer the Units on a best efforts basis pursuant to this Offering Memorandum. The Selling Commissions and Service Fees include all dealing representative and agency fees.

The maximum amount of Selling Commissions and Service Fees payable by Windridge Developments under the Minimum Offering will be \$148,200 and under the Maximum Offering will be \$1,037,400.

## **RISK FACTORS**

The purchase of securities hereunder involves a number of risk factors. The risks described below are not the only risks or uncertainties involved with an investment in the Units. If any of the following risks occur, or if others occur, the Trust's business, operating results and financial condition could be seriously harmed and Subscribers may lose part or all of their investment. Risks affecting the Trust will affect its ability to make distributions on the Units. In addition to the risk factors set forth elsewhere in this Offering Memorandum, prospective purchasers should consider the following risks associated with a purchase of Units:

### *Illiquidity of Units*

There is no market for the Units and the Trust does not plan to list the Units on any stock exchange or market. Consequently, holders of such securities may not be able to sell them readily, and Units may not be readily accepted as collateral for a loan. Purchasers should be prepared to hold these securities indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Accordingly, an investment in Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

The Units will be subject to a number of resale restrictions, including a restriction on trading. A Unitholder will not be able to trade the Units unless he, she or it complies with very limited restrictions and exemptions from the prospectus and registration requirements under applicable Securities Laws. As the Trust has no intention of becoming a reporting issuer in any jurisdiction in Canada, these restrictions in trading will not expire.

### *Experience of Trustees and Officers*

While collectively the Trustees and the principals of A2A have significant experience in land banking and real estate development in Canada, their direct experience in the real estate development in the U.S. is limited. Investors are cautioned that the experience of the Trustees and the principals of A2A may not be relevant to the achievement of the objectives of the Trust.

### *Limited Voting Rights of Unitholders/ Reliance on Management*

A Unitholder will have limited voting rights in the Trust and must rely principally on the Board and management of the Administrator with regards to decisions concerning the development of the Property. Decisions regarding the management of the Trust's affairs will be made exclusively by the Trustees of the Trust and not by the Unitholders. The Subscriber will not participate directly in Windridge LP and will not be entitled to vote in Windridge LP under the Windridge LP Agreement. Accordingly, Subscribers must carefully evaluate the personal experience and business performance of the Trustees of the Trust and the principals of A2A involved in the development of the Property. The Trust may retain independent contractors, including affiliates of the Trust and Windridge LP, to provide services to the Trust. The success of the Trust will be largely dependent upon the performance of its management and key employees of Windridge Developments and its affiliates. There is a risk that the death or departure of any member of management or any key employee could have a material adverse effect on the Trust.

### *Trust as a Limited Partner*

The Trust will be a limited partner of Windridge LP. The Trust as a limited partner of Windridge LP will have limited rights in Windridge LP, and must rely solely on the General Partner and the Administrator for the day to day management of the activities of Windridge LP. As a limited partner, the Trust only has the rights afforded to it in the Windridge LP Partnership Agreement.

### *Potential Loss of Limited Liability to Trust*

There is a risk that under applicable legislation, the Trust could lose its limited liability as a limited partner of Windridge LP and be held liable as a general partner of Windridge LP. Also, the Trust may be considered a general partner of Windridge LP under applicable legislation, with the resultant loss of limited liability, in the event the General Partner is dissolved or becomes bankrupt and the investment activities of Windridge LP are continued

after the occurrence of such event without a new general partner replacing the General Partner. The limitation of liability will also be lost as a result of false statements with respect to Windridge LP in the record or in public filings made pursuant to the *Limited Partnerships Act* (Ontario) and other legislation which are known to be false by the Trust and which it fails to have corrected within a reasonable amount of time. There is also a possibility that the Trust may lose its limited liability as a limited partner of Windridge LP to the extent that the principles of Canadian law recognizing the limitation of liability of limited partners have not been authoritatively established with respect to limited partnerships formed under the laws of one province but operating, owning property or incurring obligations in another jurisdiction. Such loss of limited liability, if it occurs, means that the Trust will have unlimited liability for the debts, liabilities and obligations of Windridge LP including with respect to environmental liabilities relating to the Property. Such a loss of limited liability will have a significant negative impact on the value of the investment of Subscribers in the Units. The Windridge LP Partnership Agreement does not provide for an indemnity from the Windridge LP General Partner to limited partners of Windridge LP for any loss of damages suffered by them as a result of a loss of limited liability by them.

*No Guarantees that Investment in Units will be Successful*

Investing in the Trust Units involves significant risks. The Subscriber should purchase units only if it is able to bear the risk of the loss of its entire investment. An investment in the units should not constitute a significant portion of a Unitholder's portfolio.

A return on an investment in the Trust Units is not comparable to the return on an investment in a fixed-income security. The recovery of an initial investment is at risk, and the anticipated return on such an investment is based on many performance assumptions. There can be no guarantee against losses resulting from an investment in the Units and there can be no assurance that the Trust's strategy of investing in Windridge LP will be successful or that Windridge LP's objective of earning a profit on the eventual sale of the Property will be achieved. Although the Trust intends to make regular distributions of its available cash to Unitholders, such distributions may be reduced or suspended. The success of the Trust in its objectives and the amount of funds distributed to the Unitholders will depend on the efforts and abilities of the management of Windridge Developments, the Trust, Windridge LP and of the General Partner and on numerous other external factors such as, among other things, the development of the residential and commercial real estate markets in the vicinity of the Property, market factors and demand, development costs, interest rates, competition for homebuyers, political environment, working capital requirements, future capital requirements, and the general economic conditions that may prevail from time to time, which factors are out of the control of the management of the Trust.

*Lack of Operating History for the Trust and Windridge LP*

The Trust has been formed for the purpose of investing in Windridge LP and does not have a record of performance to be relied upon. The Trust's operations are subject to all the risks inherent in the establishment of a new business enterprise, including a lack of operating history. The Trust cannot be certain that its investment strategy will be successful. The likelihood of success of the Trust must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business and real estate investment. If the Trust fails to address any of these risks or difficulties adequately, its business will likely suffer. Future profits, if any, will depend upon various factors including those affecting an investment in the Windridge LP Units and an investment in the Property. There is no assurance that the Trust can operate profitably or that it will successfully implement its plans.

*Potential Uninsured Losses*

The Trust cannot insure against any losses that may occur on its investment in the Windridge LP Units. Windridge Developments carries comprehensive general liability fire, flood, extended coverage, rental loss and pollution insurance with policy specifications, limits and deductibles, customarily carried for similar properties. There are, however, certain types of risks (generally of a catastrophic nature such as from wars) which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, the Trust could lose its investment in, and anticipated profits.

#### *Foreign Exchange Fluctuations*

The Units offered hereby are, and all distributions by the Trust will be, denominated in Canadian dollars. However, the Property is located in the state of Texas and all distributions received by Windridge LP on UFIs to be acquired by the LP using the Gross Subscription Proceeds will be denominated in U.S. dollars. Accordingly, the Trust and the Unitholders will be exposed to the impact of fluctuations in the Canadian/U.S. dollar exchange rate (subject to certain downside protection contained within the UFI Purchase Agreement). Such exposure may, from time to time, have an adverse impact upon the financial position and results of the Trust, and on the actual amount of the distributions or redemption proceeds received by a Unitholder from the Trust. Neither the Trust nor Windridge LP currently intends to enter into any hedging arrangements to mitigate any fluctuations in the Canadian/U.S. dollar exchange rate.

#### *Potential Conflicts of Interest*

Certain of the Trustee(s) of the Trust may also be directors and/or officers of Windridge LP, the General Partner, Windridge Developments and/or of other affiliates of A2A, as well as of other companies that are engaged and will continue to be engaged in activities that may put them in conflict with the business strategy of the Trust. The Trust may propose from time to time that the Trust enter into contractual arrangements with Windridge LP and/or Windridge Developments, and/or affiliates thereof for the provision of certain services. There exists the possibility for such Trustees to be in a conflict of interest as it relates to the Trust, Windridge LP, the General Partner, Windridge Developments and the affiliates thereof. The Trust does not have any employees. It will rely on the employees of its affiliates (including Administrator) for the day-to-day management of its affairs.

#### *Limited Control Over Windridge Developments*

Even in the case of a Maximum Offering, the Trust will only indirectly hold 22.67% of the UFIs. As such, it will have limited control over the activities and decisions of Windridge LP and Windridge Developments, and, with respect to the Property, will be subject to the decisions of a majority of the Co-owners who will be Offshore Investors.

Furthermore, the Trust will rely on Windridge Developments to properly develop the Property under the terms of the Deed of Covenant. There can be no assurances that Windridge LP or the Property will be properly developed or that the construction of the development will be properly managed, or that decisions made in relation thereto will be made in a manner desirable to the Trust.

#### *Single Asset Investment/Lack of Diversity*

The Trust was formed solely for the purposes of the acquisition of the Windridge LP Units. Such units will represent the only significant asset of the Trust and therefore the Trust's financial performance will be directly tied to the performance thereof and to the performance of the Property. Accordingly, the Trust may be more susceptible to fluctuations in value resulting from adverse economic conditions affecting a particular country, industry or issue than would be the case if the Trust were required to maintain a wide diversification of assets.

#### *The Units are not Direct Investments in Real Estate*

The Units are not a direct investment in Windridge Developments, Windridge LP, or the Property, but an investment in the Trust that will acquire LP Units and LP Notes (to the extent any are issued).

#### *No Independent Counsel for Unitholders*

Legal counsel that prepared the documentation in connection with this transaction, including the agreements described under "Material Agreements" above, also act as legal counsel for A2A Capital Management and its affiliates, including Windridge Developments. No independent counsel was retained on behalf of the Trust or the Subscribers. There has been no review by independent counsel on behalf of the Trust or the Subscribers of the Offering Memorandum or any other documentation in relation to the Offering.

#### *Related Party Transactions*

Certain agreements contemplated in this Offering Memorandum are among related parties. As such, certain contractual terms that might otherwise be included in documentation negotiated with an unrelated party may not be included in such agreements.

### *Reporting Obligations*

The Trust is not, and currently has no intention of becoming, a reporting issuer in any of the provinces or territories of Canada. The Trust will provide to its Unitholders annual audited financial statements in accordance with the provisions of the Declaration of Trust. Copies of certain corporate information with respect to the Trust, including information on the terms contained in its organization and certain information with respect to the Trustee(s) and Unitholders of the Trust, may be obtained from the Administrator.

### *Risks involved in the land development and homebuilding industry*

The land development and home building industry is cyclical and is significantly affected by changes in general and local economic and industrial conditions, such as employment levels in the DFW area, availability of financing for homebuyers, interest rates, consumer confidence, levels of new and existing homes for sale, demographic trends and housing demands. In addition, an oversupply of alternatives to new homes, such as resale homes, including homes held for sale by investors and speculators, foreclosed homes and rental properties may reduce Windridge Developments' ability to sell new homes, depress prices and reduce margins from the sale of new homes. The U.S. homebuilding industry continues to face numerous challenges, with home foreclosures and tight credit standards continuing to have an effect on inventory and new home sale rates and prices.

Windridge Developments is also subject to risks related to availability and cost of materials and labour, and adverse weather conditions that can cause delays in construction schedules and cost overruns. Furthermore, the market value of undeveloped land, buildable lots and housing inventory held by Windridge Developments in the development can fluctuate significantly as a result of changing economic or real estate market conditions in the DFW area. Windridge Developments may have to sell homes at a loss or hold land inventory longer than planned. Inventory carrying costs can be significant and can result in a loss in anticipated profits.

### *Competition in the Home Building Business*

The residential homebuilding industry is highly competitive. Residential homebuilders compete not only for homebuyers, but also for building materials, labour and capital. Windridge Developments will compete with other local, regional, and national homebuilders. Any improvement in the cost structure or service of these competitors will increase the competition that Windridge Developments faces and may affect the value of the Units. Windridge Developments will also compete with the resale of existing homes including foreclosed homes, sales by housing speculators and investors and rental housing. Competitive conditions in the homebuilding industry could result in lower than expected profits for Windridge Developments due to any one of the following causes: increased selling incentives, lower sales volumes and prices, lower profit margins, increased construction costs, and delays in construction.

### *Interest Rate Volatility and Impact on Housing Market*

It is anticipated that the market price for the Property at any given time may be affected by the level of interest rates prevailing at that time. A rise in interest rates may have a negative effect on the market price of the Property. Increases in interest rates may also have adverse effects on sales, vacancy rates, rent levels, refurbishing costs and other factors affecting the new home buying market business and profitability.

### *Difficulty in retaining qualified trade workers, materials and supplies*

The homebuilding industry has, from time to time, experienced significant difficulties in the supply of materials and services, including with respect to: shortages of qualified trades people; labour disputes; shortages of building materials; unforeseen environmental and engineering problems; and increases in the cost of certain materials (particularly increases in the price of lumber, wallboard and cement, which are significant components of home construction costs). When any of these difficulties occur, it will cause delays and increase the cost of constructing homes.

### *Homebuilding can be subject to construction defect claims*

As the party responsible for overseeing the development, Windridge Developments may be subject to construction defect claims arising in the ordinary course of business. Claims of this nature are common in the homebuilding industry and can be costly. Further, where Windridge Developments acts as a general contractor, it will be responsible for the performance of the entire contract, including work assigned to subcontractors. Claims may be

asserted against Windridge Developments for construction defects, personal injury or property damages caused by subcontractors, and if successful, these claims could give rise to liability on the part of Windridge Development. Any claim of this nature would negatively affect anticipated profits.

#### *Government Regulations*

Windridge Developments must comply with extensive and complex regulations affecting the development of land and homebuilding process. These regulations could impose on Windridge Developments additional costs and delays, which will adversely affect the value of the UFI and consequently the Units. Windridge Developments must obtain approvals from numerous governmental authorities regarding permitted land use, levels of density, the installation of utility services, and building standards. Although the Property is zoned for residential use and preliminary plans have been approved, land development and homebuilding regulations are complex and are subject to change over the lifetime of the development. These regulations often provide broad discretion to the administering governmental authorities as to the conditions Windridge Developments must meet prior to being approved for a particular phase of the development. Any delay or difficulty in obtaining approvals or any change in development regulations could greatly affect anticipated profits.

#### *Environmental Matters*

The operations of investments in both real estate and infrastructure are subject to numerous statutes, rules and regulations relating to environmental protection. There is the possibility of existing or future environmental contamination, including soil and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants. Under various environmental statutes, rules and regulations of the appropriate jurisdiction, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties. Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of those materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person. Any liability resulting from non-compliance or other claims relating to environmental matters related to the Property could have a material adverse effect on the value of the Property and the Trust's investments.

#### *Condemnation/Eminent Domain*

Governmental and quasi-governmental authorities in the State of Texas, including but not limited to common carrier pipelines, have a statutory right of eminent domain. Common carrier pipelines are those that transport oil, oil products, gas, carbon dioxide, salt brine, sand, clay, liquefied minerals or other mineral solutions. For example, a pipeline transporting crude oil could be a common carrier, and, as such, would have the right of eminent domain. A 'common carrier' pipeline transporting natural gas for others is a 'public utility,' commonly referred to as a 'gas utility,' and also would have the power of eminent domain. In the event an authority exercises the right of eminent domain on the Property for a public use, the condemning entity must pay the land owner adequate compensation for the taking of the land. Such an event could reduce the profitability of the Property and the Net Income distributable to the Unitholders.

#### *Availability of Distributable Cash*

Distributable Cash Flow is calculated in accordance with the Declaration of Trust and cash distributions are not guaranteed and cannot be assured. Distributable Cash Flow will be dependent on the success of Windridge Developments in the development of the Property on the timetable contemplated. There is no assurance that such timetable will be met, or, if met, will result in the projected distributions referred to in "The Property – Project Economics". The distributions to Windridge LP from Windridge Developments will be subject to taxation and therefore the amounts received from the Trust from Windridge LP will be lower than the amounts shown in "The Property – Project Economics". The Distributable Cash Flow of the Trust, and therefore the returns to Unitholders, will not equal, and will be less than, such amounts. See "Certain Canadian Federal Tax Considerations" and "Certain U.S. Federal Tax Considerations".



### *Redemptions*

- a) *Use of Available Cash* – The payment in cash by the Trust of the redemption price of Units will reduce the amount of cash available to the Trust for the payment of distributions to Unitholders, as the payment of the amount due in respect of redemptions will take priority over the payment of cash distributions.
- b) *Redemption Price is at 95% of Market Value* – The amount required to be paid by the Trust for each Trust unit redeemed is 95% of the value of a Unit calculated in accordance with the Declaration of Trust.
- c) *Limitation on Payment of Redemption Price in Cash* – The total cash amount available for the payment of the redemption price of Units by the Trust is limited to \$25,000 in each calendar quarter and is limited in any 12-month period to 1% of the aggregate Gross Subscription Proceeds of all Units that were issued and outstanding at the start of such 12-month period.
- d) *Payment of Redemption Price in Kind* – The redemption of Units may be paid and satisfied by way of an *in specie* distribution of property of the Trust, and/or unsecured subordinated notes of the Trust, as determined by the Trustees in their discretion, to the redeeming Unitholder. Such property may not be liquid and generally will not be a qualified investment for Deferred Plans and may be a prohibited investment for RRSPs, RRIAs and TFSAs. Adverse tax consequences generally may apply to a Unitholder, or Plan and/or its annuitant, beneficiary thereunder or holder thereof, as a result of the redemption of Units. Accordingly, Subscribers that propose to invest in Units through Deferred 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.

### *Trust's Canadian Tax Status*

- a) *Non-Resident Ownership* – The Trust intends to comply with the requirements under the Tax Act at all relevant times such that it maintains its status as a “unit trust” and a “mutual fund trust” for purposes of the Tax Act. Under current law, a trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of Non-Residents. However, the restrictions on Non-Resident ownership will not apply where all or substantially all of the mutual fund trust's property is not “taxable Canadian property”, as defined in the Tax Act. Even though the Trust will not own any taxable Canadian property, Non-Residents may not be the beneficial owners of more than 49% of the Units. The Trustees will also have various powers that can be used for the purpose of monitoring and controlling the extent of Non-Resident ownership of the Units. See “Description of the Securities Offered – Limitation on Non-Resident Ownership”.

The restrictions on the issuance of Units by the Trust to Non-Residents may negatively affect the Trust's ability to raise the financing contemplated in this Offering Memorandum. In addition, the Non-Resident ownership restrictions could negatively impact the liquidity of the Units and the market price at which Units can be sold.

- b) *Taxation of Trusts and Partnerships* – There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting mutual fund trusts will not be changed in a manner that adversely affects Unitholders. In addition, the Tax Act requires the Trust to satisfy certain factual conditions in order for it to qualify as a mutual fund trust, including, among other things, that at least 150 beneficiaries of the Trust own not less than one block of units of any one class having an aggregate fair market value of not less than \$500. Should the Trust cease to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading “Certain Canadian Federal Income Tax Considerations” would be materially and adversely different in certain respects and the Units may cease to be qualified investments for Deferred Plans.

The SIFT Rules apply to a trust that is a “SIFT trust” and a partnership that is a “SIFT partnership”, each as defined in the Tax Act. Provided that a trust or partnership does not own “non-portfolio property” (as defined in the Tax Act), it will not be subject to the SIFT Rules. Based on the investment restrictions of the Trust and the limitations imposed on Windridge LP under the Windridge LP Agreement, the Trust and the Windridge LP will not acquire any non-portfolio property and, therefore, will not be subject to the SIFT Rules. However, there can be no assurance that the SIFT Rules or the administrative policies or assessing practices of the CRA will not be changed in a manner that adversely affects the Trust, Windridge LP and Unitholders.

- c) *Distribution of Additional Units* – Interest on the LP Notes accrues at the Trust level for Canadian federal income tax purposes, whether or not actually paid. The Trust Declaration provides that a sufficient amount of the Trust’s net income and net realized capital gains will be distributed each year to Unitholders in order to eliminate the Trust’s liability for tax under Part 1 of the Tax Act. Where such amount of net income (including interest on the LP Notes) and net realized capital gains on the Trust in a taxation year exceeds the cash available for distribution in the year, such excess net income and net realized capital gains will be distributed to Unitholders in the form of additional Units. Unitholders will generally be required to include an amount equal to the fair market value of those Units in their taxable income, even in circumstances where they do not receive a cash distribution.
- d) *Foreign Taxes* – Foreign taxes paid by Windridge LP will be allocated pursuant to Windridge LP Agreement. Each partner’s share of the “business-income tax” and “non-business income tax” paid in a foreign country for a year will be creditable against its Canadian federal income tax liability to the extent permitted by the detailed rules contained in the Tax Act. Although the foreign tax credit provisions are designed to avoid double taxation, the maximum credit is limited. Because of this, and because of timing differences in recognition of expenses and income and other factors, double taxation may arise.

Proposed amendments released on August 27, 2010 address certain foreign tax credit generator transactions (the “**Foreign Tax Credit Generator Proposals**”). Under the Foreign Tax Credit Generator Proposals, the foreign “business income tax” or “non-business-income tax”, each as defined in the Tax Act, for any taxation year may be limited in certain circumstances, including where a partner’s share of the partnership’s income under the income tax laws of any country (other than Canada) under whose laws the income of the partnership is subject to income taxation, is less than the partner’s share of such income for purposes of the Tax Act. No assurances can be given that the Foreign Tax Credit Generator Proposals will not apply to any Unitholder. If the Foreign Tax Credit Generator Proposals apply, a Unitholder’s foreign tax credits will be limited.

- e) *Differences in Canadian and U.S. Tax Laws* – The Trust is required to compute its income as though it were an individual resident in Canada. The Trust is, therefore, subject to the provisions of the Tax Act which may differ materially from the applicable provisions of the Code. In addition, the effective tax rate under the Tax Act and the Code may differ, in which case Unitholders generally will be subject to the higher effective tax rate.
- f) *Dispositions of Real Property* – In the ordinary course and/or in connection with the termination of the Trust, the Trust may effect a sale of U.S. real property by disposing of securities of an underlying entity (such as Windridge LP) or by disposing of UFI in the Property directly. In these circumstances, Windridge LP’s effective tax rate under the Code on such dispositions will be greater than the effective tax rate on capital gains under the Tax Act. In the event that a sale of real property is structured in this manner, the net cash available for distribution to Unitholders will be reduced.
- g) *Change of Law* – There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, the terms of the Treaty, or the administrative and assessing practices and policies of the CRA and the Department of Finance (Canada) will not be changed in a manner that adversely affects Unitholders. Any such change could increase the amount of tax payable by the Trust or its

affiliates or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.

- h) *Non-Residents of Canada* – The Tax Act may impose additional withholding or other taxes on distributions made by the Trust to Unitholders who are Non-Residents. These taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time. In addition, this Offering Memorandum does not describe the tax consequences under the Tax Act to Non-Residents, which may be more adverse than the consequences to other Unitholders.
- i) *Foreign Currency* – For purposes of the Tax Act, the Trust generally is required to compute its Canadian tax results using Canadian currency. Where an amount that is relevant in computing a taxpayer's Canadian tax results is expressed in a currency other than Canadian currency, such amount must be converted to Canadian currency using the rate of exchange quoted by the Bank of Canada at noon on the day such amount first arose, or using such other rate of exchange as is acceptable to the CRA. As a result, the Trust may realize gains and losses for tax purposes by virtue of the fluctuation of the value of foreign currencies relative to Canadian dollars.

#### *Trust's U.S. Tax Status*

- a) *Windridge LP is subject to U.S. Federal Income Tax* – Windridge LP is subject to U.S. federal income tax as a “foreign” corporation engaged in a U.S. trade or business, and will have both ECI (and may have FDAP) which are U.S. source items subject to U.S. federal income tax law. Windridge LP hopes to benefit from certain deductions under U.S. federal income tax rules in order to reduce its overall tax burden, including but not limited to deduction of any interest expense on the LP Notes (to the extent any are issued), but such deductions may be restricted depending upon a variety of factors, as discussed in “Certain U.S. Federal Income Tax Considerations”. If Windridge LP's deductions were limited, the IRS were to successfully challenge a U.S. tax position Windridge LP were to take, the Trust or the Windridge LP were to fail to qualify for benefits under the Treaty, or U.S. tax laws or the Treaty were to change (perhaps retroactively), U.S. federal income tax costs could increase, thus decreasing cash available for distribution to the Unitholders and the value of the Units.
- b) *IRS Challenge* - The IRS may adopt tax positions that differ from the positions taken by the Trust and Windridge LP. A successful IRS contest of the United States federal income tax positions taken may adversely affect the value of the Units, and the cost of an IRS contest will reduce cash available for distribution to Unitholders. For example, the Trust and Windridge LP intend to treat the LP Notes (to the extent any are issued) as debt of Windridge LP for U.S. federal income tax purposes; however, neither the Trust nor Windridge LP has obtained an opinion of counsel on this issue nor obtained a private letter ruling from the IRS on this issue and there can be no assurance that this position will not be challenged by the IRS. If such a challenge were sustained, interest deductions would be denied, and Windridge LP's net taxable income would be increased, thereby reducing after-tax cash flow available to Unitholders.
- c) *Change of Law* – There can be no assurance that U.S. federal income tax laws, the terms of the Treaty, and the IRS and Department of the Treasury administrative and legislative policies respecting the U.S. federal income tax consequences described herein will not be changed, possibly on a retroactive basis, in a manner that adversely affects Unitholders. In particular, any such change could increase the amount of U.S. federal income tax or withholding tax payable by the Trust or its subsidiaries, reducing the amount of distributions which the Trust would otherwise receive and thereby reducing the amount available to pay distributions to Unitholders.

**For all of the above reasons and others set forth herein, the Units involve a certain degree of risk. Any person considering the purchase of Units should be aware of these and other factors set forth in this Offering Memorandum and should consult with his, her or its 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.

## **REPORTING OBLIGATIONS**

The Trust is not, and currently has no intention of becoming, subject to continuous reporting and disclosure obligations which the securities legislation in any province or territory of Canada would require of a “reporting issuer” as defined in such legislation. There is, therefore, no statutory requirement that the Trust make disclosure of its affairs, including, without limitation, the prompt notification of material changes by way of press releases and formal filings or the preparation of quarterly unaudited financial statements.

Pursuant to the Declaration of Trust, the Trust has agreed to provide annual audited financial statements and other information received by Windridge LP from the Facilitator under the Deed of Covenant. See “Description of Securities Offered - Information and Reports”.

## **RESALE RESTRICTIONS**

### **Canada**

These securities are subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Units unless you are eligible to rely on and comply with an exemption from the prospectus and registration requirements under applicable Securities Laws.

Unless permitted under applicable Securities Laws, and subject to the following paragraph, you cannot trade the Units before the date that is four months and a day after the date the Trust becomes a reporting issuer in any Province or Territory of Canada.

For a Subscriber resident in Manitoba, unless permitted under applicable Securities Laws, you must not trade the Units without the prior written consent of the regulator in Manitoba unless the Corporation has filed a prospectus with the regulator in Manitoba with respect to the Units and the regulator in Manitoba has issued a receipt for that prospectus or the Shareholder has held the Units for at least twelve (12) months. The regulator in Manitoba will consent to a trade by a Unitholder resident in such province if the regulator is of the opinion that to do so is not prejudicial to the public interest.

**The Trust is not, and currently has no intention of becoming, a reporting issuer in any Province or Territory of Canada and, as such, the restrictions in trading in the Units will not expire. There is no market over which the Units can be transferred and it is very unlikely that one will develop. A Subscriber is encouraged to seek independent advice from a lawyer regarding these trading restrictions.**

### **United States**

The Units have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state or other political subdivision of the United States, and subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly, in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This Offering Memorandum does not constitute an offer to sell or solicitation of an offer to buy any of the Units in the United States.

## PURCHASERS' RIGHTS

If you purchase Units, you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

### Two Day Cancellation Right For all Subscribers

You can cancel your subscription agreement to purchase Units. To do so, you must send notice to the Trust (at its address shown in the subscription agreement or in this Offering Memorandum) by midnight on the second (2<sup>nd</sup>) Business Day after you sign a subscription agreement to buy Units.

### Additional Rights as a Subscriber

#### *Generally*

The following statutory or contractual rights of action for damages or rescission will apply to a purchase of Units. The applicable Securities Laws in certain Provinces or Territories of Canada provides the Subscribers, or requires the Subscribers be provided, with remedies for rescission or damages, or both, if this Offering Memorandum or any amendment to it contains a misrepresentation. However, these remedies must be exercised within the time limits prescribed, and are subject to defences on which the Trust and other applicable parties may rely.

The rights summarized above (i) are subject to the express provisions of the applicable Securities Laws and (ii) are in addition to and without derogation from any other rights or remedy which a Subscriber may have at law. **Subscribers should refer to the complete text of the applicable provisions of the Securities Laws for the particulars of these rights and/or consult with a lawyer.**

#### *Rights for Subscribers in Alberta*

Securities Laws in Alberta provides that every purchaser of Units pursuant to this Offering Memorandum or any amendment thereto shall have, in addition to any other rights they may have at law, a right of action for damages or rescission, against the Trust and certain other persons if this Offering Memorandum or any amendment thereto contains a "misrepresentation" (as defined in the *Securities Act* (Alberta) (the "**Alberta Act**")). In particular, section 204 of the Alberta Act provides that if this Offering Memorandum or any amendment thereto contains a misrepresentation, a purchaser who purchases Units offered under this Offering Memorandum or any amendment will be deemed to have relied upon the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the Trust and every person or company who signed this Offering Memorandum or, alternatively, for rescission against the Trust, provided that if the purchaser exercises its right of rescission against the Trust, the purchaser will not have a right of action for damages against the Trust or against any aforementioned person or company.

No action can be commenced to enforce the rights of action described above more than:

- (a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or
- (b) in the case of any action, other than an action for rescission, the earlier of:
  - (i) 180 days from the date that the purchaser first had knowledge of the facts giving rise to the cause of action, or
  - (ii) three years from the date of the transaction that gave rise to the cause of action.

No person or company referred to above is liable if the person or company proves that the purchaser had knowledge of the misrepresentation. In addition, no person or company will be liable in an action pursuant to section 204 of the Alberta Act if the person or company proves that:

- (a) this Offering Memorandum or any amendment thereto was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of it being sent, the person or company promptly gave reasonable notice to the Trust that it was sent without the knowledge and consent of the person or company;
- (b) on becoming aware of the misrepresentation in this Offering Memorandum, the person or company withdrew its consent to this Offering Memorandum and gave reasonable notice to the Trust of the withdrawal and the reason for it; or
- (c) if, with respect to any part of this Offering Memorandum or any amendment thereto purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company proves it had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the relevant part of this Offering Memorandum or any amendment thereto did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

In addition, no person or company is liable with respect to any part of this Offering Memorandum or any amendment thereto not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company: (i) failed to conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or (ii) believed that there had been a misrepresentation.

In an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon. The amount recoverable under this right of action will not exceed the price at which the Units were offered under this Offering Memorandum or any amendment thereto.

#### *Rights for Subscribers in Manitoba*

If the Subscriber is resident in Manitoba and if this Offering Memorandum, together with any amendment thereto, or any advertising or sales literature relating to the Units contains a "misrepresentation" (as defined in *The Securities Act (Manitoba)*), each purchaser in Manitoba, or otherwise subject to the applicable Securities Laws of Manitoba, to whom the Offering Memorandum has been sent or delivered and who purchases Units, will be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, and the purchaser has a right of action for damages against the Trust, and, subject to certain additional defenses, against the Trustees of the Trust who were trustees at the date of the Offering Memorandum, and against any person or company who signed the Offering Memorandum and any amendment thereto, or alternatively, while still an owner of the Units, may elect instead to exercise a right of rescission against the Trust, in which case the purchaser will have no right of action for damages against the Trust or the Trustees of the Trust or any other person or company who signed this Offering Memorandum, provided that, among other limitations:

- (a) in an action for rescission or damages, no person or company will be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, no person or company will be held liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon; and



- (c) in no case will the amount recoverable under the right of action described above exceed the price at which the Units were offered under the Offering Memorandum.

All persons or companies referred to above that are found to be liable or that accept liability are jointly and severally liable. A person or company that is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person that is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the course is satisfied that it would not be just and equitable.

In addition, no person or company, other than the Trust, is liable if the person or company proves that:

- (a) this Offering Memorandum or any amendment thereto was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;
- (b) after delivery of this Offering Memorandum or any amendment thereto and before the purchase of the Units by the purchaser, on becoming aware of any misrepresentation in this Offering Memorandum, or any amendment thereto, the person or company withdrew the person's or company's consent to the Offering Memorandum, or any amendment thereto, and gave reasonable general notice of the withdrawal and the reason for it; or
- (c) with respect to any part of this Offering Memorandum or any amendment thereto purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the relevant part of this Offering Memorandum or any amendment thereto (A) did not fairly represent the report, opinion or statement of the expert; or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

In addition, no person or company, other than the Trust, is liable with respect to any part of this Offering Memorandum or any amendment thereto not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company: (i) failed to conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or (ii) believed that there had been a misrepresentation.

In addition, no action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of: (i) 180 days after the date on which the purchaser first had knowledge of the facts giving rise to the cause of action or (ii) 2 years after the date of the transaction that gave rise to the cause of action.

In addition, if a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, the Offering Memorandum or any amendment thereof, the misrepresentation is deemed to be contained in the Offering Memorandum or any amendment thereto.

#### *Rights for Purchasers in Saskatchewan*

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where this Offering Memorandum or any amendment thereto is sent or delivered to a purchaser and it contains a "misrepresentation" (as defined in the Saskatchewan Act), a purchaser who purchases a Unit covered by this

Offering Memorandum or any amendment thereto has, without regard to whether the purchase relied on their misrepresentation, a right of action for rescission against the Trust or has a right of action for damages against:

- (a) the Trust;
- (b) every promoter of the Trust at the time this Offering Memorandum or any amendment thereto was sent or delivered;
- (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;
- (d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed this Offering Memorandum or any amendment thereto; and
- (e) every person who, or company that, sells Units on behalf of the Trust under this Offering Memorandum or amendment thereto.

Such rights of rescission and damages are subject to certain limitations including the following:

- (a) if the purchaser elects to exercise its right of rescission against the Trust, it shall have no right of action for damages against it;
- (b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Units resulting from the misrepresentation relied on;
- (c) no person or company, other than the Trust, will be liable for any part of this Offering Memorandum or any amendment thereto not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;
- (d) in no case shall the amount recoverable exceed the price at which the Units were offered; and
- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Trust, will be liable in an action pursuant to section 138 of the Saskatchewan Act if the person or company proves that:

- (a) this Offering Memorandum or any amendment thereto was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or
- (b) with respect to any part of this Offering Memorandum or any amendment thereto purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of this Offering Memorandum or any amendment thereto did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

In addition, no person or company will be liable in an action pursuant to section 138 of the Saskatchewan Act if that person or company proves that in respect of a misrepresentation in forward looking information (as defined in the Saskatchewan Act), such person or company proves that with respect to the document containing the forward looking information, proximate to that information, there is contained reasonable cautionary language identifying the forward looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward looking information; and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward looking information; and, the person or company had a reasonable basis for drawing the conclusions or making the forecast and projections set out in the forward looking information.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

- (a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:
  - (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
  - (ii) six years after the date of the transaction that gave rise to the cause of action.

Section 80.1 of the Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act, a right to withdraw from the agreement to purchase securities by delivering a notice to the person who, or company that, is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two (2) Business Days of receiving the amended offering memorandum.

#### *Rights for Subscribers in Ontario*

In the event that this Offering Memorandum or any amendment thereto contains a "misrepresentation" (as defined in the *Securities Act* (Ontario)), a purchaser resident in Ontario who purchases Units offered by this Offering Memorandum during the period of distribution has, without regard to whether the purchaser relied upon

the misrepresentation, a right of action for damages against the Trust or, alternatively, while still the owner of the Units, for rescission against the Trust provided that:

- (a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the Trust;
- (b) the Trust will not be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;
- (c) in the case of an action for damages, the Trust will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon; and
- (d) in no case shall the amount recoverable exceed the price at which the Units were offered.

No action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date the purchaser purchased the Units; or
- (b) in the case of an action for damages, the earlier of:
  - (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or
  - (ii) three (3) years after the date the purchaser purchased the Units.

This Offering Memorandum is being delivered in connection with a distribution made in Ontario in reliance on the exemption from the prospectus requirements contained under section 2.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions* (the “**accredited investor exemption**”). The rights referred to above do not apply if this Offering Memorandum is delivered to a prospective purchaser in Ontario in connection with a distribution made in Ontario in reliance on the accredited investor exemption if the prospective purchaser is:

- (a) a Canadian financial institution or a Schedule III bank (each as defined in OSC Rule 45 501 - *Ontario Prospectus and Registration Exemptions*);
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

#### *Rights for Purchasers in Québec*

Legislation has been adopted in Québec, but is not yet in force, that will provide the purchasers of Units with a statutory right to sue (if proclaimed in force). Until such time as this legislation is in force, in addition to any other right or remedy available to the purchasers of Units under ordinary civil liability rules, purchasers are granted the same rights of action for damages or rescission as purchasers in Ontario. If and when this legislation is in force, then purchasers of Units residing in the Province of Québec will no longer have the rights granted to purchasers in Ontario and the following will apply, in addition to any other right or remedy available to purchasers of Units residing in the Province of Québec under ordinary civil liability rules:

If there is a misrepresentation in this Offering Memorandum, purchasers will have a statutory right to sue:

- (a) to cancel the subscription agreement to buy the Units or to revise the price at which the Units were sold to the purchaser; and
- (b) for damages against the Trust, the persons in charge of the Trust's patrimony, the dealer(s) under contract to the Trust in connection with the sale of these Units and any expert whose opinion appears in this Offering Memorandum if such opinion contains a misrepresentation.

This statutory right to sue will be available to purchasers whether or not purchasers have relied on the Offering Memorandum. Purchasers will be able to elect to cancel their agreement to buy these Units or to bring an action to revise the price without prejudice to their claim for damages.

However, there will be various defences available to the persons that purchasers will have a right to sue. For example, they will have a defence if purchasers knew of the misrepresentation when they purchased the Units. In an action for damages, a person listed above, other than the Trust or the persons in charge of the Trust's patrimony, will not be liable if that person acted with prudence and diligence.

In addition, the defendant will not be liable for a misrepresentation in forward-looking information if the defendant proves that:

- (a) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and
- (b) there was a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

If purchasers of Units intend to rely on the rights described in (a) or (b) above, they will have to do so within strict time limitations. Purchasers will have to commence an action to cancel the agreement or revise the price within three years after the date of the purchase. Purchasers will have to commence an action for damages within the earlier of (i) three years after they first had knowledge of the facts giving rise to the cause of action (except on proof of tardy knowledge imputable to purchasers negligence) and (ii) five (5) years after the filing of this Offering Memorandum with the Autorité des marchés financiers.

#### *Rights for Subscribers in New Brunswick*

*The Securities Act* (New Brunswick) (the "**New Brunswick Act**") provides that, subject to certain limitations, where this Offering Memorandum or any amendment thereto, which is provided to a purchaser of the Units contains a "misrepresentation" (as defined in the New Brunswick Act), a purchaser who purchases the Units shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase, and the purchaser has, subject to certain defenses, a right of action for damages against the Trust or may elect to exercise a right of rescission against the seller, in which case he shall have no right of action for damages, provided that:

- (a) in an action for rescission or damages, the defendant will not be liable if it proves that the purchaser purchased the security with knowledge of the misrepresentation;
- (b) in an action for damages, the defendant is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the security as a result of the misrepresentation relied upon; and

- (c) in no case shall the amount recoverable under the right of action described herein exceed the price at which the security was offered.

The right of action for rescission or damages described herein is conferred by section 150 of the New Brunswick Act and is in addition to and without derogation from any right the purchaser may have at law. Pursuant to section 161 of the New Brunswick Act, no action shall be commenced to enforce a right of rescission unless such action is commenced not later than 180 days after the date of the transaction that gave rise to the cause of action and in the case of any action, other than an action for rescission, such action shall be commenced before the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action.

*Rights for Purchasers in Nova Scotia*

The *Securities Act* (Nova Scotia) (the “**Nova Scotia Act**”) provides that, subject to certain limitations, where this Offering Memorandum, together with any amendment thereto, or any advertising or sales literature (as such terms are defined in the Nova Scotia Act disseminated in connection with the offering, contains an untrue statement of material fact or omits to state a material fact that is necessary to prevent a statement in this Offering Memorandum, any amendment thereto or advertising or sales literature from being misleading in light of the circumstances in which the statement was made (each, a “misrepresentation”), that was a misrepresentation at the time of purchase, a purchaser who purchases Units has a right of action for damages against the Trust and, subject to certain additional defenses, every seller (other than the Trust) of Units, directors of the seller and persons who have signed this Offering Memorandum.

Alternatively, the purchaser may elect to exercise a right of rescission against the seller in which case the purchaser shall have no right of action for damages against the seller, directors of the seller or persons who have signed the Offering Memorandum.

The foregoing rights are subject to, among other limitations, the following:

- (a) no action shall be commenced to enforce any of the foregoing rights more than 120 days after the date on which the initial payment was made for the Units;
- (b) no person will be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;
- (c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon; and
- (d) in no case will the amount recoverable in any action exceed the price at which the Units were offered under this Offering Memorandum or amendment thereto.

In addition, no person or company other than the Trust is liable if the person or company proves that:

- (a) this Offering Memorandum or any amendment thereto was sent or delivered to the purchaser without the person’s or company’s knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person’s or company’s knowledge or consent;
- (b) after delivery of this Offering Memorandum or any amendment thereto and before the purchase of the Units by the purchaser, on becoming aware of any misrepresentation in this Offering Memorandum, or amendment thereto, the person or company withdrew the person’s or

company's consent to this Offering Memorandum, or amendment thereto, and gave reasonable general notice of the withdrawal and the reason for it; or

- (c) with respect to any part this Offering Memorandum or any amendment thereto purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the part of this Offering Memorandum or amendment thereto (i) did not fairly represent the report, opinion or statement of the expert, or (ii) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Furthermore, no person or company other than the Trust is liable with respect to any part of this Offering Memorandum or any amendment thereto not purporting to be made on the authority of an expert; and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or (ii) believed that there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, this Offering Memorandum or amendment thereto, the misrepresentation is deemed to be contained in this Offering Memorandum or in any amendment thereto.

#### *Rights for Purchasers Prince Edward Island*

The right of action for rescission or damages described under this heading is conferred by section 112 of the *Securities Act* (Prince Edward Island) (the "**PEI Act**"). Section 112 provides, that in the event that this Offering Memorandum contains a "misrepresentation", a purchaser who purchased the Units during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Trust, every person who signed the Offering Memorandum. Alternatively, the purchaser who purchases the Units during the period of distribution may elect to exercise a statutory right of action for rescission against the Trust. For the purposes of section 112, "misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the PEI Act, or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made.

Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

- (a) no action may be commenced to enforce the rights of action described above more than:
  - (i) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
  - (ii) in the case of any action other than an action for rescission:
    - (1) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action; or
    - (2) three years after the date of the transaction that gave rise to the cause of action;whichever period first expires;
- (b) no person will be liable if the person proves that the purchaser purchased the Units with knowledge of the misrepresentation;



- (c) no person, other than the Trust, will be liable if the person proves that:
  - (i) the Offering Memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Trust that it had been sent without the knowledge and consent of the person;
  - (ii) the person, on becoming aware of the misrepresentation in the Offering Memorandum, had withdrawn the person's consent to the Offering Memorandum and had given reasonable notice to the issuer of the withdrawal and the reason for it; or
  - (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that:
    - (1) there had been a misrepresentation; or
    - (2) the relevant part of the Offering Memorandum:
      - (A) did not fairly represent the report, statement or opinion of the expert; or
      - (B) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Units were offered to and purchased by the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Units as a result of the misrepresentation.

*Rights for Purchasers in British Columbia, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon*

Subscribers in British Columbia, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon are granted the same rights of action for damages or rescission as residents of Ontario who purchase Units.

## **FINANCIAL STATEMENTS**

The audited financial statements of the Trust, Windridge LP and the General Partner for the period ended March 31, 2013 commence on the next page.

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Hills of Windridge A2A Trust  
Financial Statements  
March 31, 2013



Rice & Company LLP  
Suite 1600, 510 5th St SW  
Calgary, AB T2P 3S2  
T (403) 457-1100

## **Independent Auditors' Report**

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To the Unitholder of  
Hills of Windridge A2A Trust

We have audited the accompanying financial statements of Hills of Windridge A2A Trust, comprised of the statement of financial position as at March 31, 2013, and the statements of comprehensive income, changes in equity and cash flows for the period from settlement on February 13, 2013 to March 31, 2013, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hills of Windridge A2A Trust as at March 31, 2013, and its financial performance, changes in equity and cash flows for the period from settlement on February 13, 2013 to March 31, 2013 in accordance with International Financial Reporting Standards.

**Emphasis of Matter**

We draw attention to Note 9 of the financial statements which outlines the offering that Hills of Windridge A2A Trust is undertaking subsequent to period end which, if unsuccessful, could have a material effect on the entity's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

A handwritten signature in black ink that reads "Rice & Company LLP." The signature is written in a cursive, flowing style.

CHARTERED ACCOUNTANTS

Calgary, Canada  
May 8, 2013

**Hills of Windridge A2A Trust**  
**Statement of Financial Position**  
**March 31, 2013**

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<b>Assets</b>	<b>Notes</b>	
Current asset		
Cash		\$ <u>90</u>
		90
Investments	6	<u>10</u>
Total assets		\$ <u><u>100</u></u>
<b>Unitholders Equity</b>		
Unitholders capital	7	\$ <u>100</u>
Total equity attributable to unitholder of the Fund		<u>100</u>
Total liabilities and unitholders equity		\$ <u><u>100</u></u>
General business description	1	
Commitments	9	
Subsequent events	9	

See accompanying notes to the financial statements.

These financial statements were approved by the Trustee's of the Fund on May 8, 2013.

(signed) "Dirk Foo", Trustee

(signed) "William Friedman", Trustee

**Hills of Windridge A2A Trust**  
**Statement of Comprehensive Income**  
**For the Period from Settlement on February 13, 2013 to March 31, 2013**

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**Notes**

<b>Total comprehensive income for the period</b>	<b>8</b>	<b>\$</b>	<b><u><u>-</u></u></b>
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See accompanying notes to the financial statements.

**Hills of Windridge A2A Trust****Statement of Changes in Unitholders Equity****For the Period from Settlement on February 13, 2013 to March 31, 2013**


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	Notes	Number of Trust Units	Trust Capital	Accumulated Gain (Loss)	Unitholders Equity
Cash received on settlement	7.2	1 \$	100 \$	- \$	100
Income for the period		-	-	-	-
<b>Balance at March 31, 2013</b>		<b>1 \$</b>	<b>100 \$</b>	<b>- \$</b>	<b>100</b>

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See accompanying notes to the financial statements.



**Hills of Windridge A2A Trust****Statement of Cash Flows****For the Period from Settlement on February 13, 2013 to March 31, 2013**

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**Cash provided by (used in):****Cash flows from operating activities**

Net income	\$ -
Changes in non-cash working capital	-

<b>Net cash provided by operating activities</b>	<u>-</u>
--------------------------------------------------	----------

**Cash flows from financing activities**

Proceeds on settlement of trust	<u>100</u>
---------------------------------	------------

<b>Net cash provided by financing activities</b>	<u>100</u>
--------------------------------------------------	------------

**Net cash flows from investing activities**

Purchase of partnership units	<u>(10)</u>
-------------------------------	-------------

<b>Net cash used in investing activities</b>	<u>(10)</u>
----------------------------------------------	-------------

<b>Change in cash, beginning cash, end of period cash</b>	\$ <u><u>90</u></u>
-----------------------------------------------------------	---------------------

See accompanying notes to the financial statements.

## Hills of Windridge A2A Trust

### Notes to the Financial Statements

#### Period from Settlement on February 13, 2013 to March 31, 2013

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#### 1. General business description

Hills of Windridge A2A Trust (the “Trust”) is an unincorporated open-ended trust established under the laws of the Province of Ontario by the Trust's Declaration of Trust dated February 13, 2013. The Trust intends to be a “mutual fund trust” for the purposes of the Income Tax Act (Canada). The Trust intends to make an election to be classified as a corporation for U.S. federal income tax purposes effective on the date of its formation.

The Trust was formed to raise funds pursuant to an offering (note 9) for the purposes of acquiring units in Hills of Windridge A2A Limited Partnership (the “Partnership”), a limited partnership formed under the laws of the Province of Ontario. The Partnership is considered a related party due to common officers and directors of the General Partner. The Partnership intends to acquire from Windridge A2A Developments, LLC, a Texas limited liability company (“Windridge Developments”) up to a 22.67% undivided fractional ownership interest in land in Tarrant County within the Dallas/Fort Worth area in Texas, United States of America (the “Project Lands”), and participate in the development of the Project Lands by Windridge Developments into a multi-phase residential community.

The Trustees of the Trust are Dirk Foo, William Friedman and Steven Warsh (the “Trustees”). The Administrator of the Trust is A2A Capital Management Inc. (the “Administrator”).

The proposed business of the Trust involves a high degree of risk and there is no assurance that the Trust will be able to raise the amount of funds to finance its activities as disclosed in note 9.

The address of the Trust is 250 Ferrand Drive, Suite 888, Toronto, Ontario, M3C 3G8.

#### 2. Basis of presentation

##### 2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements were authorized for issue by the Trustees of the Trust on May 8, 2013.

**Hills of Windridge A2A Trust**  
**Notes to the Financial Statements**  
**Period from Settlement on February 13, 2013 to March 31, 2013**

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**2.2 Basis of measurement**

The financial statements have been prepared on historical cost basis except for held for trading financial assets which are measured at fair value with changes in fair value recorded to earnings.

The methods used to measure fair values are discussed in note 4.

**2.3 Functional and presentation currency**

These financial statements are presented in Canadian dollars, which is the Trust's functional currency.

**2.4 Use of estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is valuation of financial instruments (note 4).

**3. Significant accounting policies**

**3.1 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Hills of Windridge A2A Trust**  
**Notes to the Financial Statements**  
**Period from Settlement on February 13, 2013 to March 31, 2013**

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*3.1.1 Financial assets*

Financial assets include any outstanding accounts receivable and cash and cash equivalents. Purchases and sale of financial assets are recognized on the settlement date, which is the date in which the asset is delivered to or by the Trust. Financial assets are derecognized when the rights to receive cash flows have expired or are transferred and the Trust has transferred substantially all risks and rewards of ownership. Financial assets are classified in the following categories at the time of the initial recognition based on the purpose for which the financial assets were acquired:

Classification

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and its performance is evaluated on a fair value basis, in accordance with the Trust's documented risk management or investment strategy.

Recognition and measurement

Financial assets carried at fair value through profit or loss are initially recognized, and subsequently carried, at fair value, with changes recognized in the income statement. Transaction costs are expensed when incurred.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Assets in this category include accounts receivable which are classified as current assets in the statement of financial position.

The Trust does not have any accounts receivable at March 31, 2013 and, as a result, has not designated any financial assets as loans and receivables as at March 31, 2013.

**Hills of Windridge A2A Trust**  
**Notes to the Financial Statements**  
**Period from Settlement on February 13, 2013 to March 31, 2013**

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Recognition and measurement

Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They consist of investments in equity securities and certain other debt securities. They are included in other non-current financial assets unless management intends to dispose of the investments within 12 months of the balance sheet date. Available-for-sale financial assets are recorded in other comprehensive income until realized, at which time they are recorded through profit or loss. The Trust has designated investments as financial assets available-for-sale.

Reclassification of financial assets

Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short term. In all cases, reclassification of financial assets are limited to debt instruments. Reclassifications are accounted for at fair value of the financial asset at the date of reclassification.

**3.1.2 Financial liabilities**

Financial liabilities primarily consist of bank indebtedness (if any) and accounts payable and accrued liabilities (if any). Financial liabilities are initially measured at fair value and subsequently measured at amortized cost for liabilities that are not hedged, and fair value for liabilities that are hedged. Non-performance risk, including the Trust's own credit risk for financial liabilities, is considered when determining the fair value of financial liabilities.

**Hills of Windridge A2A Trust**  
**Notes to the Financial Statements**  
**Period from Settlement on February 13, 2013 to March 31, 2013**

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3.1.3 *Trust units*

The Trust's units are redeemable at the option of the holder and, therefore, are considered puttable instruments. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 31 *Financial Instruments: Presentations*, in which case, the puttable instrument may be presented as equity. The Trust's units were determined to meet the conditions of IAS 32 and are, therefore classified and accounted for as equity.

3.1.4 *Impairment*

The Trust addresses at each balance sheet date whether there is objective evidence that a financial asset, other than those at fair value through profit and loss, or a group of financial assets, is impaired. When an impairment has occurred, the cumulative loss is recognized in profit or loss. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Receivables that are assessed not to be impaired are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables may include the Trust's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in the national or local economic conditions that may default on receivables.

For financial assets carried at amortized cost, the amount of impairment loss recognized is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate.

For financial assets carried at amortized cost, the amount of impairment loss recognized is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

## Hills of Windridge A2A Trust

### Notes to the Financial Statements

#### Period from Settlement on February 13, 2013 to March 31, 2013

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The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited through the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. Any increase in fair value subsequent to an impairment loss with respect to available-for-sale equity instruments is recognized in other comprehensive income.

#### 3.2 Expense recognition

Expenses are accounted for on the accrual basis.

#### 3.3 Income taxes

Income tax expense or recovery is comprised of current and deferred tax. Income tax expense or recovery flows through profit and loss except to the extent that it relates to items recognized in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, plus any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, including carry forward of non-capital losses, can be utilized.

**Hills of Windridge A2A Trust****Notes to the Financial Statements****Period from Settlement on February 13, 2013 to March 31, 2013**

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Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they are related to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, where the intention is to settle current tax liabilities and asset on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is not probable that the related tax benefit will be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future profit will allow the deferred tax asset to be recovered.

**3.4 Provisions and contingent liabilities**

Provisions and contingent liabilities are recognized when there is a present legal or constructive obligation arising as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Provisions and contingent liabilities are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**3.5 Related party transactions**

All related party transactions must be disclosed in the financial statements which include the amount of the transactions, the amount of outstanding balances, including terms, provisions for doubtful debts related to outstanding balances and the expense recognized during the period in respect of bad or doubtful debts from related parties.



## Hills of Windridge A2A Trust

### Notes to the Financial Statements

#### Period from Settlement on February 13, 2013 to March 31, 2013

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#### 3.6 Property, plant and equipment

Property, plant and equipment will be stated at cost less accumulated depreciation and recognized impairment loss. Amortization will be charged so as to write off the cost of assets, other than land or properties under construction, over the estimated useful lives, using the declining balance method, at rates to be determined.

Assets held under finance leases will be depreciated over the expected lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss on the disposal or retirement of an asset will be determined as a difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

#### 3.7 Revenue recognition

Revenue will be recognized in the financial statements on an accrual basis.

#### 3.8 New accounting standards and interpretations

In addition to the foregoing accounting policies outlined, the IASB has issued certain new standards, interpretations and amendments to existing standards which are not effective until accounting periods subsequent to March 31, 2013 and which have not yet been adopted by the Trust. These include:

- i. IFRS 7, Financial Instruments: Disclosures, effective for annual periods beginning on or after January 1, 2015.
- ii. IFRS 9, Financial Instruments, effective for annual periods beginning on or after January 1, 2015.
- iii. IFRS 10, Consolidation, effective for annual periods beginning on or after January 1, 2014.
- iv. IFRS 11, Joint Arrangements, effective for annual periods beginning on or after January 1, 2013.
- v. IFRS 12, Disclosure of Interests in Other Entities, effective for annual periods beginning on or after January 1, 2014.

## **Hills of Windridge A2A Trust**

### **Notes to the Financial Statements**

#### **Period from Settlement on February 13, 2013 to March 31, 2013**

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Management is currently assessing the new requirements, however, it is anticipated that the adoption of these new standards, interpretations and amendments are unlikely to have a significant impact on the Trust's financial statements.

#### **4. Determination of fair values**

Certain of the Trust's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of cash approximates its carrying values due to its short term to maturity.

The significance of inputs used in making fair value measurements for assets and liabilities measured at fair value are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly and are based on valuation models and techniques where the inputs are derived from quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Cash is measured at fair value based on a Level 1 designation.

#### **5. Financial risk management**

##### **5.1 Overview**

The Trust's planned operations will expose it to a variety of financial risks that arise as a result of its operating and financing activities:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Trust's exposure to each of the above risks, the Trust's objectives, policies and processes for measuring and managing risks, and the Trust's management of capital.

## Hills of Windridge A2A Trust

### Notes to the Financial Statements

#### Period from Settlement on February 13, 2013 to March 31, 2013

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The Trust employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Trust's business objectives and risk tolerance levels. While the Trustees have the overall responsibility for the establishment and oversight of the Trust's risk management framework, management has the responsibility to administer and monitor these risks.

#### 5.2 Credit Risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk at March 31, 2013 is as follows:

	Carrying amount
	<b>March 31, 2013</b>
Cash	\$ 90

Cash consists of cash bank balances. The Trust manages the credit exposure related to cash by selecting financial institutions with high credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

#### 5.3 Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they are due. The Trust's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Trust's ongoing liquidity will be impacted by various external events and conditions.

The Trust did not have any financial liabilities at March 31, 2013.

#### 5.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Trust's net income or the value of financial instruments. The objective of the Trust is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

**Hills of Windridge A2A Trust**  
**Notes to the Financial Statements**  
**Period from Settlement on February 13, 2013 to March 31, 2013**

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Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Trust does not currently have any interest bearing debt, the Trust is not exposed to interest rate risk.

The Trust had no interest rate swaps or financial contracts in place as at or during the period ended March 31, 2013.

5.5 Capital management

The Trust's capital management policy is to maintain a strong capital base that optimizes the Trust's ability to grow, maintain investor and creditor confidence and to provide a platform to create value for its unitholders. The Trust intends to maintain a flexible capital structure to maximize its ability to pursue additional investment opportunities, which considers the Trust's early stage of development and the requirement to sustain future development of the business.

The Trust will manage its capital structure and make changes to it in light of changes to economic conditions and the risk characteristics of the nature of the business. The Trust considers its capital structure to include unitholders equity and working capital. In order to maintain or adjust the capital structure, the Trust may from time to time issue shares, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

The Trust currently has no debt outstanding and it monitors capital based on its current working capital, projected cash flow from operations and anticipated capital expenditures.

The Trust is not subject to externally imposed capital requirements.

**6. Investments**

The investment is a limited partnership unit acquired in the Partnership in relation to the offering (note 9).

## Hills of Windridge A2A Trust

### Notes to the Financial Statements

#### Period from Settlement on February 13, 2013 to March 31, 2013

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#### 7. Trust units

- 7.1 The Declaration of Trust provides an unlimited number of trust units (the "Units") may be issued. Each Unit is transferrable and represents an equal undivided beneficial interest in any distributions of the Trust and in the net assets of the Trust in the event of termination or winding up of the Trust. Each Unit entitles the holder thereof to participate equally in the distributions and to one vote at all meetings of unitholders for each whole unit held. The issued Units are not subject to future calls or assessments.

Each unitholder shall be entitled to require the Trust to redeem all or any part of their Units. The redemption price shall be valued at 95% of the fair market value of the Units determined by the Trustees, in their sole discretion, using reasonable methods of determining fair market value. The Trust shall pay the unitholder in the form of cash provided that: the total amount of redemptions of Units during the calendar quarter does not exceed \$25,000; and the total amount of redemptions of Units in any twelve month period ending at the end of the calendar quarter in which the redemption of Units occurs does not exceed 1% of the aggregate gross subscription proceeds of all Units that were issued and outstanding at the start of such twelve month period ("Redemption Limit"). The Trustees, in their sole discretion, may waive the Redemption Limit. In the event that the Redemption Limit precludes the payment of the redemption price in cash, the redemption price shall be paid and satisfied by way of an *in specie* distribution of property of the Trust and/or unsecured subordinated notes of the Trust, as determined by the Trustees in their sole discretion.

#### 7.2 Issued and outstanding

	2013	
	Number	Amount
Initial Trust Unit	1	\$ 100

- 7.3 The Trust was formed on February 13, 2013 and currently has 1 initial trust unit issued at \$100 per Unit.

#### 8. Comprehensive income

No revenue, personnel or general and administrative expenses were incurred during the period ended March 31, 2013.

**Hills of Windridge A2A Trust**  
**Notes to the Financial Statements**  
**Period from Settlement on February 13, 2013 to March 31, 2013**

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**9. Subsequent events**

*Offering Memorandum*

The Trust has prepared an offering memorandum in connection with an offering of Units (the "offering"). An aggregate maximum of 105,000 Units at a price of \$100 per Unit for total gross proceeds of \$10,500,000, and a minimum of 15,000 Units at a price of \$100 per Unit for total gross proceeds of \$1,500,000, will be sold under this offering.

The initial closing of the offering is expected to occur on or before March 31, 2014, provided that the initial closing must be held no later than April 30, 2014. If the minimum offering occurs by April 30, 2014, additional closings may be held until August 31, 2014 until the maximum offering has been reached.

The net proceeds of the offering will be used to purchase units of the Partnership. The Partnership intends to acquire up to a 22.67% undivided fractional interest in the Project Lands from Windridge Developments and participate in the development of the Project Lands.

*Administrative Services Agreement*

The Trust and the Administrator entered into an agreement whereby the Administrator will perform management and administrative services on behalf of the Trust. There will be no fee paid to the Administrator, although the Trust will be required to reimburse the expenses incurred by the Administrator in performing its functions.

Hills of Windridge A2A Limited Partnership  
Financial Statements  
March 31, 2013



Rice & Company LLP  
Suite 1600, 510 5 Street SW  
Calgary, AB T2P 3S2  
T (403) 457-1100

## **Independent Auditors' Report**

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To Hills of Windridge A2A GP Inc., as General Partner of  
Hills of Windridge A2A Limited Partnership

We have audited the accompanying financial statements of Hills of Windridge A2A Limited Partnership, comprised of the statement of financial position as at March 31, 2013 and the statements of comprehensive income, changes in partners' equity and cash flows for the period from establishment on February 13, 2013 to March 31, 2013, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hills of Windridge A2A Limited Partnership as at March 31, 2013, and its financial performance, changes in partners' equity and cash flows for the period from establishment on February 13, 2013 to March 31, 2013 in accordance with International Financial Reporting Standards.

**Emphasis of Matter**

We draw attention to Note 8 of the financial statements which outlines the offering that Hills of Windridge A2A Trust is undertaking subsequent to period end which, if unsuccessful, could have a material effect on the entity's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

A handwritten signature in black ink that reads "Rice & Company LLP." The signature is written in a cursive, flowing style.

CHARTERED ACCOUNTANTS

Calgary, Canada  
May 8, 2013

**Hills of Windridge A2A Limited Partnership**  
**Statement of Financial Position**  
**March 31, 2013**

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<b>Assets</b>	<b>Notes</b>
Current assets	
Cash	\$ <u>10</u>
Total assets	\$ <u><u>10</u></u>
<b>Liabilities and Partners' Equity</b>	
Partners' equity	6 \$ <u>10</u>
Total equity attributable to partners of the Partnership	<u>10</u>
Total liabilities and equity	\$ <u><u>10</u></u>
General business description	1
Subsequent event	8

See accompanying notes to the financial statements.

These financial statements were approved by the General Partner of the Partnership on May 8, 2013.

(signed) "Dirk Foo", Director

(signed) "Glenn Pickard", Director

**Hills of Windridge A2A Limited Partnership**  
**Statement of Comprehensive Income**  
**For the Period from Establishment on February 13, 2013 to March 31, 2013**

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	Notes
Total comprehensive income for the period	\$ <u><u>-</u></u>

See accompanying notes to the financial statements.

**Hills of Windridge A2A Limited Partnership**  
**Statement of Changes in Partners' Equity**  
**For the Period from Establishment on February 13, 2013 to March 31, 2013**

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	Notes	Number of Partnership Units	Limited Partner	General Partner	Total Partners' Equity
Issuance of Partnership units	6	10 \$	10 \$	- \$	10
Income for the period		-	-	-	-
<b>Balance at March 31, 2013</b>		10 \$	10 \$	- \$	10

See accompanying notes to the financial statements.

**Hills of Windridge A2A Limited Partnership**  
**Statement of Cash Flows**  
**For the Period from Establishment on February 13, 2013 to March 31, 2013**

---

**Cash provided by (used in):**

**Cash flows from operating activities**

Net income	\$ -
Change in non-cash working capital	-

<b>Net cash provided by operating activities</b>	<u>-</u>
--------------------------------------------------	----------

**Cash flows from financing activities**

Issuance of Partnership units	<u>10</u>
-------------------------------	-----------

<b>Net cash provided by financing activities</b>	<u>10</u>
--------------------------------------------------	-----------

<b>Change in cash, beginning cash, end of period cash</b>	<u><u>\$ 10</u></u>
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See accompanying notes to the financial statements.

**Hills of Windridge A2A Limited Partnership**  
**Notes to the Financial Statements**  
**Period from Establishment on February 13, 2013 to March 31, 2013**

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**1. General business description**

Hills of Windridge A2A Limited Partnership (the “Partnership”) is a limited partnership formed under the laws of the Province of Ontario, established by the Limited Partnership Agreement on February 13, 2013. The Partnership intends to make an election to be classified as a corporation for U.S. federal income tax purposes effective on the date of its formation. The Partnership was formed for the purposes of acquiring from Windridge A2A Developments, LLC, a Texas limited liability company (“Windridge Developments”) up to a 22.67% undivided fractional ownership interest in land in Tarrant County within the Dallas/Fort Worth area in Texas, United States of America (the “Project Lands”), and participate in the development of the Project Lands by Windridge Developments into a multi-phase residential community (note 8).

The proposed business of the Partnership involves a high degree of risk and there is no assurance that the Partnership will be able to raise the amount of funds to finance its activities as disclosed in note 8.

The address of the Partnership is 250 Ferrand Drive, Suite 888, Toronto, Ontario, M3C 3G8.

The general partner of the Partnership is Hills of Windridge A2A GP Inc. (the “General Partner”), and is responsible for the management, operation and administration of the affairs of the Partnership.

**2. Basis of presentation**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements were authorized for issue by the General Partner of the Partnership on May 8, 2013.

**2.2 Basis of measurement**

The financial statements have been prepared on historical cost basis except for held for trading financial assets which are measured at fair value with changes in fair value recorded to earnings.

The methods used to measure fair values are discussed in note 4.

**Hills of Windridge A2A Limited Partnership**  
**Notes to the Financial Statements**  
**Period from Establishment on February 13, 2013 to March 31, 2013**

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2.3 Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Partnership's functional currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is valuation of financial instruments (note 4).

There were no critical estimates and assumptions in determining the value of assets, liabilities and equity as at March 31, 2013.

**3. Significant accounting policies**

3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.1.1 *Financial assets*

Financial assets include any outstanding accounts receivable and cash and cash equivalents. Purchases and sale of financial assets are recognized on the settlement date, which is the date in which the asset is delivered to or by the Partnership. Financial assets are derecognized when the rights to receive cash flows have expired or are transferred and the Partnership has transferred substantially all risks and rewards of ownership. Financial assets are classified in the following categories at the time of the initial recognition based on the purpose for which the financial assets were acquired:

**Hills of Windridge A2A Limited Partnership**  
**Notes to the Financial Statements**  
**Period from Establishment on February 13, 2013 to March 31, 2013**

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Classification

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and its performance is evaluated on a fair value basis, in accordance with the Partnership's documented risk management or investment strategy. The Partnership has designated cash as held for trading.

Recognition and measurement

Financial assets carried at fair value through profit or loss are initially recognized, and subsequently carried, at fair value, with changes recognized in the income statement. Transaction costs are expensed when incurred.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Assets in this category include accounts receivable which are classified as current assets in the statement of financial position.

The Partnership does not have any accounts receivable at March 31, 2013 and, as a result, has not designated any financial assets as loans and receivables as at March 31, 2013.

Recognition and measurement

Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.



**Hills of Windridge A2A Limited Partnership**  
**Notes to the Financial Statements**  
**Period from Establishment on February 13, 2013 to March 31, 2013**

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*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They consist of investments in equity securities and certain other debt securities. They are included in other non-current financial assets unless management intends to dispose of the investments within 12 months of the balance sheet date. Available-for-sale financial assets are recorded in other comprehensive income until realized, at which time they are recorded through profit or loss. The Partnership has not designated any financial assets as available-for-sale.

Reclassification of financial assets

Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short term. In all cases, reclassification of financial assets are limited to debt instruments. Reclassifications are accounted for at fair value of the financial asset at the date of reclassification.

**3.1.2** *Financial liabilities*

Financial liabilities primarily consist of bank indebtedness (if any) and accounts payable and accrued liabilities (if any). Financial liabilities are initially measured at fair value and subsequently measured at amortized cost for liabilities that are not hedged, and fair value for liabilities that are hedged. Non-performance risk, including the Partnership's own credit risk for financial liabilities, is considered when determining the fair value of financial liabilities.

**3.1.3** *Limited partnership units*

The Partnership's units are redeemable at the option of the holder and, therefore, are considered puttable instruments. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 31 Financial Instruments: Presentations, in which case, the puttable instrument may be presented as equity. The Partnership's units were determined to meet the conditions of IAS 32 and are, therefore classified and accounted for as equity.

**Hills of Windridge A2A Limited Partnership**  
**Notes to the Financial Statements**  
**Period from Establishment on February 13, 2013 to March 31, 2013**

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**3.1.4 Impairment**

The Partnership addresses at each balance sheet date whether there is objective evidence that a financial asset, other than those at fair value through profit and loss, or a group of financial assets, is impaired. When an impairment has occurred, the cumulative loss is recognized in profit or loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Receivables that are assessed not to be impaired are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables may include the Partnership's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in the national or local economic conditions that may default on receivables.

For financial assets carried at amortized cost, the amount of impairment loss recognized is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited through the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. Any increase in fair value subsequent to an impairment loss with respect to available-for-sale equity instruments is recognized in other comprehensive income.

**Hills of Windridge A2A Limited Partnership**  
**Notes to the Financial Statements**  
**Period from Establishment on February 13, 2013 to March 31, 2013**

---

3.2 Expense recognition

Expenses are accounted for on the accrual basis.

3.3 Provisions and contingent liabilities

Provisions and contingent liabilities are recognized when there is a present legal or constructive obligation arising as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Provisions and contingent liabilities are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.4 Related party transactions

All related party transactions must be disclosed in the financial statements which include the amount of the transactions, the amount of outstanding balances, including terms, provisions for doubtful debts related to outstanding balances and the expense recognized during the period in respect of bad or doubtful debts from related parties.

3.5 Property, plant and equipment

Property, plant and equipment will be stated at cost less accumulated depreciation and recognized impairment loss. Amortization will be charged so as to write off the cost of assets, other than land or properties under construction, over the estimated useful lives, using the declining balance method, at rates to be determined.

Assets held under finance leases will be depreciated over the expected lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss on the disposal or retirement of an asset will be determined as a difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

**Hills of Windridge A2A Limited Partnership**  
**Notes to the Financial Statements**  
**Period from Establishment on February 13, 2013 to March 31, 2013**

---

3.6 Revenue recognition

Revenue will be recognized in the financial statements on an accrual basis.

3.7 New accounting standards and interpretations

In addition to the foregoing accounting policies outlined, the IASB has issued certain new standards, interpretations and amendments to existing standards which are not effective until accounting periods subsequent to March 31, 2013 and which have not yet been adopted by the Partnership. These include:

- i. IFRS 7, Financial Instruments: Disclosures, effective for annual periods beginning on or after January 1, 2015.
- ii. IFRS 9, Financial Instruments, effective for annual periods beginning on or after January 1, 2015.
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- v. IFRS 12, Disclosure of Interests in Other Entities, effective for annual periods beginning on or after January 1, 2014.

Management is currently assessing the new requirements, however, it is anticipated that the adoption of these new standards, interpretations and amendments are unlikely to have a significant impact on the Partnership's financial statements.

**4. Determination of fair values**

Certain of the Partnership's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of cash approximates its carrying values due to its short term to maturity.

**Hills of Windridge A2A Limited Partnership**  
**Notes to the Financial Statements**  
**Period from Establishment on February 13, 2013 to March 31, 2013**

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The significance of inputs used in making fair value measurements for assets and liabilities measured at fair value are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly and are based on valuation models and techniques where the inputs are derived from quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Cash is measured at fair value based on a Level 1 designation.

## **5. Financial risk management**

### **5.1 Overview**

The Partnership's planned operations will expose it to a variety of financial risks that arise as a result of its operating and financing activities:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Partnership's exposure to each of the above risks, the Partnership's objectives, policies and processes for measuring and managing risks, and the Partnership's management of capital.

The Partnership employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Partnership's business objectives and risk tolerance levels. While the Directors have the overall responsibility for the establishment and oversight of the Partnership's risk management framework, management has the responsibility to administer and monitor these risks.

### **5.2 Credit Risk**

Credit risk is the risk of financial loss to the Partnership if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

	Carrying amount	
	<b>March 31, 2013</b>	
Cash	\$	10

**Hills of Windridge A2A Limited Partnership**  
**Notes to the Financial Statements**  
**Period from Establishment on February 13, 2013 to March 31, 2013**

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Cash consists of cash bank balances. The Partnership manages the credit exposure related to cash by selecting financial institutions with high credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

**5.3 Liquidity risk**

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they are due. The Partnership's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Partnership's ongoing liquidity will be impacted by various external events and conditions.

The Partnership did not have any financial liabilities at March 31, 2013.

**5.4 Market risk**

Market risk is the risk that changes in market prices, such as interest rates, will affect the Partnership's net income or the value of financial instruments. The objective of the Partnership is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

**Interest rate risk**

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Partnership does not currently have any interest bearing debt, the Partnership is not exposed to interest rate risk.

The Partnership had no interest rate swaps or financial contracts in place as at or during the period ended March 31, 2013.

**5.5 Capital management**

The Partnership's capital management policy is to maintain a strong capital base that optimizes the Partnership's ability to grow, maintain investor and creditor confidence and to provide a platform to create value for its partners. The Partnership intends to maintain a flexible capital structure to maximize its ability to pursue additional investment opportunities, which considers the Partnership's early stage of development and the requirement to sustain future development of the business.

**Hills of Windridge A2A Limited Partnership**  
**Notes to the Financial Statements**  
**Period from Establishment on February 13, 2013 to March 31, 2013**

---

The Partnership will manage its capital structure and make changes to it in light of changes to economic conditions and the risk characteristics of the nature of the business. The Partnership considers its capital structure to include partners' equity and working capital. In order to maintain or adjust the capital structure, the Partnership may from time to time issue units, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

The Partnership currently has no debt outstanding and it monitors capital based on its current working capital, projected cash flow from operations and anticipated capital expenditures.

The Partnership is not subject to externally imposed capital requirements.

**6. Partners' equity**

Authorized

As at March 31, 2013, the Partnership was authorized to issue the following:

Unlimited number of limited partnership units  
 (Units)

On February 13, 2013, Hills of Windridge A2A Trust (the "Trust") acquired 10 Units for total gross proceeds of \$10 and the General Partner contributed capital of \$0.01. Income or loss of the Partnership is allocated .01% to the General Partner and 99.99% to the limited partners.

The General Partner may in its discretion make distributions of cash as follows; firstly 0.01% to the general partner; and thereafter, 99.99% to the limited partners.

**7. Comprehensive income**

No revenue, personnel or general and administrative expenses were incurred during the period ended March 31, 2013.

**Hills of Windridge A2A Limited Partnership**  
**Notes to the Financial Statements**  
**Period from Establishment on February 13, 2013 to March 31, 2013**

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**8. Subsequent events**

*Offering*

The Trust will conduct an offering (the "offering") to raise funds with the intent of acquiring 100% of the Units in the Partnership. The Partnership is economically dependent on the Trust and the ability of the Trust to raise funds, and subsequently acquire additional Units of the Partnership. The offering involves a high degree of risk and there is no assurance that the Partnership will be able to raise the amount of funds to finance its activities.

*Purchase agreement*

The Partnership has entered into an agreement with Windridge Developments, whereby Windridge Developments has agreed to sell up to 1,000 undivided fractional ownership interests ("UFI") in the Project Lands to the Partnership at a price per UFI equal to \$10,500 (as exchanged into United States of America dollars ("USD") by Windridge Developments) less \$4,600 USD. The Partnership will use the proceeds of the offering to acquire UFI's and to contribute \$4,600 USD per UFI acquired to a development fund for the purposes of developing the Project Lands. As a condition of sale of UFI's, Windridge Developments will require the purchasers to provide certain covenants to and for the benefits of the Windridge Developments and for all others who may become owners of a UFI. Distributions from Windridge Developments will be received by the Partnership in USD.



Hills of Windridge A2A GP Inc.  
Financial Statements  
March 31, 2013



Rice & Company LLP  
Suite 1600, 510 5th St SW  
Calgary, AB T2P 3S2  
T (403) 457-1100

## **Independent Auditors' Report**

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To the Shareholder of  
Hills of Windridge A2A GP Inc.

We have audited the accompanying financial statements of Hills of Windridge A2A GP Inc., comprised of the statement of financial position as at March 31, 2013 and the statements of comprehensive income, changes in equity and cash flows for the period from incorporation on February 8, 2013 to March 31, 2013, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hills of Windridge A2A GP Inc. as at March 31, 2013, and its financial performance, changes in equity and cash flows for the period from incorporation on February 8, 2013 to March 31, 2013 in accordance with International Financial Reporting Standards.

**Emphasis of Matter**

We draw attention to Note 9 of the financial statements which outlines the offering that Hills of Windridge A2A Trust is undertaking subsequent to period end which, if unsuccessful, could have a material effect on the entity's ability to continue as a going concern due to economic dependency. Our opinion is not qualified in respect of this matter.

A handwritten signature in cursive script that reads "Rice & Company L.L.P.".

CHARTERED ACCOUNTANTS

Calgary, Canada  
May 8, 2013

**Hills of Windridge A2A GP Inc.***(Incorporated under the laws of Ontario)***Statement of Financial Position****March 31, 2013**

<b>Assets</b>	<b>Notes</b>	
Current assets		
Cash		\$ <u>100</u>
		100
Investments	6	<u>-</u>
Total assets		\$ <u><u>100</u></u>
<b>Liabilities and Equity</b>		
Share capital	7.3	\$ 100
Retained earnings		<u>-</u>
Total equity attributable to equity holders of the Corporation		<u>100</u>
Total liabilities and equity		\$ <u><u>100</u></u>
General business description	1	
Subsequent events	9	

See accompanying notes to the financial statements.

These financial statements were approved by the Directors of the Corporation on May 8, 2013.

(signed) "Dirk Foo" , Director
                 
 (signed) "Milton Bartlett " , Director

**Hills of Windridge A2A GP Inc.****Statement of Comprehensive Income****For the Period from Incorporation on February 8, 2013 to March 31, 2013**

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	<b>Notes</b>	
Total comprehensive income for the period	8	\$ <u><u>-</u></u>

See accompanying notes to the financial statements.

**Hills of Windridge A2A GP Inc.****Statement of Changes in Equity****For the Period from Incorporation on February 8, 2013 to March 31, 2013**

	Notes	Number of Common Shares	Common Share Capital Stated Value	Retained Earnings	Total Equity
Common shares issued on incorporation	7.2	100	\$ 100	\$ -	\$ 100
Income for the period		-	-	-	-
<b>Balance at March 31, 2013</b>		100	\$ 100	\$ -	\$ 100

See accompanying notes to the financial statements.

**Hills of Windridge A2A GP Inc.****Statement of Cash Flows****For the Period from Incorporation on February 8, 2013 to March 31, 2013**

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**Cash provided by (used in):****Cash flows from operating activities**

Net income	\$ -
Change in non-cash working capital	-
	<hr/>

**Net cash provided by operating activities**

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-**Cash flows from financing activities**

Proceeds on issuance of share capital	<hr/> 100
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**Net cash provided by financing activities**

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100**Change in cash, beginning cash, end of period cash**\$ 

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100

See accompanying notes to the financial statements.

**Hills of Windridge A2A GP Inc.****Notes to the Financial Statements****Period from Incorporation on February 8, 2013 to March 31, 2013**

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**1. General business description**

Hills of Windridge A2A GP Inc. (the "Corporation") was incorporated pursuant to the *Business Corporations Act* (Ontario) on February 8, 2013. The Corporation was formed to operate as the general partner for Hills of Windridge A2A LP (the "Partnership").

The address of the Corporation is 250 Ferrand Drive, Suite 888, Toronto, Ontario, M3C 3G8.

**2. Basis of presentation****2.1 Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were authorized for issue by the Directors of the Corporation on May 8, 2013.

**2.2 Functional and presentation currency**

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

**2.3 Use of estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.



## Hills of Windridge A2A GP Inc.

### Notes to the Financial Statements

#### Period from Incorporation on February 8, 2013 to March 31, 2013

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Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is valuation of financial instruments (note 4).

There were no critical estimates and assumptions in determining the value of assets, liabilities and equity as at March 31, 2013.

### 3. Significant accounting policies

#### 3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### 3.1.1 *Financial assets*

Financial assets include any outstanding accounts receivable and cash and cash equivalents. Purchases and sale of financial assets are recognized on the settlement date, which is the date in which the asset is delivered to or by the Corporation. Financial assets are derecognized when the rights to receive cash flows have expired or are transferred and the Corporation has transferred substantially all risks and rewards of ownership. Financial assets are classified in the following categories at the time of the initial recognition based on the purpose for which the financial assets were acquired:

##### Classification

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and its performance is evaluated on a fair value basis, in accordance with the Corporation's documented risk management or investment strategy. The Corporation has designated cash as held for trading.

##### Recognition and measurement

Financial assets carried at fair value through profit or loss are initially recognized, and subsequently carried, at fair value, with changes recognized in the income statement. Transaction costs are expensed when incurred.

**Hills of Windridge A2A GP Inc.****Notes to the Financial Statements****Period from Incorporation on February 8, 2013 to March 31, 2013**

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*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Assets in this category include accounts receivable which are classified as current assets in the statement of financial position.

The Corporation does not have any accounts receivable at March 31, 2013 and, as a result, has not designated any financial assets as loans and receivables as at March 31, 2013.

Recognition and measurement

Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They consist of investments in equity securities and certain other debt securities. They are included in other non-current financial assets unless management intends to dispose of the investments within 12 months of the balance sheet date. Available-for-sale financial assets are recorded in other comprehensive income until realized, at which time they are recorded through profit or loss. The Corporation has designated investments as financial assets as available-for-sale.

*Reclassification of financial assets*

Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short term. In all cases, reclassification of financial assets are limited to debt instruments. Reclassifications are accounted for at fair value of the financial asset at the date of reclassification.

**Hills of Windridge A2A GP Inc.****Notes to the Financial Statements****Period from Incorporation on February 8, 2013 to March 31, 2013**

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*3.1.2 Financial liabilities*

Financial liabilities primarily consist of bank indebtedness (if any) and accounts payable and accrued liabilities (if any). Financial liabilities are initially measured at fair value and subsequently measured at amortized cost for liabilities that are not hedged, and fair value for liabilities that are hedged. Non-performance risk, including the Corporation's own credit risk for financial liabilities, is considered when determining the fair value of financial liabilities.

*3.1.3 Equity instruments*

Common shares are classified as equity. Incremental costs directly attributable to the common shares are recognized as a deduction from equity, net of any tax effects.

*3.1.4 Impairment*

The Corporation addresses at each balance sheet date whether there is objective evidence that a financial asset, other than those at fair value through profit and loss, or a group of financial assets, is impaired. When an impairment has occurred, the cumulative loss is recognized in profit or loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Receivables that are assessed not to be impaired are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables may include the Corporation's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in the national or local economic conditions that may default on receivables.

For financial assets carried at amortized cost, the amount of impairment loss recognized is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

## Hills of Windridge A2A GP Inc.

### Notes to the Financial Statements

#### Period from Incorporation on February 8, 2013 to March 31, 2013

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The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited through the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. Any increase in fair value subsequent to an impairment loss with respect to available-for-sale equity instruments is recognized in other comprehensive income.

#### 3.2 Expense recognition

Expenses are accounted for on the accrual basis.

#### 3.3 Income taxes

Income tax expense or recovery is comprised of current and deferred tax. Income tax expense or recovery flow through profit and loss except to the extent that it relates to items recognized in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, plus any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, including carry forward of non-capital losses, can be utilized.

**Hills of Windridge A2A GP Inc.****Notes to the Financial Statements****Period from Incorporation on February 8, 2013 to March 31, 2013**

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Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they are related to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, where the intention is to settle current tax liabilities and asset on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is not probable that the related tax benefit will be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future profit will allow the deferred tax asset to be recovered.

**3.4 Provisions and contingent liabilities**

Provisions and contingent liabilities are recognized when there is a present legal or constructive obligation arising as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Provisions and contingent liabilities are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**3.5 Related party transactions**

All related party transactions must be disclosed in the financial statements which include the amount of the transactions, the amount of outstanding balances, including terms, provisions for doubtful debts related to outstanding balances and the expense recognized during the period in respect of bad or doubtful debts from related parties.

**Hills of Windridge A2A GP Inc.****Notes to the Financial Statements****Period from Incorporation on February 8, 2013 to March 31, 2013**

---

**3.6 Property, plant and equipment**

Property, plant and equipment will be stated at cost less accumulated depreciation and recognized impairment loss. Amortization will be charged so as to write off the cost of assets, other than land or properties under construction, over the estimated useful lives, using the declining balance method, at rates to be determined.

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The gain or loss on the disposal or retirement of an asset will be determined as a difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

**3.7 Revenue recognition**

Revenue will be recognized in the financial statements on an accrual basis.

**3.8 New accounting standards and interpretations**

In addition to the foregoing accounting policies outlined, the IASB has issued certain new standards, interpretations and amendments to existing standards which are not effective until accounting periods subsequent to March 31, 2013 and which have not yet been adopted by the Corporation. These include:

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**Hills of Windridge A2A GP Inc.****Notes to the Financial Statements****Period from Incorporation on February 8, 2013 to March 31, 2013**

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Management is currently assessing the new requirements, however, it is anticipated that the adoption of these new standards, interpretations and amendments are unlikely to have a significant impact on the Corporation's financial statements.

**4. Determination of fair values**

Certain of the Corporation's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of cash approximates its carrying values due to its short term to maturity.

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Cash is measured at fair value based on a Level 1 designation.

**5. Financial risk management****5.1 Overview**

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- liquidity risk; and
- market risk.

This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and processes for measuring and managing risks, and the Corporation's management of capital.

## Hills of Windridge A2A GP Inc.

### Notes to the Financial Statements

#### Period from Incorporation on February 8, 2013 to March 31, 2013

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The Corporation employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Corporation's business objectives and risk tolerance levels. While the Directors have the overall responsibility for the establishment and oversight of the Corporation's risk management framework, management has the responsibility to administer and monitor these risks.

#### 5.2 Credit Risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

	Carrying amount	
	<b>March 31, 2013</b>	
Cash	\$	100

Cash consists of cash bank balances. The Corporation manages the credit exposure related to cash by selecting financial institutions with high credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

#### 5.3 Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they are due. The Corporation's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Corporation's ongoing liquidity will be impacted by various external events and conditions.

The Corporation had no financial liabilities at March 31, 2013.

The Corporation expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through future operational cash flows.

#### 5.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Corporation's net income or the value of financial instruments. The objective of the Corporation is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.



**Hills of Windridge A2A GP Inc.****Notes to the Financial Statements****Period from Incorporation on February 8, 2013 to March 31, 2013**

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*Interest rate risk*

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Corporation does not currently have any interest bearing debt, the Corporation is not exposed to interest rate risk.

The Corporation had no interest rate swaps or financial contracts in place as at or during the period ended March 31, 2013.

**5.5 Capital management**

The Corporation's capital management policy is to maintain a strong capital base that optimizes the Corporation's ability to grow, maintain investor and creditor confidence and to provide a platform to create value for its shareholders. The Corporation intends to maintain a flexible capital structure to maximize its ability to pursue additional investment opportunities, which considers the Corporation's early stage of development and the requirement to sustain future development of the business.

The Corporation will manage its capital structure and make changes to it in light of changes to economic conditions and the risk characteristics of the nature of the business. The Corporation considers its capital structure to include shareholders' equity and working capital. In order to maintain or adjust the capital structure, the Corporation may from time to time issue shares, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

The Corporation currently has no debt outstanding and it monitors capital based on its current working capital, projected cash flow from operations and anticipated capital expenditures.

The Corporation is not subject to externally imposed capital requirements.

**6. Investments**

On February 13, 2013, the Corporation contributed \$0.01 for its interest as general partner in the Partnership.

## Hills of Windridge A2A GP Inc.

### Notes to the Financial Statements

Period from Incorporation on February 8, 2013 to March 31, 2013

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#### 7. Share capital

##### 7.1 Authorized

As at March 31, 2013, the Corporation was authorized to issue the following:

Unlimited number of common shares

##### 7.2 Issued and outstanding

	2013	
	Number	Amount
Common shares	100	\$ 100

7.3 The Corporation was formed on February 8, 2013 with 100 common shares issued at \$1.00 per share.

#### 8. General and administrative

No revenue, personnel or general and administrative expenses were incurred during the period ended March 31, 2013.

#### 9. Subsequent events

Hills of Windridge A2A Trust (the "Trust") will conduct an offering of units (the "offering") to raise funds with the intent of acquiring units in the Partnership. The Corporation is economically dependent on the Partnership and the Trust. The ability of the Trust to raise funds pursuant to the offering, and subsequently acquire units of the Partnership, involves a high degree of risk and there is no assurance that the Corporation will generate revenue to finance its activities.

**DATE AND CERTIFICATE**

Dated: May 8, 2013

**This Offering Memorandum does not contain a misrepresentation.**

**HILLS OF WINDRIDGE A2A TRUST,**  
by its Administrator, A2A Capital Management Inc.

*"Clifton Foo"*

---

Clifton Foo  
Chief Executive Officer

*"Warren Soo"*

---

Warren Soo  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF TRUSTEES**

*"Dirk Foo"*

---

Dirk Foo  
Trustee

*"William Friedman"*

---

William Friedman  
Trustee

**PROMOTER**

**HILLS OF WINDRIDGE A2A DEVELOPMENTS, LLC**

*"Dirk Foo"*

---

Dirk Foo  
President

**SCHEDULE A**

**HILLS OF WINDRIDGE A2A TRUST**

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**DECLARATION OF TRUST**

**February 13, 2013**

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**SCHEDULES**

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## HILLS OF WINDRIDGE A2A TRUST

### DECLARATION OF TRUST

**THIS DECLARATION OF TRUST** made in Toronto, Ontario the 13<sup>th</sup> day of February, 2013.

**BETWEEN:**

**DIRK FOO, WILLIAM FRIEDMAN, and STEVEN WARSH**, the trustees of the trust constituted by this declaration of trust, and each person who after the date hereof becomes a trustee of the Trust as herein provided (each person, while a trustee of the trust as herein provided, hereinafter called a “**Trustee**” and collectively at any time, the individuals each of whom is at that time a Trustee, hereinafter called the “**Trustees**”)

OF THE FIRST PART

– and –

**A2A INVESTMENTS INC.**, (hereinafter called the “**Initial Unitholder**”), and all persons who after the date hereof become holders of units of the Trust as herein provided (collectively at any time, the “**Unitholders**”)

OF THE SECOND PART

**WHEREAS** the Trust is hereby settled on the date hereof with \$100.00 (the “**Initial Contribution**”) by the Initial Unitholder, in consideration for the issuance by the initial Trustees to the Initial Unitholder of one Trust unit;

**AND WHEREAS** the Trust has been established under the name “Hills of Windridge A2A Trust” for the principal purpose of providing persons who may become the holders of Units with an opportunity to participate indirectly in the ownership of up to 22.67% of the undivided fractional interests in a 415-acre, (more or less), 1,284-home (more or less) residential community development, to be known as “The Hills of Windridge”, in Tarrant County within the Dallas/Fort Worth area in Texas, United States of America;

**AND WHEREAS** the Trustees have agreed to hold the Initial Contribution and all amounts and assets subsequently received under this Declaration of Trust or in respect of the investment of the assets of the Trust in accordance with the provisions hereinafter set forth;

**AND WHEREAS** the Initial Unitholder and the Trustees desire that the Trust shall qualify as a “mutual fund trust” pursuant to subsection 132(6) of the Tax Act;

**AND WHEREAS** the parties hereto desire to set out the agreements, terms and conditions which shall govern their mutual and respective rights, powers and obligations with respect to the settlement and administration of the Trust;

**NOW THEREFORE**, the undersigned Trustees, being all of the Trustees, hereby confirm and declare that they agree with the Unitholders to hold in trust, as trustees, the Initial Contribution and any and all other property, real, personal or otherwise, tangible or intangible, which has been at the date hereof or is hereafter transferred, conveyed or paid to or otherwise received by them as Trustees or to which the Trust is otherwise entitled and all rents, income, profits and gains derived therefrom for the benefit of the Unitholders hereunder in accordance with and subject to the express provisions of this Declaration of Trust, as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In this Declaration of Trust, including the recitals hereto, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have the corresponding meanings:

**“Administrative Services Agreement”** means the administrative services dated on February 13, 2013 between the Administrator, the Trust and Windridge LP pursuant to which the Administrator will provide certain administrative services to the Trust and Windridge LP;

**“Administrator”** means A2A Capital Management Inc., an Ontario Corporation;

**“affiliate”** of a person means any person or company that would be deemed to be an affiliated entity of such person within the meaning of National Instrument 45-106 – *Prospectus and Registration Exemptions*;

**“Annuitant”** means the annuitant or beneficiary of a Plan or any other plan of which a Unitholder acts as trustee or carrier;

**“associate”** when used to indicate a relationship with a person or company has the meaning ascribed thereto in the *Securities Act* (Ontario);

**“Auditors”** means the firm of chartered accountants appointed as the auditors of the Trust from time to time in accordance with the provisions hereof and, initially, means Rice & Company LLP;

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

**“Business Day”** means a day which is not a Saturday, Sunday or a legal holiday in the City of Toronto, in the Province of Ontario;

**“Cash Flow”** of the Trust means, for any Distribution Period, the sum of all cash amounts received by the Trust for or in respect of such Distribution Period, including interest received on the LP Notes, amounts received as a limited partner holding LP Units in Windridge LP pursuant to the terms of the Windridge LP Agreement and all other income, interest, distributions, dividends, proceeds from the investment in the LP Units (other than by way of security interest), returns of capital and repayments of indebtedness, as well as all amounts received by the Trust in any prior Distribution Period to the extent not previously distributed; less:

- (a) all costs and expenses of the Trust that, in the opinion of the Board, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued in such prior period;
- (b) all amounts payable in cash that relate to the redemption or repurchase of Units and that have become payable by the Trust in such Distribution Period or prior Distribution Period; and
- (c) any interest expense incurred by the Trust between distributions,

provided that that any funds borrowed by the Trust or the proceeds of the issuance of Units and related transactions in connection therewith will not be included in the calculations of Cash Flow in respect of any Distribution Period;

**“Chair”, “President”, “Chief Executive Officer”, “Chief Financial Officer”, and “Secretary”** mean the person(s) holding the respective office from time to time if so elected, appointed, engaged or employed by the Trustees;

**“Closing”** means a closing of the Offering as described in the Offering Memorandum, and **“Closing Date”** means the date on which a Closing occurs;

**“Declaration of Trust”** means this declaration of trust as amended, supplemented or restated from time to time;

**“Deed of Covenant”** means the deed of covenant, in the form attached hereto as Schedule B, to be signed by Windridge LP upon acquisition of a UFI from Windridge Developments;

**“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 Windridge LP or the Trust, that have been or are reasonably expected to be incurred in the activities and operations of the Trust or Windridge LP (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, by decision of the Board, necessary or desirable;

**“Distribution Date”** means any date on which the Trustees have determined that a distribution will be made by the Trust to the Unitholders;

**“Distribution Payment Date”** in respect of any Distribution Period, means a date on which the Trust is required to make a distribution of Distributable Cash Flow, which date shall be on or before the 15<sup>th</sup> day of the next calendar month immediately following the end of the Distribution Period or, if such day is not a Business Day, the immediately following Business Day, except in the case of the distribution for any Distribution Period ending December 31, in which case the Distribution Payment Date will be the immediately preceding Business Day or such other date determined from time to time by a decision of the Board;

**“Distribution Period”** means each calendar year or calendar quarter, as determined by the Board from time to time, from and including the first day thereof and to and including the last day thereof; provided that (i) **“Distribution Period”** shall initially mean each calendar year and (ii) the first Distribution Period will begin on (and include) the initial Closing Date and will end on December 31, 2013;

**“Distribution Record Date”** in respect of any Distribution Period means the last Business Day of such Distribution Period;

**“General Partner”** means Hills of Windridge A2A GP Inc., an Ontario corporation and the general partner of the Windridge LP;

**“Gross Subscription Proceeds”** means the gross proceeds (in Canadian dollars) received by the Trust for the issuance of Units;

**“IFRS”** means International Financial Reporting Standards, issued by the International Accounting Standards Committee, and as adopted by the Canadian Institute of Chartered Accountants;

**“indebtedness”** means (without duplication) on a consolidated basis:

- (a) any obligation of the Trust for borrowed money (excluding any premium in respect of indebtedness assumed by the Trust for which the Trust has the benefit of an interest rate

subsidy, but only to the extent an amount receivable has been excluded in the calculation of gross book value with respect to such interest rate subsidy);

- (b) any obligation of the Trust incurred in connection with the acquisition of the UFIs or any other property, assets or business other than the amount of future income tax liability arising out of indirect acquisitions;
- (c) any capital lease obligation of the Trust; and
- (d) any obligation of the type referred to in clauses (a) through (c) of another person, the payment of which the Trust has guaranteed or for which the Trust is responsible for or liable,

provided that (i) for the purposes of (a) through (c), an obligation will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Trust in accordance with IFRS; and (ii) obligations referred to in clauses (a) and (b) exclude trade accounts payable, distributions payable to Unitholders and accrued liabilities arising in the ordinary course of business;

**“Initial Contribution”** means the amount of \$100.00 paid by the Initial Unitholder to the initial Trustees on the date hereof for the purpose of establishing the Trust;

**“Initial Unit”** means the initial Unit issued by the Trust to the Initial Unitholder;

**“Initial Unitholder”** means the person named herein as the first unit holder of the Initial Unit;

**“LP Notes”** means the subordinated unsecured promissory notes, if any, to be issued by Windridge LP from time to time;

**“LP Units”** means limited partnership units of Windridge LP;

**“Material Agreements”** means, collectively, this Declaration of Trust, the Windridge LP Agreement, the Administrative Services Agreement, the UFI Purchase Agreement and all instruments and agreements contemplated in such agreement to be signed upon acquisition of any UFIs, including, without limitation, the Deed of Covenant;

**“Net Realized Capital Gains”** means, for any taxation year of the Trust, the amount, if any, by which the aggregate of the capital gains of the Trust realized in such year and each amount determined by the Board in respect of any net capital loss for a prior taxation year that the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for such year multiplied by the reciprocal of the fraction applicable in determining the proportion of a capital gain for such prior taxation year that is a taxable capital gain;

**“Non-Resident”** means a person who is not a Resident and a partnership that is not a Canadian partnership within the meaning of the Tax Act;

**“Offering”** means the issuance of Units in connection with the private placement offering of the Trust pursuant to the Offering Memorandum;

**“Offering Memorandum”** means the offering memorandum prepared by the Trust in connection with the Offering, as the same may be amended and/or restated from time to time;

**“person”** means and includes any individual, general partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, joint stock company, association, trust, trust company, bank, pension fund, trustee, executor, administrator or other

legal personal representative, regulatory body or agency, government or governmental agency, authority or other organization or entity, whether or not a legal entity, however designated or constituted;

**"Plans"** means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free saving accounts, each as described in the Tax Act, and **"Plan"** means any of them;

**"Property"** means the land comprising 415-acres (more or less) of land located in Tarrant County within the Dallas/Fort Worth area in Texas, United States of America, as more fully described in Schedule A to the Offering Memorandum, and where the context requires, the UFI in the Property that are acquired by Windridge LP;

**"Redemption Notice"** has the meaning given thereto in Section 13.2(a);

**"Redemption Price"** has the meaning given thereto in Section 13.4;

**"Redemption Value"** means an amount equal to 95% of the fair market value of a Unit determined by the Board, in their sole discretion, using reasonable methods of determining fair market value; provided, however, that (i) fair market value of a Unit may or may not be equal to a *pro rata* share of the net asset value of the Units, depending on the methods used by the Board in making a particular determination of such value and (ii) fair market value of a Unit will reflect a reduction of all commissions and referral and marketing fees paid by or on behalf of the Trust (as disclosed in the Offering Memorandum) at the time the Unit was acquired;

**"Register"** has the meaning given thereto in Section 8.16;

**"Resident"** means a person who is, or is deemed to be, resident in Canada for purposes of the Tax Act;

**"Retiring Trustee"** has the meaning given thereto in Section 3.5(c);

**"Securities Laws"** means, collectively, the applicable securities laws of each of the provinces and territories of Canada and the respective regulations and rules made under those securities laws together with all published policy statements, instruments, blanket orders and rulings of Canadian securities commissions and all discretionary orders or rulings, if any, of Canadian securities commissions made in connection with the transactions contemplated by the Offering Memorandum and this Declaration of Trust;

**"SIFT Trust"** has the meaning given thereto in the Tax Act;

**"Special Resolution"** has the meaning given thereto in Section 9.16(a);

**"subsidiary"** has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus and Registration Exemptions*;

**"Take Over Bid"** has the meaning given thereto in the *Securities Act* (Ontario);

**"Tax Act"** means the *Income Tax Act* (Canada) and the regulations thereunder;

**"taxation year"** means the taxation year of the Trust for the purposes of the Tax Act;

**"Transfer Agent"** means any such company as may from time to time be appointed by the Trust to act as registrar and transfer agent of the Units and, initially, means the Administrator;

**“Trust”** means Hills of Windridge A2A Trust, a trust created pursuant to, and governed by, this Declaration of Trust and the laws of the Province of Ontario;

**“Trust Income”** means the amount by which the income of the Trust for such year computed in accordance with the provisions of the Tax Act, other than paragraph 82(l)(b) and subsection 104(6) thereof, and taking into account such other amounts and adjustments as are determined in the discretion of the Board regarding the calculation of income for the purposes of determining the “taxable income” of the Trust, exceeds each amount determined by the Board in respect of any non-capital loss for a prior taxation year that the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for such year; provided, however, that capital gains and capital losses will be excluded from the computation of Trust Income and, if an amount has been designated by the Trust under subsection 104(19) or subsection 104(22) of the Tax Act, such designation shall be disregarded;

**“Trust Property”** means the properties and assets held from time to time by the Trust or by the Board on behalf of the Trust, including:

- (a) the Initial Contribution;
- (b) all funds or property derived from the issuance or sale of Units or other funds or property received by the Trust;
- (c) any LP Units, LP Notes or other securities of Windridge LP or of any other person held from time to time by or on behalf of the Trust;
- (d) any proceeds of disposition of any of the foregoing property or in respect of the investment or substitution of the properties and assets of the Trust; and
- (e) all proceeds, income, dividends, interest, profit, return of capital, gains and accretions and all substituted assets, rights and benefits of any kind or nature whatsoever arising directly or indirectly from or in connection with or accruing to such foregoing property or such proceeds of disposition;

**“Trustees”** means the trustee or trustees of the Trust holding office under and in accordance with this Declaration of Trust from time to time, and **“Trustee”** means any one of them;

**“Trustees’ Regulations”** means the regulations adopted by the Trustees pursuant to Section 4.3;

**“UFI Purchase Agreement”** means the agreement of purchase and sale dated February 13, 2013 between Windridge LP and Windridge Developments pursuant to which Windridge LP will acquire up to 22.67% of the UFIs in the Property, in one or more transactions;

**“UFIs”** means the undivided fractional ownership interests in the Property, as tenants in common, acquired from time to time by Windridge LP pursuant to the UFI Purchase Agreement, with each UFI comprising a 1/4,412 undivided fractional ownership interest in the Property;

**“Unit Certificate”** means a certificate, in the form stipulated by Article 8, evidencing one or more Units, issued and certified in accordance with the provisions hereof;

**“Unitholder”** means a person whose name appears on the Register as a holder of one or more Units, or a fraction thereof;

**“Windridge Developments”** means Windridge A2A Developments, LLC, a Texas limited liability company and the seller of the UFIs to Windridge LP and the initial facilitator under the Deed of Covenant;



**“Windridge LP”** means Hills of Windridge A2A Limited Partnership, an Ontario limited partnership established by the Trust and the General Partner pursuant to the laws of the Province of Ontario and the Windridge LP Agreement for the ownership of the UFI; and

**“Windridge LP Agreement”** means the agreement establishing Windridge LP between the Trust and the General Partner.

## 1.2 **Interpretation**

In this Declaration of Trust, unless otherwise expressly stated or the context otherwise requires:

- (a) references to “herein”, “hereby”, “hereunder”, “hereof” and similar expressions are references to this Declaration of Trust and not to any particular Article or Section of this Declaration of Trust;
- (b) references to an “Article” or “Section” are references to an Article or Section of this Declaration of Trust;
- (c) words importing the singular shall include the plural and *vice versa*, and words importing gender shall include the masculine, feminine and neuter genders;
- (d) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;
- (e) the words “includes” and “including”, when following any general term or statement, are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (f) references to any person include such person's successors and assigns (to the extent such assigns are permitted by the terms of any applicable agreement);
- (g) unless the context otherwise requires, any reference to a statute, regulation, policy, rule or instrument shall include, and shall be deemed to be a reference also to, all amendments made to such statute, regulation, policy, rule or instrument and to any statute, regulation, policy, rule or instrument that may be passed which has the effect of supplementing or superseding the statute, regulation, policy, rule or instrument so referred to;
- (h) any reference to this Declaration of Trust or any other agreement, document or instrument shall be construed as a reference to this Declaration of Trust or, as the case may be, such other agreement, document or instrument as the same may have been, or may from time to time be, amended, varied, replaced, amended and restated or supplemented;
- (i) for greater certainty, where any reference is made in this Declaration of Trust to an act to be performed or which may not be performed by the Trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed or which may not be performed by the Trustees on behalf of the Trust or by some other person duly authorized to do so by the Trustees or pursuant to the provisions hereof, and where reference is made in this Declaration of Trust to actions, rights or obligations of the Trustees, such reference shall be construed and applied for all purposes to refer to actions, rights or obligations of the Trustees in their capacity as Trustees, and not in their other capacities;
- (j) in the event that any day on which any amount is to be determined or any action is required to be taken hereunder is not a Business Day, then such amount shall be determined or such action

shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day;

- (k) time shall be of essence in this Declaration of Trust; and
- (l) unless otherwise specified, all references to “\$” or “dollars” are to Canadian dollars.

### **1.3 Tax Act**

Any reference herein to a particular provision of the Tax Act shall include a reference to that provision as it may be renumbered or amended from time to time. Where there are proposals for amendments to the Tax Act which have not been enacted into law or proclaimed into force on or before the date on which such proposals are to become effective, the Trustees may take such proposals into consideration and apply the provisions hereof as if such proposals had been enacted into law and proclaimed into force.

## **ARTICLE 2 DECLARATION OF TRUST**

### **2.1 Establishment of the Trust**

The Trustees hereby agree to hold and administer the property, real, personal or otherwise, tangible or intangible, which has been or is hereafter transferred, conveyed or paid to or otherwise received by the Trust or to which the Trust is otherwise entitled, including the Initial Contribution, and all rents, income, profits and gains therefrom in trust for the use and benefit of the Unitholders, their successors, permitted assigns and personal representatives upon the trusts and subject to the terms and conditions hereinafter declared and set forth, such trust to constitute the Trust hereunder.

### **2.2 Initial Contribution**

The Initial Unitholder has paid, concurrently with the execution of the Declaration of Trust, the Initial Contribution to the Trustees for the purpose of settling the Trust. The Trustees acknowledge receipt of the Initial Contribution and issue one Trust Unit to the Initial Unitholder.

### **2.3 Name**

The name of the Trust is Hills of Windridge A2A Trust. As far as practicable and except as otherwise provided in this Declaration of Trust, the Trustees shall conduct the affairs of the Trust, hold property, execute all documents and take all legal proceedings under that name. For greater certainty, where any reference is made in this Declaration of Trust, or any other instrument to which the Trust or the Trustees, as trustees of the Trust, are a party, to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against, or a covenant, representation or warranty by or with respect to (i) the Trust; or (ii) the Trustees, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding taken by or against, or a covenant, representation or warranty by or with respect to the Trustees as trustees of the Trust.

### **2.4 Use of Name**

Should the Trustees determine that the use of the name Hills of Windridge A2A Trust is not practicable, legal or convenient, they may use such other designation, or they may adopt such other name for the Trust as they deem appropriate, and the Trust may hold property and conduct its activities under such other designation or name.

## **2.5 Office**

The principal, registered and head office and center of administration of the Trust shall be located at 250 Ferrand Drive, Suite 888 Toronto, Ontario or at such other address in Canada as may be determined by the Trustees in their discretion. The Trust may have such other offices or places for the conduct of its affairs as the Trustees may from time to time determine to be necessary or desirable.

## **2.6 Nature of the Trust**

The Trust is a limited purpose open-ended unincorporated investment trust. The Trust shall be governed by the general law of trusts, except as such general law of trusts has been or is from time to time modified, altered or abridged for the Trust by (i) applicable laws and regulations or other requirements imposed by applicable securities or other regulatory authorities and (ii) the terms, conditions and trusts set forth in this Declaration of Trust.

The Trust is not and is not intended to be, shall not be deemed to be and shall not be treated as a general partnership, limited partnership, syndicate, association, joint venture, company, corporation or joint stock company (except for purposes of U.S. income tax purposes) nor shall the Trustees or the Unitholders or any of them or any officers or other employees of the Trust or any of them for any purpose be, or be deemed to be, treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venturers. Neither the Trustees nor any officer or other employee of the Trust shall be, or be deemed to be, agents of the Unitholders. The relationship of the holders of Trust Units to the Trustees, to the Trust and to the Trust Property shall be solely that of beneficiaries of the Trust, and the rights of the Unitholders will be limited to those expressly conferred upon them by this Declaration of Trust. In filing a return of income for the Trust with respect to its first taxation year under the Tax Act, the Trust shall elect, assuming that the requirements for such election are met, that the Trust shall be deemed a "mutual fund trust" for purposes of the Tax Act throughout such year.

## **2.7 Rights of Unitholders**

The rights of each Unitholder to call for a distribution or division of assets, monies, funds, income and capital gains held, received or realized by the Trustees are limited to those contained herein and, except as provided herein, no Unitholder shall be entitled to call for any partition or division of the Trust Property or for a distribution of any particular asset forming part of the Trust Property or of any particular monies or funds received by the Trustees. The legal ownership of the Trust Property and the right to conduct the activities of the Trust are vested exclusively in the Trustees, and no Unitholder has or is deemed to have any right of ownership in any of the Trust Property, except as specifically provided herein. Except as specifically provided herein, no Unitholder shall be entitled to interfere with or give any direction to the Trustees with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Trustees under this Declaration of Trust. The Units shall be personal property and shall confer upon the holders thereof only the interest and rights specifically set forth in this Declaration of Trust.

# **ARTICLE 3 TRUSTEES**

## **3.1 Number**

There shall be a minimum of one and a maximum of nine Trustees. The number of Trustees within such minimum and maximum numbers may be changed by the Trustees from time to time at their discretion.

### **3.2 Qualifications of Trustees**

A Trustee shall be an individual at least 18 years of age, not under any legal disability and not been found to be of unsound mind or incapable of managing property by a court in Canada or elsewhere, and who does not have the status of bankrupt.

### **3.3 Residency of Trustees**

A majority of the Trustees must be Residents. If at any time a majority of the Trustees or a majority of the Trustees of any committee of the Trustees are not Residents because of the death, resignation, insolvency, bankruptcy, adjudicated incompetence or incapacity, removal or change in circumstance of any Trustee who was a Resident Trustee, or there are no Trustees who are Residents, the Trustee or Trustees who are Non-Residents shall, immediately before that time, be deemed to have resigned and shall cease to be Trustees with effect from the time of such deemed resignation and the remaining Trustees shall appoint a sufficient number of Resident Trustees to comply with this requirement. If at any time the number of Trustees is less than the number required under this Declaration of Trust and the remaining Trustee or Trustees fail or are unable to act in accordance with Section 3.6 to appoint one or more additional Trustees or if, upon the resignation or deemed resignation of one or more Trustees there would be no Trustees, then the Board of the Trust shall appoint one or more Trustees so that following such appointment a majority of the Trustees are Residents and, failing such appointment, any remaining Trustee or officer of the Trust or the Administrator or Auditors, as the case may be, may apply to the Superior Court of Justice of Ontario for an order appointing one or more Trustees so that following such appointment a majority of the Trustees are Residents, to act on such other terms as the Court may order. Any Trustee who is a Resident who proposes to become a Non-Resident shall notify the other Trustees thereof as soon as reasonably practicable and shall resign as a Trustee effective upon the day of such notification and shall be replaced with a Trustee who is a Resident.

### **3.4 Appointment of Trustees by the Administrator**

Subject to Sections 3.1, 3.2, 3.3, 3.5 and 3.11 or as otherwise specified herein, the Administrator, in its sole discretion, shall have the right to appoint and remove the Trustees; provided, however, that Unitholders may elect or remove any Trustee by way of Special Resolution (and any such elected Trustee may not subsequently be removed except by the Unitholders through a further Special Resolution). The appointment or election of any Trustee (other than an individual who is serving as a Trustee immediately prior to such appointment or election) shall not become effective unless and until such individual shall have in writing accepted her or her appointment or election and agreed to be bound by the terms of this Declaration of Trust.

### **3.5 Resignations, Removal and Death of Trustees**

- (a) A Trustee may resign at any time by an instrument in writing signed by him or her and delivered or mailed to the Chair or, if there is no Chair, the President of the Trust or, if no President, the Board. A resignation of a Trustee becomes effective at the time a written resignation is received by the Trust upon 30 days' written notice, or at the time specified in the resignation, whichever is later, provided that if, upon the resignation becoming effective, the number of remaining Trustees would be less than the number necessary to constitute a quorum for a meeting of Trustees, the resignation is not effective until the resigning Trustee's successor is duly appointed as a Trustee, except in the case of a deemed resignation under Section 3.3 which shall be effective at the time therein prescribed.
- (b) A Trustee may be removed at any time with or without cause by a Special Resolution at a meeting of Unitholders called for that purpose or by the written consent of the Unitholders holding in the aggregate not less than 66⅔% of the outstanding Units entitled to vote thereon, or with cause by the resolution passed by an affirmative vote of not less than two-thirds of the remaining Trustees. Any removal of a Trustee shall take effect immediately following the

aforesaid vote or resolution or at any later time specified in the notice without need for prior accounting, and any Trustee so removed shall be so notified by the Chief Executive Officer or another officer of the Trust or if there is no officer of the Trust, by any remaining Trustee or if there is no Trustee then remaining, by the Unitholders, following such removal.

- (c) Upon the resignation or removal of any Trustee, or such Trustee otherwise ceasing to be a Trustee (in each case, a **"Retiring Trustee"**), such Retiring Trustee shall immediately cease to have the rights, privileges and powers of a Trustee hereunder, shall promptly account to the remaining Trustees as they may require for all property which he or she holds as Trustee and do all such other things as may be required pursuant to Section 3.8(b) hereof; provided however that notwithstanding any other provision of this Declaration of Trust, each such Retiring Trustee shall always continue to have the protections afforded to Trustees in Article 18.
- (d) Upon the incapacity or death of any Trustee, such Trustee shall cease to be a Trustee. Such Retiring Trustee's legal representative shall promptly execute and deliver on such Trustee's behalf such documents as the remaining Trustees may require as provided in this Section 3.5. In the event that a Trustee or his legal representatives, as applicable, are unable or unwilling to execute and deliver such required documents, each of the remaining Trustees is hereby appointed as the attorney of such Trustee for the purpose of executing and delivering such required documents.

### **3.6 Appointment of Trustees**

The appointment of the Trustees named of the First Part above is hereby confirmed and the term of office applicable to each Trustee shall expire at the termination of the Trust. Trustees removed pursuant to Section 3.5(b) shall be replaced by a Trustee elected by a majority of the votes cast at a meeting of Unitholders called for that purpose or by the written consent of the Unitholders holding in the aggregate not less than a majority of the outstanding Units entitled to vote thereon. In the event that a Trustee resigns or otherwise ceases to be a Trustee other than pursuant to Section 3.5(b), the Trustees, so long as they constitute a quorum and a majority of the Trustees constituting quorum are Residents, may appoint one or more additional Trustees to fill such vacancy or vacancies for a term expiring at the termination of the Trust. 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.

### **3.7 Consent to Act**

- (a) A person who is appointed a Trustee hereunder shall not become a Trustee until the person has, either before or after such appointment, executed and delivered to the Trust a consent, or such consent is evidenced in minutes of a meeting of Trustees, substantially in the form as follows:

"To: Hills of Windridge A2A Trust (the "Trust")  
And to: The Trustees thereof

The undersigned hereby certifies that he or she or it is/is not a resident of Canada within the meaning of the *Income Tax Act* (Canada) and consents to act as a Trustee of the Trust and hereby agrees, upon the later of the date of this consent and the date of the undersigned's appointment as a Trustee of the Trust, to thereby become a party, as a Trustee, to the Declaration of Trust dated the 13<sup>th</sup> day of February, 2013, as amended, supplemented or amended and restated from time to time, constituting the Trust.

Dated: \_\_\_\_\_

\_\_\_\_\_  
[Signature]

- (b) Upon the later of a person being appointed a Trustee hereunder and executing and delivering to the Trust a form of consent substantially as set forth in Section 3.7(a), such person shall become a Trustee hereunder and shall be deemed to be a party (as a Trustee) to this Declaration of Trust, as amended, supplemented or amended and restated from time to time.
- (c) An act of a Trustee is valid notwithstanding an irregularity in the appointment or election of the Trustee or a defect in the qualification of the Trustee.

### **3.8 Ceasing to Hold Office**

- (a) A Trustee ceases to hold office when:
  - (i) the Trustee ceases to be duly qualified to act as a Trustee as provided under Section 3.2;
  - (ii) the Trustee ceases to be a Trustee in accordance with Section 3.5;
  - (iii) the Trustee dies or resigns; or
  - (iv) the Trustee is removed in accordance with Section 3.4 or 3.5.
- (b) Upon a Trustee ceasing to hold office as such hereunder, such Trustee shall cease to be a party (as a Trustee) to this Declaration of Trust; provided, however, that such Trustee shall continue to be entitled to be paid any amounts owing by the Trust to the Trustee and to the benefits of the indemnity provided in Section 18.2. Such Trustee shall promptly execute and deliver such documents as the remaining Trustees shall reasonably require for the conveyance of any Trust property held in that Trustee's name, shall promptly account to the remaining Trustees as they may reasonably require for all property which that Trustee holds as Trustee, shall promptly resign from all directorship or similar positions held by such Trustee in any entity in which the Trust has an interest and shall thereupon be discharged as Trustee. Upon the incapacity or death of any Trustee, his legal representative shall promptly execute and deliver on his behalf such documents as the remaining Trustees may reasonably require as provided in this Section 3.8(b). In the event that a Trustee or his legal representatives, as applicable, are unable or unwilling to execute and deliver such required documents, each of the remaining Trustees is hereby appointed as the attorney of such Trustee for the purposes of executing and delivering such required documents. This power of attorney granted to each of the remaining Trustees is not intended to be a continuing power of attorney within the meaning of the *Substitute Decisions Act, 1992* (Ontario), exercisable during a Trustee's incapacity to manage property, or any similar power of attorney under equivalent legislation in any of the provinces or territories of Canada (a "CPOA"). The execution of this power of attorney will not terminate any CPOA granted by the Trustee previously and will not be terminated by the execution by the Trustee in the future of a CPOA, and the Trustee hereby agrees not to take any action in future which results in the termination of this power of attorney.

### **3.9 Vacancies by Trustees**

The death, resignation, bankruptcy, adjudicated incompetence or other incapacity to exercise the duties of the office of a Trustee or the removal or other cessation to hold office of a Trustee shall not operate to annul this Declaration of Trust or affect the continuity of the Trust. Until vacancies are filled, the remaining Trustee or Trustees (even if less than a quorum) may exercise the powers of the Trustees hereunder. In the case of a vacancy, the Unitholders, in the case of a vacancy pursuant to Section 3.5(b), or, so long as they constitute a quorum and a majority of the Trustees constituting such quorum are Residents, a majority of the Trustees continuing in office, in the case of a vacancy other than pursuant to Section 3.5(b), may fill such vacancy. If there is not such a quorum of

Trustees, the Trustees then in office shall promptly call a special meeting of Unitholders to fill the vacancy and, if they fail to call a meeting or if there are no Trustees then in office, the meeting may be called by any Unitholder. A Trustee appointed to fill a vacancy holds office, subject to Sections 3.4, 3.5 and 3.8, until the termination of the Trust.

### **3.10     Successor and Additional Trustees**

The right, title and interest of the Trustees in and to the property of the Trust shall vest automatically in all individuals who may hereafter become Trustees upon their due election or appointment and qualification without any further act, and they shall thereupon have all the rights, privileges, powers, obligations and immunities of Trustees hereunder. Such right, title and interest shall vest in the Trustees whether or not conveyancing documents have been executed and delivered pursuant to Section 3.8 or otherwise.

### **3.11     Remuneration and Expenses**

Only Trustees who are not officers or employees of and who do not receive salary from the Trust, the Administrator or any of their affiliates shall receive such fees and other reasonable compensation (including, without limitation, fees for serving as Chair of the Trust, for serving as chair of any committee of Trustees and for attendance at each meeting of Trustees and of each committee of Trustees) as the Trustees may determine from time to time, as well as reimbursement of their reasonable travel and out-of pocket expenses properly incurred in acting as a Trustee.

Each of the Trustees, either directly or indirectly, shall also be entitled to receive remuneration for services rendered to the Trust in any other capacity. Such services may include, without limitation, services as an officer of the Trust, legal, accounting or other professional services, whether performed by a Trustee or any person affiliated with a Trustee.

### **3.12     Validity of Acts**

Any act of a Trustee is valid notwithstanding any irregularity in the appointment of the Trustees or a defect in the qualifications of the Trustees.

## **ARTICLE 4 TRUSTEES' POWERS AND DUTIES**

### **4.1     General Powers**

The Trustees, subject only to the specific limitations contained in this Declaration of Trust including, without limitation, Sections 7.1 and 7.2, shall have, without further or other authorization and free from any control or direction on the part of the Unitholders, full, absolute and exclusive power, control and authority over the Trust Property and over the affairs of the Trust to the same extent as if the Trustees were the sole owners of such assets in their own right, to do all such acts and things as in their sole judgment and discretion are necessary or incidental to, or desirable for, the carrying out of any of the purposes of the Trust or the conducting of the affairs of the Trust. In construing the provisions of this Declaration of Trust, there shall be a presumption in favour of the power and authority having been granted to the Trustees. The enumeration of any specific power or authority herein shall not be construed as limiting the general powers or authority or any other specified power or authority conferred herein on the Trustees. Except as specifically required by law, the Trustees shall in carrying out investment activities not be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by trustees. Without limiting the generality of the foregoing, the Trustees may make any investments without being required to adhere to all of, or any particular portion of the investment criteria or diversification requirements set forth in the *Trustee Act* (Ontario), as amended from time to time, including investments in mutual funds, common trust funds, unit trusts and similar types of investment vehicles, to alter or vary such investments from time to time in a like manner, to retain such investments for such

length of time as the Trustees, in their discretion determine and to delegate management and authority to discretionary managers of investment funds as the Trustees in their discretion determine appropriate.

For greater certainty and without limiting the generality of this Section 4.1, the Trust is authorized to complete the transactions set forth in the Offering Memorandum, including to (i) prepare, file, execute and deliver the Offering Memorandum and all other agreements, documents and instruments as may be necessary or, in the Trustees' discretion, desirable to complete the Offering; (ii) indirectly acquire on each Closing Date the relevant percentage of UFI's pursuant to the UFI Purchase Agreement and pay the purchase price therefor; (iii) enter into the Material Agreements to which it is a party; and (iv) enter into, or cause Windridge LP to enter into, any arrangements contemplated by, or approved by the Co-Owners under, the Deed of Covenant. For greater certainty, the Trust is not required to complete the Offering unless and until the Trustees are satisfied with the terms and conditions thereof.

#### **4.2      Specific Powers and Authorities**

Subject only to the express limitations contained in this Declaration of Trust including, without limitation, Sections 7.1 and 7.2, and in addition to any powers and authorities conferred by this Declaration of Trust or which the Trustees may have by virtue of any present or future statute or rule of law, the Trustees without any action or consent by the Unitholders shall have and may exercise, on behalf of the Trust, at any time and from time to time the following powers and authorities which may or may not be exercised by them in their sole judgment and discretion and in such manner and upon such terms and conditions as they may from time to time deem proper:

- (a) to supervise the activities and manage the investments and affairs of the Trust;
- (b) to hold the Trust Property in safekeeping, retaining moneys, securities, property, assets or investments, and investing moneys from time to time forming part of the Trust Property;
- (c) to ensure that the Gross Subscription Proceeds are invested in the LP Units and the LP Notes net of any expenses incurred by the Trust;
- (d) to borrow money (up to a maximum principal amount of \$50,000) from the Administrator as necessary, and to pay interest on such unsecured loan (if any is charged) at a rate not in excess of then current prime rate offered by the Trust's bankers, plus 1.00%;
- (e) to pay properly incurred expenses of the Trust;
- (f) to open, operate and close bank accounts and other similar credit, deposit and banking arrangements, to negotiate and sign banking and financing contracts and agreements and deposit monies from time to time forming part of the Trust Property in such accounts;
- (g) to possess and exercise rights, powers and privileges appertaining to ownership of UFI's in Trust Property;
- (h) to hold legal title to the Trust Property;
- (i) to reinvest income and gains of the Trust and to take other actions besides the mere protection and preservation of the Trust Property;
- (j) to appoint the auditors of and registrar and transfer agent for the Trust;
- (k) to appoint the bankers of the Trust;
- (l) to ensure compliance with applicable Securities Laws;



- (m) to prepare and file or cause to be prepared and filed any and all requisite returns, reports and filings;
- (n) to monitor the Trust's tax status as a "mutual fund trust" within the meaning of the Tax Act;
- (o) to provide all requisite office accommodation and associated facilities;
- (p) to provide or cause to be provided to the Trust all other administrative and other services and facilities required by the Trust;
- (q) to maintain or cause to be maintained complete records of all transactions in respect of the investment portfolio of the Trust;
- (r) to prescribe any instrument provided for or contemplated by this Declaration of Trust;
- (s) to effect payment of distributions to the Unitholders;
- (t) to collect, sue for and receive all sums of money or other property or items that are believed due to the Trust and obtain security, including encumbrances on assets, to secure the full payment of monies owed to the Trust and the performance of all obligations in favour of the Trust, and to exercise all of the rights of the Trust, and to perform all of the obligations of the Trust, under such security;
- (u) to possess and exercise all the rights, powers and privileges pertaining to the ownership of all or any part of the Trust Property, including the LP Units, to the same extent that any person might, unless otherwise limited herein;
- (v) where reasonably required, to engage, employ, contract with or retain on behalf of the Trust any persons as agents, representatives, employees or independent contractors in one or more capacities;
- (w) except as prohibited by law, to delegate from time to time to the Trust's employees, consultants, agents and other persons including, without limitation, the Administrator, the doing of such things and the exercise of such powers hereunder as the Board may from time to time deem expedient, so long as any such delegation is not inconsistent with any of the provisions of this Declaration of Trust and subject at all times to the general control and supervision of the Board as provided for herein;
- (x) to issue and redeem Units pursuant to the terms and conditions of this Declaration of Trust;
- (y) to pay all taxes or assessments, of whatever kind or nature, whether within or outside Canada, imposed upon or against the Board in connection with the Trust Property, undertaking or income of the Trust, or imposed upon or against the Trust Property in connection with the undertaking or income of the Trust, or any part thereof, and to settle or compromise disputed tax liabilities, and for the foregoing purposes to make such returns, take such deductions, and make such designations, elections, allocations and determinations in respect of Trust Income, Net Realized Capital Gains or any other amounts distributed, allocated and made payable to Unitholders in a year and any other matter as shall be permitted under the Tax Act and analogous provisions of any provincial income tax legislation, and to do all such other acts and things as may be deemed by the Board in its sole discretion to be necessary, desirable or convenient;

- (z) to do all such acts and things, and to execute, deliver and perform the obligations of the Trust under all such agreements and instruments as are necessary to complete the Offering or as are contemplated by the Offering Memorandum; and
- (aa) to do all such other acts and things and execute all such agreements and other instruments as are incidental to the foregoing, and to exercise all powers that are necessary or useful to carry on the purpose and activities of the Trust (including, without limitation, to do all such things and acts as may be required of the Trust under any of the material agreements referred to in the Offering Memorandum), to promote or advance any of the purposes or objectives for which the Trust is formed and to carry out the provisions of this Declaration of Trust whether or not herein specifically mentioned.

#### **4.3 Further Powers of the Trustees**

The Trustees shall have the power to prescribe any form provided for or contemplated by this Declaration of Trust. The Trustees may make, adopt, amend, or repeal regulations containing provisions relating to the Trust, the conduct of its affairs, the rights or powers of the Trustees and the rights or powers of the Unitholders or officers, provided that such regulations shall not be inconsistent with law or with this Declaration of Trust and not, in the opinion of the Trustees, prejudicial to Unitholders. The Trustees shall also be entitled to make any reasonable decisions, designations or determinations not inconsistent with law or with this Declaration of Trust which they may determine are necessary or desirable in interpreting, applying or administering this Declaration of Trust or in administering, managing or operating the Trust. To the extent of any inconsistency between this Declaration of Trust and any regulation, decision, designation or determination made by the Trustees, this Declaration of Trust shall prevail and such regulation, decision, designation or determination shall be deemed to be modified to eliminate such inconsistency. Any regulations, decisions, designations or determinations made in accordance with this Section 4.3 shall be conclusive and binding upon all persons affected thereby.

Subject to any agreement between the Trust and any Trustee and subject as otherwise herein provided, the Trustees may from time to time in their discretion appoint, employ, invest in, contract or deal with any person including, without limitation, any affiliate of any of them and any person in which any one or more of them may be directly or indirectly interested and, without limiting the generality of the foregoing, any Trustee may purchase, hold, sell, invest in or otherwise deal with real property or other property of the same class and nature as may be held by the Trustees as Trust Property, whether for the Trustee's own account or for the account of another (in a fiduciary capacity or otherwise), without being liable to account therefor and without being in breach of his duties and responsibilities hereunder.

#### **4.4 Banking**

The banking activities of the Trust, or any part thereof, including, but without restricting the generality of the foregoing, the operation of the Trust's accounts; the making, signing, drawing, accepting, endorsing, negotiation, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for orders relating to any Trust Property; the execution of any agreement relating to any Trust Property; the execution of any agreement relating to any such banking activities and defining the rights and powers of the parties thereto; and the authorizing of any officer of such bank to do any act or thing on the Trust's behalf to facilitate such banking activities, shall be transacted with such bank, trust company, or other firm or corporation carrying on a banking business as the Trustees may designate, appoint or authorize from time to time and shall be transacted on the Trust's behalf by one or more officers of the Trust as the Trustees may designate, appoint or authorize from time to time.

#### **4.5 Standard of Care**

The exclusive standard of care required of the Trustees in exercising their powers and carrying out their functions hereunder shall be that they exercise their powers and discharge their duties hereunder as Trustees honestly, in

good faith with a view to the best interests of the Trust and in connection therewith, that they exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Unless otherwise required by law, no Trustee shall be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations hereunder. The Trustees in their capacity as Trustees shall not be required to devote their entire time to the affairs of the Trust.

No Trustee shall be liable in carrying out such Trustee's duties under this Declaration of Trust except in cases where the Trustee fails to act honestly, in good faith and in the best interests of the Trust and the Unitholders or, in connection therewith, fails to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. The duties and standard of care of the Trustees provided as aforesaid are intended to be similar to, and not to be any greater than, those imposed on a director of a corporation governed by the *Business Corporations Act* (Ontario).

#### **4.6 Fees and Expenses**

As part of the expenses of the Trust, the Trustees may pay or cause to be paid out of the Trust Property, reasonable fees, costs and expenses incurred in connection with the administration and management of the Trust, including, without limitation, fees of auditors, accountants, lawyers and other agents, consultants and professional advisors employed by or on behalf of the Trust and the cost of reporting or giving notices to Unitholders. All costs, charges and expenses properly incurred by the Trustees on behalf of the Trust shall be payable out of the Trust Property.

#### **4.7 Reliance Upon Trustees**

Any person dealing with the Trust in respect of any matters pertaining to the Trust Property and any right, title or interest therein or to the Trust or to securities of the Trust shall be entitled to rely on a certificate or statutory declaration (including a certificate or statutory declaration as to the passing of a resolution of the Trustees) executed by any two Trustees or, without limiting the foregoing, such other persons as may be authorized by the Board as to the capacity, power and authority of the Trustees or any such other persons to act for and on behalf and in the name of the Trust. No Persons dealing with the Trustees shall be bound to see to the application of any funds or property passing into the hands or control of the Trustees. The receipt by or on behalf of the Trustees for monies or other consideration shall be binding upon the Trust.

#### **4.8 Determinations of Trustees Binding**

All determinations of a majority of the Trustees which are made in good faith with respect to any matters relating to the Trust, including, without limitation, whether any particular investment or disposition meets the requirements of this Declaration of Trust, shall be final and conclusive and shall be binding upon the Trust and all Unitholders (and, where the Unitholder is a Plan, or other similar fund or plan registered under the Tax Act, upon plan beneficiaries and plan holders past, present and future) and Units of the Trust shall be issued and sold on the condition and understanding that any and all such determinations shall be binding as aforesaid.

#### **4.9 Limitations on Liability of Trustees**

- (a) Subject to the standard of care set forth in Section 4.5, none of the Trustees, nor any officers, employees or agents of the Trust shall be liable to any Unitholder or any other person in tort, contract or otherwise for any action taken or not taken in good faith in reliance on any documents that are, prima facie, properly executed; for any depreciation of, or loss to, the Trust incurred by reason of the sale of any security; for the loss or disposition of monies or securities; for any action or failure to act by any person to whom the Trustees are permitted to delegate and have delegated any of their duties hereunder; or for any other action or failure to act including, without limitation, the failure to compel in any way any former Trustee to redress any breach of trust or any failure by any person to perform obligations or pay monies owed to the Trust, unless

such liabilities arise out of a breach of the standard of care, diligence and skill as set out in Section 4.5. If the Trustees have retained an appropriate expert, advisor or legal counsel with respect to any matter connected with their duties under this Declaration of Trust, the Trustees may act or refuse to act based on the advice of such expert, advisor or legal counsel and, notwithstanding any provision of this Declaration of Trust, including, without limitation, the standard of care, diligence and skill set out in Section 4.5, the Trustees shall not be liable for and shall be fully protected from any action or refusal to act based on the advice of any such expert, advisor or legal counsel which it is reasonable to conclude is within the expertise of such expert or advisor to give.

- (b) The Trustees shall not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Trust arising out of anything done or permitted or omitted to be done in respect of the execution of the duties of the office of Trustees for or in respect to the affairs of the Trust unless such Trustee shall have failed to meet the standard of care set out in Section 4.5. No property or assets of the Trustees, owned in their personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under this Declaration of Trust or under any other related agreements. No recourse may be had or taken, directly or indirectly, against the Trustees in their personal capacity or against any officer, employee or agent of the Trustees or any successor of the Trustees unless such Trustee shall have failed to meet the standard of care set out in Section 4.5. The Trust shall be solely liable therefor and resort shall be had solely to the Trust Property for payment or performance thereof unless such Trustee shall have failed to meet the standard of care set out in Section 4.5.

In the exercise of the powers, authorities or discretion conferred upon the Trustees under this Declaration of Trust, the Trustees are and shall be conclusively deemed to be acting as trustees of the Trust Property.

#### **4.10 Reliance**

The Trustees shall be entitled to rely on statements, reports, advice or opinions (including financial statements and Auditors' reports) of consultants, the Administrator, the Auditors, legal counsel and consultants or agents whose profession gives authority to a statement made by them on the subject in question and who are considered by the Trustees to be competent. The Trustee may rely and act upon any instrument or other document believed by it to be genuine and in force and shall have no liability to any person as a result of such reliance, except in the case of gross negligence or wilful misconduct.

#### **4.11 Exculpatory Clauses in Instruments**

The Trustees must use reasonable means where practicable to inform all persons having dealings with the Trust of the limitations of liability set forth in Sections 4.9, 18.1, 18.2 and 18.6, and must use reasonable means where practicable to cause to be inserted in any written agreement, undertaking or obligation made or issued on behalf of the Trust an appropriate statement of the disavowal and limitation of liability as set forth in Sections 4.9, 18.1, 18.2 and 18.6, but the omission of such statement from any such instrument will not render any Trustee, any Unitholder or officer, consultant or agent of the Trust liable to any person, nor will any Trustee or any Unitholder or any officer of the Trust be liable to any person for such omission. If, notwithstanding this provision, any Trustee, Unitholder or any officer of the Trust is held liable to any other person by reason of the omission of such statement from any such agreement, undertaking or obligation, such Trustee, Unitholder or officer will be entitled to indemnity out of the Trust Property to the full extent of such liability and the costs of any litigation or other proceedings in which such liability has been determined, including without limitation, the fees and disbursements of counsel.

#### **4.12    Liability under Contracts**

Any written instrument creating an obligation with respect to the Trust will be conclusively taken to have been executed or done by a Trustee only in the capacity of a Trustee under this Declaration of Trust. Any written instrument creating an obligation of the Trust will contain a disavowal of liability upon and waiver of claim against the Trustee or any Unitholder and indicate that the obligations under such instrument are not personally binding upon, nor will resort be had to the private property of any Trustee, any Unitholder, or any director, officer, employee or agent of the Unitholder, but only the Trust Property or a specific portion thereof will be bound. The omission of a provision of the nature described in this Section 4.12 will not operate to impose personal liability on any Trustee, any Unitholders, or any of the officers, employees, agents, heirs, executors or personal representatives of any of them.

#### **4.13    Conflicts of Interest**

(a)      Subject to Section 19.20, if a Trustee or officer of the Trust:

- (i)      is a party to a material contract or transaction or proposed material contract or transaction with the Trust (or an affiliate thereof); or
- (ii)     is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Trust (or an affiliate thereof),

such Trustee or officer of the Trust shall disclose in writing to the Trustees or request to have entered into the minutes of meetings of the Trustees the nature and extent of such interest as follows:

(iii)     the disclosure required in the case of a Trustee shall be made:

- (A)      at the meeting of Trustees at which a proposed material contract or transaction is first considered;
- (B)      if the Trustee was not then interested in a proposed material contract or transaction, at the first such meeting after he becomes so interested;
- (C)      if the Trustee becomes interested after a material contract is made or a transaction is entered into, at the first meeting after he becomes so interested; or
- (D)      if a person who is interested in a material contract or transaction later becomes a Trustee, at the first such meeting after he becomes a Trustee;

(iv)     the disclosure required in the case of an officer of the Trust who is not a Trustee shall be made:

- (A)      forthwith after such person becomes aware that the material contract or transaction or proposed material contract or transaction is to be considered or has been considered at a meeting of the Trustees;
- (B)      if such person becomes interested after a material contract is made or transaction is entered into, forthwith after such person becomes aware that he has become so interested; or

- (C) if a person who is interested in a material contract or a transaction later becomes an officer of the Trust, forthwith after he becomes an officer of the Trust.
- (b) Notwithstanding Sections 4.13(a)(i) and (a)(ii), where this Section 4.13 applies to any person in respect of a material contract or transaction or proposed material contract or transaction that, in the ordinary course of the affairs of the Trust, would not require approval by the Trustees or the Unitholders, such person shall disclose in writing to the Trustees or request to have entered into the minutes of meetings of the Trustees the nature and extent of such person's interest forthwith after such person becomes aware of the material contract or transaction or proposed material contract or transaction.
- (c) A Trustee referred to in this Section 4.13 shall not vote on any resolution to approve the said material contract or transaction unless the material contract or transaction is:
  - (i) one relating primarily to such Trustee's remuneration as a Trustee, officer, employee or agent of the Trust; or
  - (ii) one for indemnity of such Trustee under Section 18.1 hereof or the purchase of liability insurance;provided, however, that the presence of such Trustee at the relevant meeting or the written recognition by such Trustee of any resolution in writing shall be counted toward any quorum requirement or requirement that at least a minimum number of Trustees act.
- (d) For the purposes hereof, a general notice to the Trustees by a Trustee or an officer of the Trust disclosing that such person is a director or officer of or has a material interest in a person and is to be regarded as interested in any material contract made or any transaction entered into with that person, is a sufficient disclosure of interest in relation to any material contract so made or transaction so entered into. In the event that a meeting of Unitholders is called to confirm or approve a material contract or transaction which is the subject of a general notice to the Trustees, the notice and extent of the interest in the material contract or transaction of the person giving such general notice shall be disclosed in reasonable detail in the notice calling the said meeting of Unitholders or in any information circular to be provided by this Declaration of Trust or by law.
- (e) Where a material contract is made or a material transaction is entered into between the Trust and a Trustee or an officer of the Trust, or between the Trust and another person in which a Trustee or an officer of the Trust is a director or officer or in which he has a material interest:
  - (i) such person is not accountable to the Trust or to the Unitholders for any profit or gain realized from the material contract or transaction; and
  - (ii) the material contract or transaction is neither void nor voidable, by reason only of that relationship or by reason only that such person is present at or is counted to determine the presence of a quorum at the meeting of the Trustees that authorized the material contract or transaction, if such person disclosed such person's interest in accordance with this Section 4.13, and the material contract or transaction was reasonable and fair to the Trust at the time it was so approved.
- (f) Notwithstanding anything in this Section 4.13, but without limiting the effect of Section 4.13(c), a Trustee or an officer of the Trust, acting honestly and in good faith, is not accountable to the

Trust or to the Unitholders for any profit or gain realized from any such material contract or transaction by reason only of such person holding such office or position, and the material contract or transaction, if it was reasonable and fair to the Trust at the time it was approved, is not by reason only of such person's interest therein void or voidable, where:

- (i) the material contract or transaction is confirmed or approved at a meeting of Unitholders duly called for that purpose; and
  - (ii) the nature and extent of such person's interest in the material contract or transaction are disclosed in reasonable detail in the notice calling the meeting or in any information circular to be provided by this Declaration of Trust or by law.
- (g) Subject to Sections 4.13(c), (e) and (f), where a Trustee or an officer of the Trust fails to disclose such person's interest in a Material Agreement or material contract or transaction in accordance with this Declaration of Trust or otherwise fails to comply with this Section 4.13, 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 such person account to the Trust for any profit or gain realized.

#### **4.14 Decisions of the Board**

All decisions of the Board or the Trustees will require the approval of a majority of the Trustees present in person or by phone at a meeting of the Board.

#### **4.15 Conditions Precedent**

The obligation of the Trustees to commence or continue any act, action, suit or proceeding or to represent the Trust in any action, suit or proceeding shall be conditional upon sufficient funds being available to the Trustees from the Trust Property to commence or continue such act, action, suit or proceeding or to represent the Trust in any action, suit or proceeding and an indemnity reasonably satisfactory to the Trustees to protect and hold harmless the Trustees against the costs, charges and expenses and liabilities to be incurred therein and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Declaration of Trust shall require the Trustees to expend or risk their own funds or otherwise incur financial liability in the performance of their duties or in the exercise of any of their rights or powers unless they are given an indemnity and funding satisfactory to the Trustees, acting reasonably.

### **ARTICLE 5 OFFICERS OF THE TRUST**

#### **5.1 General**

The Trust shall have a Chair of Trustees, and may have one or more other officers as the Trustees may appoint from time to time, including without limitation a Chief Executive Officer and Chief Financial Officer. Any officer of the Trust, other than the Chair of Trustees may, but need not be, a Trustee. One person may hold two or more offices. Officers of the Trust may be appointed and, without prejudice to rights under any employment contract, removed or discharged, and their powers, responsibilities and remuneration determined by the Trustees and, in the absence of such determination, their responsibilities shall be those usually applicable to the office held. All officers so appointed shall be Residents.

## **5.2 Chair of Trustees**

The Chair of Trustees shall be appointed from among the Trustees. When present, the Chair of Trustees shall be chairperson of meetings of Trustees and Unitholders and shall have such other powers and duties as the Trustees may determine from time to time to manage the affairs of the Board and monitor the effectiveness of the Trustees.

## **5.3 Term of Office**

The Chair of Trustees and any officer appointed by the Trustees shall hold such position until his or her successor is elected or appointed, provided, without prejudice to rights under any employment contract, that the Trustees may at any time remove an officer from office in their sole discretion.

## **5.4 Independent Contractors**

Any office of the Trust appointed by the Trustees may be held by an individual who is not an employee of the Trust but has been retained by the Trust to hold such office pursuant to an independent service agreement entered into between the Trust and that individual or that individual's employer.

# **ARTICLE 6 THE ADMINISTRATOR**

## **6.1 Administration of the Trust**

The Trustee is hereby authorized to enter into the Administration Services Agreement with the Administrator containing terms set out in the Offering Memorandum and such other terms as may be determined by the Trustees and delegating to the Administrator responsibility for the services set out therein. Pursuant to the Administration Services Agreement, the Administrator will have discretion to administer and manage the day-to-day operations of the Trust, act as agent for the Trust, execute documents on behalf of the Trust and to make decisions which conform to general policies and general principles set forth herein or established by the Trustees. The Administrator shall have the powers and duties expressly provided for herein and in the Administration Services Agreement, and the Manager will have the power to further delegate administration of the Trust where in the discretion of the Administrator it is in the best interests of Unitholders to do so, provided that the Administrator shall not be relieved of its obligations in respect of the matters so delegated. To the extent that there is any conflict or inconsistency between the provisions of this Declaration of Trust and the provisions of such Administration Services Agreement, the provisions of this Declaration of Trust shall govern.

## **6.2 Standard of Care of Administrator**

The Administrator shall exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Trust and shall exercise the degree of care, diligence and skill of a reasonably prudent person in the circumstances. Subject to the foregoing, the Administrator shall not be required to devote its full time and attention to the affairs of the Trust but need only devote such time as it may deem appropriate or necessary to discharge its duties under this Declaration of Trust and the Administration Services Agreement in a responsible manner.

## **6.3 Services of Administrator**

The Administrator has the authority to manage the day-to-day activities of the Trust and, as applicable, any entity which the Trust may control from time to time, including Windridge LP, in accordance with the terms of the Administration Services Agreement.



#### **6.4 Liability of Trustees**

Subject to applicable law, the Trustees shall have no liability or responsibility for any matters delegated to the Administrator hereunder or under the Administration Services Agreement, and the Trustees, in relying on the Administrator shall be deemed to have complied with its obligations under Section 4.5 and shall be entitled to the benefit of the indemnity provided in Section 18.1.

### **ARTICLE 7 INVESTMENT RESTRICTIONS AND OPERATING POLICIES**

#### **7.1 Investment Restrictions**

Notwithstanding any other provision hereof, the assets of the Trust may be invested only with the approval of the Trustees and only in accordance with the following restrictions:

- (a) the Trust may only invest, indirectly through Windridge LP, in UFLs of the Property and assets ancillary thereto necessary for the operation and development of such real estate and such other activities as are consistent with the other investment restrictions of the Trust;
- (b) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of Canada or of a province of Canada, short-term government debt securities, or money market instruments of, or guaranteed by, a Canadian bank listed on Schedule I to the *Bank Act* (Canada) maturing prior to one year from the date of issue, the Trust shall not hold securities other than securities of Windridge LP or an entity associated with the operation and development of the Property;
- (c) notwithstanding anything else contained in the Declaration of Trust, the Trust shall not make any investment, take any action or omit to take any action that would result in the Trust not qualifying, at all times, as a “mutual fund trust” within the meaning of the Tax Act; and
- (d) the Trust shall not take any action, or acquire, retain or hold any investment in any entity or other property that would result in the Trust being a “SIFT trust” as defined in the Tax Act.

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the Trust will be deemed to be those of the Trust on a proportionate consolidation basis.

#### **7.2 Operating Policies**

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

- (a) the Trust shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term “hedging” has the meaning ascribed thereto by National Instrument 81-102 — *Mutual Funds* adopted by the Canadian Securities Administrators;
- (b)
  - (i) any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage; and
  - (ii) to the extent the Board determines to be practicable and consistent with its fiduciary duty to act in the best interest of the Trust, any written instrument which is, in the

judgment of the Board, a material obligation, shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the Trust, but that only Trust Property or a specific portion thereof is bound; the Trust, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of the UFI; and

- (c) title to UFIs shall be held by and registered in the name of Windridge LP.

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the Trust will be deemed to be those of the Trust on a proportionate consolidation basis.

### **7.3 Amendments to Investment Restrictions and Operating Policies**

All of the investment restrictions set out in Section 7.1 and operating policies in Section 7.2 may be amended only with the approval of two-thirds of the votes cast by Unitholders at a meeting called for such purpose.

### **7.4 Tax Election**

The Trustees shall cause the Trust to elect, in its return of income for the first taxation year of the Trust, pursuant to Subsection 132(6.1) of the Tax Act, that the Trust be deemed to be a "mutual fund trust" for the purposes of the Tax Act from the date it was established, provided that prior to filing such return of income the Trust has sufficient Unitholders so as to be entitled to make such election and has otherwise complied with the requirements thereof. Notwithstanding anything else contained in this Declaration of Trust, the Trust shall not make any investment, take any action or omit to take any action that would result in the Trust failing or ceasing to qualify as a "mutual fund trust" or qualifying as a "SIFT Trust" within the meaning of the Tax Act.

### **7.5 Regulatory Matters**

If at any time a government or regulatory authority having jurisdiction over the Trust or any property of the Trust shall enact any law, regulation or requirement which is in conflict with any investment restrictions or operating policy of the Trust then in force, the investment restrictions or operating policies causing such conflict shall, if the Trustees on the advice of legal counsel to the Trust so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary herein contained, any such resolution of the Trustees shall not require the prior approval of the Unitholders.

## **ARTICLE 8 UNITS**

### **8.1 Units**

- (a) The beneficial interests in the Trust shall be represented by a single class, described and designated as "Units", which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out herein. Each Unit shall vest indefeasibly in the holder thereof and the interest of each Unitholder shall be determined by the number of Units registered in the name of the Unitholder. The number of Units that the Trust may issue shall be unlimited. The issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without notice to or approval of the Unitholders. The Units are not "deposits" within

the meaning of the Canada Deposit Insurance Corporation Act and are not insured under the provisions of such act or any other legislation.

- (b) The Units shall be denominated in Canadian dollars.
- (c) Each Trust Unit shall represent an equal undivided beneficial interest in the Trust, in any distribution from the Trust (whether of Trust Income, Net Realized Capital Gains or other amounts), and, in the event of termination or winding up of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities. All Units rank among themselves equally and rateably without discrimination, preference or priority.
- (d) Each Unit shall entitle the holder of record thereof to one vote at all meetings of Unitholders or in respect of any written resolution of the Unitholders.

## **8.2 Consideration for Units**

No Units shall be issued other than as fully paid and non-assessable. A Unit shall not be fully paid until the consideration therefor has been received in full by or on behalf of the Trust. The consideration for any Unit shall be paid in money or in property or in past services that are not less in value than the fair equivalent of the money that the Trust would have received if the Unit had been issued for money. In determining whether property or past services are the fair equivalent of consideration paid in money, the Trustees may take into account reasonable charges and expenses of organization and reorganization and payments for property and past services reasonably expected to benefit the Trust

## **8.3 Repurchase of Initial Unit by Trust**

Immediately after the initial Closing, the Trust will re-purchase the Initial Unit from the Initial Unitholder, and the Initial Unitholder will sell the Initial Unit to the Trust, for a purchase price of \$100.00 and, upon the completion of such purchase and sale, the Initial Unit shall be cancelled and shall no longer be outstanding for any purpose of this Declaration of Trust.

## **8.4 Pre-Emptive Rights**

Subject to any binding agreement entered into by the Trust, no person shall be entitled, as a matter of right, to subscribe for or purchase any Units of the Trust.

## **8.5 Fractional Units**

If as a result of any act of the Trustees hereunder, any person becomes entitled to a fraction of a Unit, such person shall not be entitled to receive a certificate therefor. Fractional Units shall not, except to the extent that they may represent in the aggregate one or more whole Units, entitle the holders thereof to notice of or to attend or to vote at meetings of the Unitholders. Subject to the foregoing, such fractional Units shall have attached thereto the rights, limitations, restrictions and conditions attaching to whole Units in the proportion that they bear to a whole Unit.

## **8.6 Allotment and Issue**

The Trustees may allot and issue Units at such time or times and in such manner and for such consideration and to such person, persons or class of persons as the Trustees in their sole discretion shall determine. In the event that Units are issued in whole or in part for a consideration other than money, the resolution of the Trustees allotting and issuing such Units shall express the fair equivalent in money of the other consideration received. The price or value of the consideration for which Units may be issued will be determined by the Trustees in their sole

discretion, generally in consultation with investment or exempt market dealers or brokers who may act as agents in connection with the Offering.

#### **8.7 Rights, Warrants, Options, Convertible Indebtedness and Other Securities**

The Trust may not create and issue rights, warrants or options or other instruments or securities to subscribe for fully paid Units. Subject to the provisions of Article 7 hereof, the Board may not create and issue indebtedness of the Trust in respect of which interest, premium or principal payable thereon may be paid, at the option of the Trust or the holder, in fully paid Units, or which indebtedness, by its terms, may be convertible into Units at such time and for such prices as the Board may determine.

#### **8.8 Commissions and Discounts**

The Trustees may provide for the payment of commissions or may allow discounts to persons in consideration of their subscribing or agreeing to subscribe, whether absolutely or conditionally, for Trust Units or other securities issued by the Trust or of their agreeing to procure subscriptions therefor, whether absolute or conditional.

#### **8.9 Transferability**

The Units are freely transferable and, except as stipulated in Section 8.10, the Board shall not impose any restriction on the transfer of Units by any Unitholder except with the consent of such Unitholder.

#### **8.10 Transfer of Units**

- (a) Subject to the provisions of this Article 8, the Units shall be for all purposes of the Trust and this Declaration of Trust, personal and moveable property, and the Units shall be fully transferable without charge as between persons, but no transfer of Units shall be effective as against the Trustees or shall be in any way binding upon the Trustees until the transfer has been recorded on the Register maintained by the Trustees, the Trust or the Transfer Agent. No transfer of a Unit shall be recognized unless such transfer is of a whole Unit.
- (b) Subject to the provisions of this Article 8, Units shall be transferable on the Register only by the holders of record thereof or their executors, administrators or other legal representatives or by their agents or attorneys duly authorized in writing, and only upon delivery to the Trust or to the Transfer Agent of the certificate therefor, properly endorsed or accompanied by a duly executed instrument of transfer or power of attorney and accompanied by all necessary transfer or other taxes imposed by law, together with such evidence of the genuineness of such endorsement, execution and authorization and other matters that may reasonably be required by the Trustees or the Transfer Agent. Upon such delivery the transfer shall be recorded on the Register or branch transfer registers and a new Unit Certificate for the Units shall be issued to the transferee and a new Unit Certificate for the balance of Units not transferred shall be issued to the transferor.
- (c) Unit Certificates representing any number of Units may be exchanged without charge for Unit Certificates representing an equivalent number of Units in the aggregate. Any exchange of Unit Certificates may be made at the offices of the Trust or the Transfer Agent where registers are maintained for Unit Certificates pursuant to the provisions of this Article 8. Any Unit Certificates tendered for exchange shall be surrendered to the Trustees or appropriate Transfer Agent and then shall be cancelled.

**8.11 Non-Resident Ownership Constraint**

- (a) At no time may Non-Residents be the beneficial owners of more than 49% of the Units then outstanding 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 for the purposes of the Tax Act. 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 are, or may be, Non-Residents or that such a situation is imminent, the Trustees 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.
- (b) If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Units are held by Non-Residents, the Trustees may send a notice to Non-Resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees 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 Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may, on behalf of such Unitholders sell such Units without further notice and, in the interim, suspend the voting and distribution rights attached to such Units. Upon such sale the affected holders shall cease to be holders of Units and their rights will be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the Trustees which is unpaid and owing to such Unitholders. The Trustees shall have no liability for the amount received provided that they act in good faith.
- (c) For greater certainty, the Trust may sell Units in accordance with the terms hereof despite the fact that the Trust does not possess the Unit Certificate or Unit Certificates, if any, representing the Units at the time of the sale. Where, in accordance with this Section 8.11, Units are sold by the Trust without possession of the Unit Certificate or Unit Certificates, if any, representing the same and, after the sale, a person establishes that it is a *bona fide* purchaser without notice of the Units from the Unitholder, then, subject to applicable law:
  - (i) the Trust shall be entitled to treat the Units so purchased by the *bona fide* purchaser as validly issued and outstanding Units in addition to the Units sold by the Trust; and
  - (ii) notwithstanding any other provisions of this Declaration of Trust, the Trust is entitled to the deposit made with respect to such sale and shall add the amount of the deposit to the capital account maintained by the Trust in respect of outstanding Units.
- (d) The Trustees shall have the sole right and authority to make any determination required or contemplated under this Section 8.11. The Trustees shall make all determinations necessary for the administration of the provisions of this Section 8.11 and, without limiting the generality of the foregoing, if the Trustees consider that there are reasonable grounds for believing that a contravention of the non-resident ownership restriction has occurred or will occur, the Trustees shall make a determination with respect to the matter. Any such determination shall be conclusive, final and binding except to the extent modified by any subsequent determination by the Trustees. Notwithstanding the foregoing, the Trustees may delegate, in whole or in part, their power to make a determination to any officer of the Trust.

#### **8.12 Certificate Fee**

The Trustees may establish a reasonable fee to be charged for every certificate issued evidencing the ownership of Units.

#### **8.13 Form of Unit Certificate**

The form of certificate representing Units shall be in such form as is from time to time authorized by the Trustees.

#### **8.14 Unit Certificates**

- (a) Unit Certificates shall, subject to the provisions hereof, be in such form as is authorized from time to time by the Trustees.
- (b) Unit Certificates are issuable only in fully registered form.
- (c) The definitive form of the Unit Certificates shall:
  - (i) be in the English language;
  - (ii) be dated the date of issue thereof; and
  - (iii) contain such distinguishing letters and numbers as the Trustees shall prescribe.
- (d) Each Unit Certificate shall be signed by the Administrator on behalf of the Trustees and, unless otherwise decided by the Trustees, signed or certified by the Transfer Agent of the Trust (if different than the Administrator). The signature of the Trustees required to appear on such certificate may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid as if they had been signed manually. If a Unit Certificate contains the printed or mechanically reproduced signature of a person, then the Trust may issue the Unit Certificate even though such person has ceased to be a Trustee or an authorized representative thereof and such Unit Certificate is a valid as if such person continued to be a Trustee or an authorized representative thereof at the date of its issue.

#### **8.15 Contents of Unit Certificates**

- (a) Until otherwise determined by the Trustees, each Unit Certificate shall legibly set forth on the face thereof, inter alia, the following:
  - (i) the name of the Trust and the words "A trust governed under the laws of the Province of Ontario governed by an Declaration of Trust made the 13<sup>th</sup> day of February, 2013, as amended from time to time" or words of like effect;
  - (ii) the name of the person to whom the Unit Certificate is issued as Unitholder;
  - (iii) the number of Units represented thereby and whether or not the Units represented thereby are fully paid;
  - (iv) that the Units represented thereby are transferable;
  - (v) "The Units represented by this certificate are issued upon the terms and subject to the conditions of the Declaration of Trust, which Declaration of Trust is binding upon all

holders of Units and, by acceptance of this certificate, the holder assents to the terms and conditions of the Declaration of Trust. A copy of the Declaration of Trust, pursuant to which this certificate and the Units represented thereby are issued, may be obtained by a Unitholder on demand and without fee from the head office of the Trust” or words of like effect; and

- (vi) “For information as to personal liability of a Unitholder, see the reverse side of this certificate” or words of like effect.
- (b) Until otherwise determined by the Trustees, each such certificate shall legibly set forth on the reverse side thereof, *inter alia*, the following:
  - (i) “The Declaration of Trust provides that no Unitholder shall be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person in connection with the assets of the Trust or the obligations or the affairs of the Trust and all such persons shall look solely to the assets of the Trust for satisfaction of claims of any nature arising out of or in connection therewith and the assets of the Trust only shall be subject to levy or execution”, or words of like effect; and
  - (ii) appropriate forms of notice of exercise of the right of redemption and of powers of attorney for transferring Units.

#### **8.16 Register of Unitholders**

A register (the “**Register**”) shall be kept at the principal office of the Trust in Toronto, Ontario, which Register shall contain the names and addresses of the Unitholders, the respective numbers of Units held by them, the certificate numbers of certificates representing such Units and a record of all transfers and redemptions thereof. Only Unitholders whose certificates are so recorded shall be entitled to receive distributions or to exercise or enjoy the rights of Unitholders hereunder. The Trustees shall have the right to treat the person registered as a Unitholder on the Register as the owner of such Units for all purposes, including, without limitation, payment of any distribution, giving notice to Unitholders and determining the right to attend and vote at meetings of Unitholders.

#### **8.17 Successors in Interest to the Unitholders**

Persons purporting to become entitled to any Units as a consequence of the death, bankruptcy or incompetence of any Unitholder or otherwise by operation of law, shall be recorded in the Register as the holder of such Units, but until such record is made, the Unitholder of record shall continue to be and shall be deemed to be the holder of such Units for all purposes whether or not the Trust, the Trustees or the Transfer Agent or registrar of the Trust shall have actual or other notice of such death, bankruptcy, incompetence or other event, and any person becoming entitled to such Units shall be bound by every notice or other document in respect of the Units which shall have been duly given to the person from whom such person derives title to such Units. Once such record is made, the Trustees shall deal with the new holder of such units as Unitholder from thereon and shall have no liability to any other person purporting to have been entitled to the Units prior to the making of such record.

#### **8.18 Units Held Jointly or in Fiduciary Capacity**

The Trust may treat two or more Persons holding any Unit as joint tenants of the entire interest therein unless the ownership is expressly otherwise recorded on the Register, but no entry shall be made in the Register or on any certificate that any Person is in any other manner entitled to any future, limited or contingent interest in any Unit; provided, however, that any Person recorded in the Register or on any certificate as a Unitholder may, subject to the provisions herein contained, be described in the Register or on any certificate as a fiduciary of any kind and any customary words may be added to the description of the holder to identify the nature of such fiduciary relationship.

#### **8.19 Performance of Trusts**

None of the Trustees of the Trust, the officers of the Trust, the Unitholders or the Transfer Agent or other agent of the Trust or the Trustees shall have a duty to inquire into any claim that a transfer of a Unit or other security of the Trust was or would be wrongful or that a particular adverse person is the owner of or has an interest in the Unit or other security or any other adverse claim, or be bound to see to the performance of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the Units or other securities or any interest therein are or may be subject, or to ascertain or inquire whether any sale or transfer of any such Units or other securities or interest therein by any such Unitholder or holder of such security or his personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein, except for the person recorded as Unitholder.

#### **8.20 Lost Unit Certificates**

In the event that any certificate for Units is lost, stolen, destroyed or mutilated, the Trustees or any officer of the Trust may authorize the issuance of a new certificate for the same number of Units in lieu thereof. The Trustees or any officers of the Trust may in their discretion, before the issuance of such new certificate, require the owner of the lost, stolen, destroyed or mutilated certificate, or the legal representative of the owner, to make such affidavit or statutory declaration, setting forth such facts as to the loss, theft, destruction or mutilation as the Trustees or any officers of the Trust deem necessary and may require the applicant to supply to the Trust a "lost certificate" or similar bond in such reasonable amount as the Trustees or any officers of the Trust direct indemnifying the Trustees or any officers of the Trust, the Transfer Agent and Registrar for so doing. The Trustees or any officers of the Trust shall have the power to acquire from an insurer or insurers a blanket lost security bond or bonds in respect of the replacement of lost, stolen, destroyed or mutilated certificates. The Trust shall pay all premiums and other sums of money payable for such purpose out of the property of the Trust with such contribution, if any, by those, insured as may be determined by the Trustees or any officers of the Trust. If such blanket lost security bond is acquired, the Trustees or any officers of the Trust may authorize and direct (upon such terms and conditions as they may from time to time impose) any Registrar, Transfer Agent, Trustee, or others to whom the indemnity of such bond extends to take such action to replace such lost, stolen, destroyed or mutilated certificates without further action or approval by the Trustees or any officers of the Trust.

#### **8.21 Death of the Unitholders**

The death of a Unitholder during the continuance of the Trust shall not terminate the Trust or give the personal representatives or the heirs of the estate of the deceased Unitholder a right to an accounting or to take any action in the courts or otherwise against other Unitholders or the Trustees, officers of the Trust or Trust Property, but shall only entitle the personal representatives or the heirs of the estate of the deceased Unitholder to succeed to all rights of the deceased Unitholder under this Declaration of Trust.

#### **8.22 Unclaimed Payments**

In the event that the Trustees hold any amounts to be paid to the holders of Trust Units under Article 12 or otherwise because such amounts are unclaimed or cannot be paid for any reason, neither the Trustees nor any distribution disbursing agent shall be under any obligation to invest or reinvest the same and shall only be obligated to hold the same in a current or other non-interest bearing account with a chartered bank or trust company pending payment to the Person or Persons entitled thereto. The Trustees shall, as and when required by law, and may at any time prior to such required time, pay all or part of such amounts so held to a court in the province where the Trust has its principal office or to the Public Guardian and Trustee of Ontario (or other similar government official or agency in the province where the Trust has its principal office) whose receipt shall be a fulfilment and discharge of the obligations of the Trustees.



### 8.23 Repurchase of Trust Units

The Trust shall be entitled to purchase for cancellation at any time and from time to time the whole or any part of the outstanding Trust Units, at a price per Trust Unit and for such forms of consideration as may be determined by the Trustees in compliance with all applicable Securities Laws.

### 8.24 Take-Over Bids

- (a) If within 120 days after the date of a take-over bid the bid is accepted by the holders of not less than 90% of the Units, other than Units held at the date of the take-over bid by or on behalf of the offeror or an affiliate or associate of the offeror, the offeror is entitled, on complying with this Section 8.24, to acquire the Units held by holders of Units that did not tender to the take-over bid (the “**dissenting offerees**”).
- (b) An offeror may acquire Units held by a dissenting offeree by sending by registered mail within 60 days after the date of termination of the take-over bid and in any event within 180 days after the date of the take-over bid, an offeror’s notice to each dissenting offeree stating that:
  - (i) offerees holding more than 90% of the Units, calculated on a fully diluted basis, accepted the take-over bid, other than Units held at the date of the take-over bid by or on behalf of the offeror or an affiliate or associate of the offeror;
  - (ii) the offeror is bound to take up and pay for or has taken up and paid for the Units of the offerees who accepted the take-over bid;
  - (iii) a dissenting offeree is required to elect:
    - (A) to transfer his Units to the offeror on the terms on which the offeror acquired the Units of the offerees who accepted the takeover bid, or
    - (B) to demand payment of the fair value of his Units in accordance with Section 8.24(h) to (q) by notifying the offeror within 20 days after he receives the offeror’s notice;
  - (iv) a dissenting offeree who does not notify the offeror in accordance with Section 8.24(b)(iii)(B) is deemed to have elected to transfer his Units to the offeror on the same terms that the offeror acquired the Units from the offerees who accepted the take-over bid; and
  - (v) a dissenting offeree must send his Units to which the take-over bid relates to the Trust within 20 days after he receives the offeror’s notice.
- (c) Concurrently with sending the offeror’s notice under Section 8.24(b), the offeror shall send to the Trust a notice of adverse claim disclosing the name and address of the offeror and the name of the dissenting offeree with respect to each Unit held by a dissenting offeree.
- (d) A dissenting offeree to whom an offeror’s notice is sent under Section 8.24 (b) shall, within 20 days after he receives that notice, send his Unit Certificates to the Trust.
- (e) Within 20 days after the offeror sends an offeror’s notice under Section 8.24 (b), the offeror shall pay or transfer to the Trust the amount of money or other consideration that the offeror would

have had to pay or transfer to a dissenting offeree if the dissenting offeree had elected to accept the take-over bid under Section 8.24 (b)(iii)(A).

- (f) The Trust is deemed to hold in trust for the dissenting offeree the money or other consideration it receives under Section 8.24(e) and the Trust shall deposit the money in a separate account in a bank or other body corporate any deposits of which are insured by the Canada Deposit Insurance Corporation or guaranteed by the Québec Deposit Insurance Board, and shall place the other consideration in the custody of a bank or such other body corporate.
- (g) Within 30 days after the offeror sends an offeror's notice under Section 8.24 (b), the Trust shall:
  - (i) issue to the offeror a Unit Certificate in respect of the Units that were held by dissenting offerees;
  - (ii) give to each dissenting offeree who elects to accept the take-over bid terms under Section 8.24(b)(iii)(A) and who sends his Unit Certificates as required under Section 8.24(d), the money or other consideration to which he is entitled, disregarding fractional Units, if any, which may be paid for in money; and
  - (iii) send to each dissenting offeree who has not sent his Unit Certificates as required under Section 8.24(d) a notice stating that:
    - (A) his Units have been cancelled;
    - (B) the Trust or some designated person holds in trust for him the money or other consideration to which he is entitled as payment for or in exchange for his Units, and
    - (C) the Trust will, subject to Section 8.24(h) to (q), send that money or other consideration to him forthwith after receiving his Units.
- (h) If a dissenting offeree has elected to demand payment of the fair value of his Units under Section 8.24(b)(iii)(B), the offeror may, within 20 days after it has paid the money or transferred the other consideration, under Section 8.24(e), apply to a court to fix the fair value of the Units of that dissenting offeree.
- (i) If an offeror fails to apply to a court under Section 8.24(h), a dissenting offeree may apply to a court for the same purpose within a further period of 20 days.
- (j) Where no application is made to a court under Section 8.24(i) within the period set out in that subsection, a dissenting offeree is deemed to have elected to transfer his Units to the offeror on the same terms that the offeror acquired the Units from the offerees who accepted the take-over bid.
- (k) An application under Section 8.24(h) or (i) shall be made to a court having jurisdiction in the place where the Trust has its registered office.
- (l) A dissenting offeree is not required to give security for costs in an application made under Sections 8.24(h) or (i).
- (m) On an application under Sections 8.24(h) or (i):

- (i) all dissenting offerees referred to in Section 8.24 (b)(iii)(B) whose Units have not been acquired by the offeror shall be joined as parties and shall be bound by the decision of the court; and
- (ii) the offeror shall notify each affected dissenting offeree of the date, place and consequences of the application and of his right to appear and be heard in person or by counsel.
- (n) On an application to a court under Sections 8.24(h) or (i) the court may determine whether any other person is a dissenting offeree who should be joined as a party, and the court shall then fix a fair value for the Units of all dissenting offerees.
- (o) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the Units of a dissenting offeree.
- (p) The final order of the court shall be made against the offeror in favour of each dissenting offeree and for the amount for his Units as fixed by the court.
- (q) In connection with proceedings under this Section 8.24, a court may make any order it thinks fit and, without limiting the generality of the foregoing, it may:
  - (i) fix the amount of money or other consideration that is required to be held in trust under Section 8.24(f);
  - (ii) order that money or other consideration be held in trust by a person other than the Trust; and
  - (iii) allow a reasonable rate of interest on the amount payable to each dissenting offeree from the date he sends or delivers his Unit Certificates under Section 8.24(d) until the date of payment.

## **ARTICLE 9**

### **MEETINGS OF THE UNITHOLDERS**

#### **9.1 Meetings of Unitholders**

Annual meetings of Unitholders are not required. However, meetings of Unitholders may be called at any time by the Board and must be called by the Trustees upon a written request of Unitholders holding in the aggregate not less than 25% of the Units then outstanding, such request specifying the purpose or purposes for which such meeting is to be called. Meetings of Unitholders will be held at a location in Canada as determined by the Trustees. The Chair of any meeting will be a person designated by the Board for the purpose of such meeting except that in lieu of the person so designated or if no person has been so designated, on the motion of any Unitholder, any person may be elected as Chair by a majority of the votes cast at the meeting.

#### **9.2 Notice of Meeting of the Unitholders**

Notice of all meetings of the Unitholders shall be mailed or delivered by the Trustees to each Unitholder and to the Auditors of the Trust not less than 21 nor more than 60 days or within such other number of days as required by law before the meeting. Such notice shall specify the time when, and the place where, such meeting is to be held and shall state briefly the general nature of the business to be transacted at such meeting, and shall otherwise include such information as would be provided to shareholders of a corporation governed by the *Business Corporations Act* (Ontario) in connection with a meeting of shareholders. Notice of any meeting of the Unitholders

shall state the purposes of the meeting. Any adjourned meeting, other than a meeting adjourned for lack of a quorum under Section 9.4, may be held as adjourned without further notice. Notwithstanding the foregoing, a meeting of Unitholders may be held at any time without notice if all the Unitholders are present or represented thereat or those not so present or represented have waived notice. Any Unitholder (or a duly appointed proxy of a Unitholder) may waive any notice required to be given under the provisions of this Section 9.2, and such waiver, whether given before or after the meeting, shall cure any default in the giving of such notice. Attendance at a meeting of Unitholders shall constitute a waiver of notice unless the Unitholder or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not properly called.

### **9.3      Chairperson**

The chairperson of any meeting shall be the Chair of the Trustees or any other Trustee specified by resolutions of the Trustees or, in the absence of any Trustee, any person appointed as chairperson of the meeting by the Unitholders present.

### **9.4      Quorum**

A quorum for any meeting of the Unitholders shall be individuals present in person or represented by proxy, not being less than two in number and such persons holding or representing by proxy in aggregate not less than 10% of the total number of outstanding Units, provided that if the Trust has only one Unitholder, the Unitholder present in person or by proxy constitutes a meeting and a quorum for such meeting. If a quorum is present at the opening of a meeting, the Unitholders may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. The Chair of any meeting at which a quorum of Unitholders is present may, with the consent of the majority of the Unitholders present in person or by proxy, adjourn at such meeting and no notice of any such adjournment need be given. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if called by request of Unitholders, shall be cancelled and, if otherwise called, shall stand adjourned to such day being not less than 10 days later and to such place and time as may be determined by the Board. If at such adjourned meeting a quorum as above defined is not present, the Unitholders present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

### **9.5      Voting**

- (a) Holders of Units may attend and vote at all meetings of the Unitholders either in person or by proxy. Each Unit shall entitle the holder of record thereof to one vote at all meetings of the Unitholders.
- (b) Any action to be taken by the Unitholders shall, except as otherwise required by this Declaration of Trust or by law, be authorized when approved by a majority of the votes cast at a meeting of the Unitholders. The Chair of any such meeting shall not have a second or casting vote. Every question submitted to a meeting, other than a Special Resolution, shall, unless a poll vote is demanded, be decided by a show of hands, on which every person present and entitled to vote shall be entitled to one vote.
- (c) At any such meeting, unless a poll is demanded, a declaration by the Chair that a resolution has been carried or carried unanimously or by a particular majority, or lost or not carried by a particular majority, shall be conclusive evidence of that fact. If a poll is demanded concerning the election of a chairperson or an adjournment, it shall be taken immediately upon request and, in any other case, it shall be taken at such time as the Chair may direct. The demand for a poll shall

not prevent the continuation of a meeting for the transaction of any business other than the question on which the poll has been demanded.

- (d) At any meeting of Unitholders, on a show of hands every person who is present and entitled to vote, whether as a Unitholder or as a proxy, shall have one vote. At any meeting of Unitholders on a poll, each Unitholder present in person or represented by a duly appointed proxy shall have one vote for each Unit held on the applicable record date, except as otherwise set forth herein.

#### **9.6 Approval by Ordinary Resolution**

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

- (a) matters relating to the administration of the Trust for which the approval of the Unitholders is required by 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 this Declaration of Trust to be required to be consented to or approved by the Unitholders; and
- (c) any matter which the Board considers appropriate to present to the Unitholders for their confirmation or approval.

#### **9.7 Approval by Special Resolution**

Subject to Section 15.1, none of the following shall occur unless the same has been duly approved by Special Resolution:

- (a) the removal of any Trustee appointed by the Administrator;
- (b) the amendment of this Declaration of Trust or changes to the Trust, including changes to the investment restrictions and operating policies as specified in Article 7;
- (c) a reduction in the amount payable on any outstanding Units upon liquidation of the Trust;
- (d) an increase in the liability of any Unitholders; or
- (e) an amendment, modification or variation in the provisions or rights attaching to the Units.

#### **9.8 Record Dates**

For the purpose of determining the Unitholders who are entitled to receive notice of and vote at any meeting or any adjournment(s) or postponement(s) thereof or for the purpose of any other action, the Trustees may from time to time, without notice to the Unitholders, close the transfer books for such period, not exceeding 35 days, as the Trustees may determine; or without closing the transfer, books the Trustees may fix a date not less than 21 days and not more than 60 days prior to the date of any meeting of the Unitholders or other action as a record date for the determination of the Unitholders entitled to receive notice of and to vote at such meeting or any adjournment(s) or postponement(s) thereof or to be treated as the Unitholders of record for purposes of such other action, and any Unitholder who was a Unitholder at the time so fixed shall be entitled to receive notice of and vote at such meeting or any adjournment(s) or postponement(s) thereof, even though it has since that date disposed of its Units, and no Unitholder becoming such after that date shall be entitled to receive notice of and vote at such meeting or any adjournment(s) or postponement(s) thereof or to be treated as a Unitholder of record

for purposes of such other action. If, in the case of any meeting of the Unitholders, no record date with respect to voting has been fixed by the Trustees, the record date for voting shall be 5:00 p.m. on the last Business Day before the meeting.

#### **9.9 Proxies**

- (a) Whenever the vote or consent of the Unitholders is required or permitted under this Declaration of Trust, such vote or consent may be given either directly by the Unitholder or by a proxy in such form as the Trustees may prescribe from time to time or, in the case of a Unitholder that is a body corporate or association, by an individual authorized by the board of directors or governing body of the body corporate or association to represent it at a meeting of the Unitholders. A proxyholder need not be a Unitholder. The Trustees may solicit such proxies from the Unitholders or any of them in any matter requiring or permitting the Unitholders' vote, approval or consent.
- (b) The Trustees may adopt, amend or repeal such regulations relating to the appointment of proxyholders, and the solicitation, execution, validity, revocation and deposit of proxies, as they in their discretion from time to time determine.
- (c) An instrument of proxy executed in compliance with the foregoing shall be valid unless challenged at the time of or prior to its exercise, and the persons challenging the instrument shall have the burden of proving, to the satisfaction of the Chair of the meeting at which the instrument is proposed to be used, that the instrument of proxy is invalid. Any decision of the Chair of the meeting in respect of the validity of an instrument of proxy shall be final and binding upon all persons. An instrument of proxy shall be valid only at the meeting with respect to which it was solicited or any adjournment(s) or postponement(s) thereof.
- (d) A vote cast, in accordance with any proxy shall be valid notwithstanding the death, incapacity, insolvency or bankruptcy of the Unitholder giving the proxy or the revocation of the proxy unless written notice of the death, incapacity, insolvency, bankruptcy or revocation of the proxy has been received by the Chair of the meeting prior to the time when the vote is cast.

#### **9.10 Personal Representatives**

If a Unitholder is deceased, his personal representative, upon filing with the secretary of the meeting such proof of his appointment as the secretary considers sufficient, shall be entitled to exercise the same voting rights at any meeting of Unitholders as the Unitholder would have been entitled to exercise if he were living and for the purpose of the meeting shall be considered to be a Unitholder. Subject to the provisions of the will of a deceased Unitholder, if there is more than one personal representative, the provisions of Section 8.18 relating to joint holders shall apply. When any Unit is held jointly by several persons, any one of them may vote at any meeting in person or by proxy in respect of such Unit, but if more than one of them shall be present at such meeting in person or by proxy, and such joint owners or their proxies so present disagree as to any vote to be cast, such vote purporting to be executed by or on behalf of a Unitholder shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

#### **9.11 Attendance by Others**

Any Trustee, officer of the Trust, representative of the Auditors, representative of the legal counsel of the Trust or other individual approved by the Trustees may attend and speak at any meeting of the Unitholders.

#### **9.12 Conduct of Meetings**

To the extent that the rules and procedures for the conduct of a meeting of the Unitholders are not prescribed herein or in the Trustees' Regulations, the rules and procedures shall be such reasonable rules and procedures as

are determined by the chair of the meeting and such rules and procedures shall be binding upon all parties participating in the meeting.

**9.13 Binding Effect of Resolutions**

Every resolution passed at a meeting in accordance with the provisions of this Declaration of Trust shall be binding upon all Unitholders, whether present at or absent from the meeting. Subject to Sections 9.6 and 9.7, no action taken by Unitholders at any meeting of Unitholders shall in any way bind the Trust or the Trustees without approval of the Trustees.

**9.14 Resolution in Lieu of Meeting**

A resolution signed in writing by all of the Unitholders entitled to vote on that resolution at a meeting of Unitholders is as valid as if it had been passed at a meeting of Unitholders. Notwithstanding any other provision of this Declaration of Trust, a resolution in writing executed by Unitholders holding a proportion of the outstanding Units equal to the proportion required to vote in favour thereof at a meeting of Unitholders to approve that resolution is valid as if it had been passed at a meeting of Unitholders.

**9.15 Action by Unitholders**

Any action, change, approval, decision or determination required or permitted to be taken or made by the Unitholders hereunder shall be effected by a resolution passed by the Unitholders at a duly constituted meeting (or a Special Resolution in lieu thereof) in accordance with this Article 9.

**9.16 Meaning of "Special Resolution"**

- (a) The expression "**Special Resolution**" when used in this Declaration of Trust means, subject to this Article 9, a resolution proposed to be passed as a special resolution at a meeting of Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions of this Section 9.16 at which two or more individuals present in person or represented by proxy and holding or representing by proxy in aggregate not less than 10% of the total number of outstanding Units and passed by the affirmative votes of the holders of more than 66⅔% of the Units represented at the meeting and voted on a poll upon such resolution.
- (b) Votes on a Special Resolution shall always be given on a poll and no demand for a poll on a Special Resolution shall be necessary.

**9.17 Meaning of "Outstanding"**

Every Unit issued, certified and delivered hereunder will be deemed to be outstanding until it is cancelled or delivered to the Trustees or Transfer Agent for cancellation, provided that:

- (a) when a new certificate has been issued in substitution for a Trust Unit certificate that has been lost, stolen, mutilated or destroyed, only the later of such Trust Unit certificates will be counted for the purposes of determining the number of Units outstanding;
- (b) for the purpose of any provision of this Declaration of Trust entitling holders of outstanding Units to vote, sign consents, requisitions or other instruments or take any action under this Declaration of Trust, Units owned directly or indirectly, legally or equitably, by the Trust, or any Subsidiary thereof will be disregarded, except that:

- (i) for the purpose of determining whether the Trustees will be protected in relying on any such vote, consent, requisition or other instrument or action, only the Units that the Trustees know are so owned will be so disregarded; and
- (ii) Units so owned that have been pledged in good faith other than to the Trust or a Subsidiary thereof will not be so disregarded if the pledgee establishes, to the satisfaction of the Trustees the pledgee's right to vote such Units in its discretion free from the control of the Trust or any Subsidiary thereof.

## **ARTICLE 10**

### **MEETINGS OF THE TRUSTEES**

#### **10.1 Trustees May Act Without Meeting**

The Trustees may act with or without a meeting. Any action of the Trustees or any committee of the Trustees may be taken at a meeting by vote, or without a meeting by written consent signed by all of the Trustees or the members of the applicable committee, as the case may be.

#### **10.2 Notice of Meeting**

Meetings of the Trustees may be held from time to time upon the giving of notice by the Chair or any Trustee. Regular meetings of the Trustees may be held without notice at a time and place fixed in accordance with the Trustees' Regulations. Notice of the time and place of any other meetings shall be mailed or otherwise given not less than 48 hours before the meeting but may be waived in writing by any Trustee either before or after such meeting. Notice of a meeting of Trustees need not specify the purpose of or the business to be transacted at the meeting. If a quorum of Trustees is present, the Trustees may without notice hold a meeting immediately following a meeting of Unitholders. The attendance of a Trustee at a meeting shall constitute a waiver of notice of such meeting except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Each committee of Trustees appointed by the Trustees may adopt its own rules or procedures for the calling, conduct, adjournment and regulation of the meetings of such committees as it sees fit and may amend or repeal such rules or procedures from time to time; provided, however, that the Trustees' Regulations and any such rules or procedures shall not be inconsistent with this Declaration of Trust.

#### **10.3 Place of Meeting**

Meetings of the Trustees may be held at any place in Canada and may not be held outside Canada. A Trustee who attends a meeting of Trustees, in person or by telephone, is deemed to have consented to the location of the meeting except when he or she attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not lawfully called or convened. A majority of Trustees participating in a meeting of Trustees must be present in person in Canada or participating from a location in Canada.

#### **10.4 Chair**

The chair of any meeting of the Trustees shall be the Trustee present at the meeting who holds the office of Chair of the Trustees or if such person is not present, the Trustees present shall choose one of their number to be chairperson. The Chair of the Trustees and the chairperson of any meeting of Trustees shall be a Resident.

#### **10.5 Quorum**

A quorum for all meetings of the Trustees or any committee thereof shall be a majority of the Trustees then holding office or of the Trustees on such committee, provided that a majority of the Trustees comprising the



quorum must be Residents. Notwithstanding any vacancy among the number of Trustees, a quorum of Trustees may exercise all of the powers of the Trustees.

#### **10.6 Adjourned Meeting**

Any meeting of Trustees may be adjourned from time to time by the chairperson of the meeting with the consent of the meeting to a fixed time and place. Further notice of the adjourned meeting need not be given. The adjourned meeting shall be duly constituted if a quorum is present and if it is held in accordance with the terms of the adjournment. If there is not a quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated upon its adjournment.

#### **10.7 Voting at Meetings**

Questions arising at any meeting of the Trustees or of a committee of Trustees shall unless otherwise specified herein, be decided by a majority of the votes cast. In the case of an equality of votes at any meeting of Trustees or of a committee of Trustees, the chairperson of the meeting shall not have a second or casting vote in addition to his original vote, if any. The powers of the Trustees may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all Trustees. Resolutions in writing may be signed in counterparts each of which shall be deemed to be an original and all originals together shall be deemed to be one and the same instrument.

#### **10.8 Meeting by Telephone**

Any Trustee may participate in a meeting of the Trustees or any committee thereof by means of a conference telephone or other communication facilities by means of which all persons participating in the meeting can hear each other and a Trustee so participating shall be considered for the purposes of this Declaration of Trust to be present in person at that meeting, provided that a majority of Trustees are present in person in Canada or participating from a location in Canada.

### **ARTICLE 11 COMMITTEES**

#### **11.1 General**

Except as prohibited by law, the Trustees may appoint from among their number a committee of Trustees and may delegate to such committee any of the powers of the Trustees, provided that a majority of the Trustees appointed to any committee, shall be Residents. The Trustees shall have the power to appoint, employ or contract with any person for any matter relating to the Trust or its assets or affairs. For greater certainty, the Trustees may delegate to any person (including, without limitation any one or more officers of the Trust) the power to execute any document or enter into any agreement on behalf of the Trust or exercise any discretion or make any amendment in relation thereto. The Trustees may grant or delegate such authority to an advisor or a committee of Trustees as the Trustees may in their sole discretion deem necessary or desirable without regard to whether such authority is normally granted or delegated by trustees. The Trustees shall have the power to determine the term and compensation of an advisor or any other person whom they may employ or with whom they may contract. The Trustees shall have the power to grant powers of attorney as required in connection with any financing or security relating thereto.

#### **11.2 Committees**

The Trustees may create such number of committees as they, in their discretion, determine to be necessary or desirable for the purposes of properly governing the affairs of the Trust; provided that the Trustees may not delegate to any committee any powers or authority in respect of which a board of directors of a corporation governed by the *Business Corporations Act* (Ontario) may not so delegate.

### **11.3 Procedure**

Unless otherwise determined by the Trustees, a quorum for meetings of any committee shall be a majority of its members provided that a majority of the Trustees comprising such quorum must be Residents. Each committee shall have the power to appoint its chairperson who must be a Resident and the rules for calling, holding, conducting and adjourning meetings of the committee shall be the same as those governing meetings of the Trustees. Each member of a committee shall serve during the pleasure of the Trustees and, in any event, only so long as he or she shall be a Trustee. The Trustees may fill vacancies in a committee by appointment from among their members. Provided that a quorum is maintained, the committee may continue to exercise its powers notwithstanding any vacancy among its members.

## **ARTICLE 12 DISTRIBUTIONS**

### **12.1 Distributions of Distributable Cash Flow**

The Board will, in respect of each Distribution Period, on or before each Distribution Record Date, declare payable to the Unitholders of record at the close of business on each Distribution Record Date, all or any part of the Distributable Cash Flow for the Distribution Period, with the first of these distributions, if any, declared December 31, 2013. Subject to Section 12.7, any Distributable Cash Flow that has been declared to be payable to Unitholders in respect of a Distribution Period will be paid in cash on the Distribution Payment Date in respect of such Distribution Period.

### **12.2 Currency of Distributions**

Distributions on the Units, including any returns of capital and the distribution of proceeds on the termination of the Trust, will be determined, declared and paid in Canadian dollars.

### **12.3 Distributions of Trust Income, Gains, Capital and Other Amounts**

- (a) The Board may allocate, declare payable and/or make distributions, from time to time, out of Trust Income, Net Realized Capital Gains, the capital of the Trust or otherwise, in any year, in such amount or amounts, and on such dates and to Unitholders of record on such dates, as the Board may determine.
- (b) The Board intends to allocate, distribute and make payable to Unitholders all of the Trust Income, Net Realized Capital Gains and other applicable amounts so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year, such that on the last day of each taxation year (whether or not such day is a Business Day) of the Trust, the Board may declare the following amounts to be due and payable:
  - (i) the amount of Trust Income for such year, other than (A) any Trust Income realized by the Trust as a result of a redemption of Units pursuant to Article 13 and that are payable to redeeming Unitholders under Section 13.7, and (ii) any other Trust Income that was previously paid or made payable to Unitholders in such year; and
  - (ii) the amount of Net Realized Capital Gains for such year, other than (A) any capital gains that are realized by the Trust as a result of a redemption of Units pursuant to Article 13 and that are payable to redeeming Unitholders under Section 13.7, and (B) any other capital gains that were previously paid or made payable to Unitholders in such year.
- (c) Any distribution made pursuant to this Section 12.3 will be payable to each Unitholder of record on the applicable record date in respect of a distribution pursuant to Section 12.3(a), or on the

last day of the taxation year in the year of distribution in respect of a distribution pursuant to Section 12.3(b), Subject to Section 12.7, amounts that have been declared to be payable to Unitholders pursuant to Section 12.3(a) will be paid in cash on the Distribution Payment Date determined by the Board in respect of such distribution and, subject to Section 12.7, amounts that are payable pursuant to Section 12.3(b) will be paid in cash on the Distribution Payment Date for the Distribution Period ending December 31.

- (d) As contemplated by Section 13.7, the Board may designate as payable to redeeming Unitholders as part of the redemption price any capital gain and/or income realized by the Trust as a result of an in specie distribution on a redemption of Units pursuant to Article 13.

#### **12.4 Character of Distributions, Designations and Allocation**

In accordance with and to the extent permitted by the Tax Act and analogous provisions of any applicable provincial income tax legislation, the Board in each year will make designations in respect of the amounts paid or payable to Unitholders for such amounts that the Board considers to be reasonable in all of the circumstances, including without limiting the generality of the foregoing, net capital gains realized by the Trust in the year and foreign source income of and foreign taxes paid by the Trust for the year. Distributions paid or payable to Unitholders pursuant to this Article 12 will be distributed from Trust Income, Net Realized Capital Gains, trust capital or other items in such amounts as the Board may, in its absolute discretion, determine 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, it is hereby declared that any distribution of Net Realized Capital Gains will include the non-taxable portion of the capital gains of the Trust that are encompassed in such distribution.

#### **12.5 Special Distribution Provisions**

- (a) To the extent distributions are calculated in respect of a Distribution Period and payable at the end of such Distribution Period, if for any reason, including the termination of the Trust, such Distribution Period is not completed or such amounts are no longer payable, then the distribution will be pro-rated to the end of the shortened Distribution Period and be payable at the end of such shortened Distribution Period.
- (b) The Board will have the right but not the obligation, at any time, to distribute and allocate Distributable Cash Flow, Trust Income, Net Realized Capital Gains and any other applicable amounts among Unitholders.

#### **12.6 Enforceability of Right to Receive Distributions**

Notwithstanding any other provision of this Article 12, each Unitholder will have the legal right to enforce payment on the Distribution Payment Date or December 31, as the case may be, of any amount payable to such Unitholder as a result of any distribution declared or otherwise made payable pursuant to this Article 12 on the applicable Distribution Record Date or the applicable December 31, as the case may be, to, and not yet received by, such Unitholder pursuant to this Article 12.

#### **12.7 Method of Payment of Distributions**

Where the Board determines that the Trust does not have cash in an amount sufficient to make payment of the full amount of any distribution that has been declared payable, or otherwise made payable, pursuant to this Article 12 on the due date for such payment or for any other reason cannot pay the distribution in cash, or the Board otherwise elects in respect of any such distribution at the sole and absolute discretion of the Board, the payment will be distributed to the Unitholders in the form of additional Units, or fractions of Units, if necessary or desirable, having a value equal to the difference between the amount of such distribution declared to be payable and the

amount of cash that has been determined by the Board to be available for the payment of such distribution. Such additional Units will be issued based pro rata in proportion to the number of Units held as of record by each Unitholder on such date. Such additional Units will be issued pursuant to applicable exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing. Immediately after a proportionate pro rata distribution of such Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Unitholder will hold after the consolidation the same number of Units as the Unitholder held before the non-cash distribution. Each Unit Certificate representing a number of Units prior to the non-cash distribution is deemed to represent the same number of Units after the non-cash distribution and consolidation.

#### **12.8     Withholding Taxes**

The Board may deduct or withhold from distributions payable to any Unitholder all amounts required by law to be withheld from such distributions. In the event of a distribution in the form of additional Units, the Board may sell Units of such Unitholder to pay such withholding taxes and to pay all of the Trustee's reasonable expenses with regard thereto and the Board shall have the power of attorney of such Unitholder to do so. Upon such sale, the affected Unitholder shall cease to be the holder of such Units.

#### **12.9     Definitions**

Unless otherwise specified or the context otherwise requires, any term in this Article 12 that is defined in the Tax Act will have for the purposes of this Article 12 the meaning that it has in the Tax Act.

#### **12.10    Payments in Cash**

Any payment of cash by the Trust to a Unitholder pursuant to this Article 12 or any other provision of this Declaration of Trust will be conclusively deemed to have been made upon mailing of a cheque in a postage pre-paid envelope, addressed to the Unitholder at the Unitholder's address appearing in the Register, unless such cheque is dishonoured upon presentment. Upon such payment, the Trust will be discharged from all liability to the Unitholder in respect of such payment; provided, however, that if such cheque is lost or destroyed then, upon the presentation of evidence satisfactory to the Board of such loss or destruction, together with such indemnity as the Board may reasonably require, the Trust will issue a replacement cheque to the Unitholder. Notwithstanding the foregoing, the Trust may, in lieu of forwarding or causing to be forwarded a cheque to a Unitholder pursuant to this Article 12, enter into an agreement with a Unitholder or with the person for whom such Unitholder is acting as nominee providing for the payment to such Unitholder of the amounts to which such Unitholder is entitled, from time to time, hereunder by electronic funds transfer or by any other method at a place or places other than the place or places specified herein as the place or places for such payment. Any payment made hereunder or in connection with this Declaration of Trust that is made pursuant to any such agreement will, notwithstanding any other provision of this Declaration of Trust, be valid and binding on the Trust and the relevant Unitholder.

#### **12.11    Unclaimed Distributions**

In the event that the Board holds any distributable amount that is unclaimed or that cannot be paid for any reason, the Board will be under no obligation to invest or reinvest the same, but will only be obliged to hold the same in a current interest-bearing account pending payment with interest earned (and less applicable taxes) to the person or persons entitled thereto. The Board will, as and when required by law, and may at any time prior to such required time, pay all or part of such distributable amount so held to the appropriate government official or agency, whose receipt shall be a good and sufficient discharge and release of the Trustees.

## **ARTICLE 13 REDEMPTION OF UNITS**

### **13.1     Right of Redemption by Unitholders**

Each Unitholder will be entitled to require the Trust to redeem at any time or from time to time at the demand of the Unitholder all or any part of the Units registered in the name of the Unitholder at the prices determined and payable in accordance with this Article 13.

### **13.2     Exercise of Redemption Right**

- (a) The redemption right must be exercised by causing notice (the “**Redemption Notice**”) to be given to the Board in the manner described in this Section 13.2. Such notice will be irrevocable except with respect to any Units surrendered for redemption in respect of which the redemption proceeds are not paid by the Trust on or before the date on which such payment is due and except as otherwise provided herein.
- (b) Any Redemption Notice which the Board determines to be incomplete, not in proper form or not duly executed will for all purposes be void and of no effect and the redemption privilege to which it relates will be considered for all purposes not to have been exercised thereby. A failure by a Unitholder to exercise redemption privileges properly will not give rise to any obligations or liability on the part of the Trust to the Unitholder.

### **13.3     Effect of Redemption Notice**

Upon receipt by the Trust of the Redemption Notice, the Unitholder of such Units shall thereafter cease to have any rights with respect to the Units tendered for redemption (other than to receive the redemption payment therefor unless the redemption payment is not made as provided for herein) including the right to receive any distributions thereon that are declared payable to the Unitholders of record on a date that is subsequent to the date of receipt by the Trust of the Redemption Notice. Units shall be considered to be tendered for redemption on the date that the Trust has, to the satisfaction of the Board, received the Redemption Notice and further documents or evidence the Trust may reasonably require with respect to the identity, capacity or authority of the person giving such notice.

Subject to applicable laws, the Trust will redeem the Units specified in such Redemption Notice. Such redemption will be effective as of the redemption date.

### **13.4     Redemption Price**

The redemption price per Unit (the “**Redemption Price**”) payable in respect of the Units will be equal to the Redemption Value divided by the total number of outstanding Units.

### **13.5     Payment of Redemption Price in Cash**

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

- (a) the total amount payable by the Trust by cash payment in respect of the redemption of Units for the calendar quarter in which the redemption date occurs will not exceed \$25,000; and
- (b) the total amount payable by the Trust by cash payment in respect of the redemption of Units in any twelve month period ending at the end of the calendar quarter in which the redemption date

occurs will not exceed 1% of the aggregate Gross Subscription Proceeds of all Units that were issued and outstanding at the start of such twelve month period.

### **13.6 Payment of Redemption Price in Specie**

If either of the conditions in Section 13.5 preclude the payment of the Redemption Price in cash (and the Board does not, in its sole discretion, waive such limitation in respect of all Units tendered for redemption in any particular calendar quarter), the redemption price shall be paid and satisfied by way of an *in specie* distribution of property of the Trust and/or unsecured subordinated notes of the Trust, as determined by the Trustees in their sole discretion. The terms of such notes, if issued, shall be determined by the Trustees in their sole discretion.

### **13.7 Capital Gains and Income on In Specie Distribution**

Where the Trust makes a distribution *in specie* on a redemption of Units pursuant to Section 13.6, the Board may designate as payable to the particular redeeming Unitholders receiving such *in specie* property portions of the amount of the value of such property (i) not exceeding the amount of any capital gain of the Trust as a result of the distribution of such property as an amount payable out of the Net Realized Capital Gains of the Trust; and (ii) not exceeding an allocable share of income in respect of such property so distributed together with any other income realized by the Trust as a result of a distribution of such property, as an amount payable out of Trust Income.

### **13.8 General**

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

## **ARTICLE 14 FEES AND EXPENSES**

### **14.1 Expenses**

The Trust shall pay all expenses incurred in connection with the administration and management of the Trust and its investments out of the Trust Property, including without limitation:

- (a) interest and other costs of borrowed money;
- (b) fees and expenses of lawyers, accountants, Auditors and other agents or consultants employed by or on behalf of the Trust;
- (c) compensation, remuneration and expenses of the Trustees;
- (d) fees and expenses connected with the acquisition, disposition and ownership of Trust Property permitted in this Declaration of Trust including, without limitation, any costs payable under the Deed of Covenant;
- (e) insurance, including trustees' and officers' liability insurance, as considered necessary by the Trustees;
- (f) expenses in connection with payments of distributions of Trust Units;
- (g) expenses in connection with communications to the Unitholders and the other bookkeeping and clerical work necessary in maintaining relations with the Unitholders;
- (h) expenses of changing or terminating the Trust;

- (i) fees and charges of Transfer Agents, and other trustees and custodians;
- (j) all fees, expenses, taxes and other costs incurred in connection with the issuance, distribution, transfer and qualification for distribution to the public of Units and other required governmental filings (other than such fees and expenses payable by Windridge Developments (or affiliates thereof) in connection with the Offering, as described in the Offering Memorandum); and
- (k) all costs and expenses in connection with the establishment, organization and maintenance of corporations and other entities formed to hold the UFI's or other Trust Property (other than such fees and expenses payable by Windridge Developments (or affiliates thereof) in connection with the Offering, as described in the Offering Memorandum).

## **ARTICLE 15**

### **AMENDMENTS TO THE DECLARATION OF TRUST**

#### **15.1 Amendments by the Trustees**

Notwithstanding Section 9.7, the Trustees may, without the approval of or notice to the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

- (a) removing any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law or regulation applicable to or affecting the Trust;
- (b) providing, 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) making 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;
- (d) which, in the opinion of the Trustees, are necessary or desirable to remove conflicts or inconsistencies between the disclosure in the Offering Memorandum and the Declaration of Trust;
- (e) making changes or corrections in the Declaration of Trust which are of a typographical nature or are required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;
- (f) bringing 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 or investment fund industries provided that any such amendment does not adversely affect the rights, privileges or interests of Unitholders;
- (g) maintaining, or permitting the Administrator to take such steps as may be desirable or necessary to maintain, the status of the Trust as a "mutual fund trust" and a "unit trust" for the purposes of the Tax Act or to respond to amendments to the Tax Act or to the interpretation thereof;
- (h) subject to (g), removing the limitation on Non-Resident ownership;
- (i) providing added protection to Unitholders; or

- (j) making amendments as are required to undertake an internal reorganization involving the sale, lease, exchange or other transfer of the Trust as a result of which the Trust has substantially the same interest, whether direct or indirect, in the Trust Property that it had prior to the reorganization and, for greater certainty, includes an amalgamation, arrangement or merger of the Trust and its affiliates with any entities provided that in the opinion of the Trustees, based on the advice of counsel, the rights of Unitholders are not materially prejudiced thereby.

Notwithstanding the foregoing, no such amendment shall modify the right to vote attached to any Unit or reduce the proportionate interest in the Trust Property or the entitlement to distributions from the Trust provided hereunder (including those provided for in Article 12 and Article 17) represented by any Unit without the consent of the Unitholders provided in accordance with Sections 15.2 and 9.7, as applicable.

#### **15.2 Amendments by Unitholders**

Subject to Sections 9.7 and 15.3, this Declaration of Trust may be amended by the vote of a majority of the votes cast at a meeting of Unitholders called for that purpose.

#### **15.3 Amendment by Sole Unitholder**

Notwithstanding Sections 15.1, 15.2 and 9.7, so long as the Initial Unitholder is the sole Unitholder of the Trust, the Initial Unitholder may make any amendment to this Declaration of Trust.

#### **15.4 No Termination**

No amendment to or amendment and restatement of this Declaration of Trust, whether pursuant to this Article 15 or otherwise, shall be construed as a termination of the Trust and the settlement or establishment of a new trust.

#### **15.5 Trustees to Sign Amendment**

When a vote of the Unitholders approves an amendment to this Declaration of Trust or when the Trustees may amend this Declaration of Trust alone as provided herein, then the Trustees shall sign such documents as may be necessary to effect such amendment.

### **ARTICLE 16 SUPPLEMENTAL INDENTURES**

#### **16.1 Provision for Supplemental Indentures for Certain Purposes**

The Trustees may, without approval of or notice to the Unitholders and subject to the provisions hereof, and shall, when so directed in accordance with the provisions hereof, execute and deliver indentures or instruments supplemental hereto which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) modifying or amending any provisions of this Declaration of Trust in the circumstances set forth in Section 15.1 where the Trustees may do so without the consent, approval or ratification of the Unitholders or any other person; and
- (b) modifying or amending any provisions of this Declaration of Trust where the modification or amendment has been approved by Ordinary Resolution, Special Resolution or, if required, with the consent of the holders of all of the Units.



## **ARTICLE 17**

### **TERMINATION OF THE TRUST**

#### **17.1    Term of the Trust**

Unless the Trust is sooner terminated as otherwise provided herein, the Trust shall continue in full force and effect so long as the Trustees hold any property of the Trust, and the Trustees shall have all the powers and discretions, expressed and implied, conferred upon them by law or by this Declaration of Trust.

#### **17.2    Termination**

The Board may at any time terminate and dissolve the Trust. At least 90 days before the date on which the Trust is to be terminated, the Board must give written notice to each of the then Unitholders of its intention to terminate the Trust. Such notice will specify the location(s) at which Unitholders may receive, or the manner in which Unitholders will be paid, the payments due to them under this Declaration of Trust and, where applicable, surrender certificates representing their Units for cancellation.

#### **17.3    Requirement to Call Meeting**

Notwithstanding Section 17.2, in the event that the Board has not terminated and dissolved the Trust by December 31, 2023, the Trust will call a meeting of Unitholders to determine by Special Resolution whether the Trust will:

- (a)      sell Windridge LP, or cause Windridge LP to sell the UFI, for cash or securities listed on a stock exchange or a combination of cash and securities listed on a stock exchange; or
- (b)      continue in operation.

#### **17.4    Sale of Investments**

Upon termination, the net assets of the Trust will be distributed to the Unitholders on a proportionate basis. Prior to the termination date, the Board will convert the assets of the Trust to cash. After payment of the liabilities of the Trust, the Unitholder registered as such at the close of business on the date fixed as the termination date will be entitled to receive from the Trust the proportionate share of the value of the Trust attributable to such Unitholder's Units.

#### **17.5    Powers of the Trustees Upon Termination**

After the Termination Date, the Trustees shall undertake no activities except for the purpose of winding-up the affairs of the Trust and protecting the Trust Property pending such winding up as hereinafter provided and, for this purpose, the Trustees shall continue to be vested with and may exercise all or any of the powers conferred upon the Trustees under this Declaration of Trust.

#### **17.6    Distribution of Proceeds.**

On the termination of the Trust, the assets of the Trust shall be liquidated and the proceeds distributed in the following order:

- (a)      to pay the liabilities of the Trust and to establish reserves for the contingent liabilities of the Trust; and
- (b)      to redeem the Units from Unitholders on a proportionate basis.

### **17.7 Further Notice to Unitholders**

In the event that less than all of the Unitholders have surrendered their Units for cancellation within six months after the time specified in the notice referred to in Section 17.2, the Trustees shall give further notice to the remaining Unitholders to surrender their Units for cancellation and if, within one year after the further notice, all the Units shall not have been surrendered for cancellation, such remaining Units shall be deemed to be cancelled without prejudice to the rights of the holders of such Units to receive their *pro rata* share of the remaining Trust Property, and the Trustees may either take appropriate steps, or appoint an agent to take appropriate steps, to contact such Unitholders (deducting all expenses thereby incurred from the amounts to which such Unitholders are entitled as aforesaid) or, in the discretion of the Trustees, may pay such amounts into court.

### **17.8 Responsibility of the Trustees after Sale and Conversion**

The Trustees shall be under no obligation to invest the proceeds of any sale of investments or other assets or cash forming part of the Trust Property after the date referred to in Section 17.4 and, after such sale, the sole obligation of the Trustees under this Declaration of Trust shall be to hold such proceeds or assets in trust for distribution under Section 17.6.

## **ARTICLE 18 LIABILITIES OF THE TRUSTEES AND OTHERS**

### **18.1 Liability and Indemnification of the Trustees**

The Trustees shall at all times, including, for the purposes of this Article 18, the time after they have ceased to be a Trustee, be indemnified and saved harmless out of the Trust Property from and against all liabilities, damages, losses, debts and claims whatsoever, including costs, charges and expenses in connection therewith, sustained, incurred, brought, commenced or prosecuted against them for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of their duties as Trustees and also from and against all other liabilities, damages, losses, debts, claims, costs, charges, and expenses (including, without limitation, legal fees and disbursements on a solicitor and client basis) which they sustain or incur in or about or in relation to the affairs of the Trust (whether accrued, actual, contingent or otherwise), claims, costs, charges or expenses arising out of or in connection with the presence, release, discharge or disposal of any hazardous substance or any adverse environmental conditions at, on, under or near any real property or any investigation, remediation or clean up action required to be undertaken in connection with any real property. Further, the Trustees shall not be liable to the Trust or to any Unitholder or Annuitant for any loss or damages relating to any matter regarding the Trust, including, without limitation, any loss or diminution in the value of the Trust or its assets. The foregoing provisions of this Section 18.1 in favour of any Trustee do not apply unless:

- (a) the Trustee acted honestly and in good faith with a view to the best interests of the Trust;
- (b) the Trustee exercised that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
- (c) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Trustee had reasonable grounds for believing his or her conduct was lawful.

### **18.2 Indemnification of the Trustees**

Each Trustee, each former Trustee, each officer of the Trust and each former officer of the Trust shall be entitled to be and shall be indemnified and reimbursed out of the Trust Property in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon the Trustee or former Trustee or officer or former officer in consequence of its performance of its duties hereunder and in respect of any and all costs, charges and expenses, including amounts paid to settle an action or satisfy a judgment, reasonably incurred

in respect of any civil, criminal or administrative action or proceeding to which the Trustee, former Trustee, officer or former officer is made a party by reason of being or having been a Trustee or officer of the Trust or, at the request of the Trust, a trustee or officer or any subsidiary or affiliate thereof. A Trustee, former Trustee, officer or former officer shall not be entitled to satisfy any right of indemnity or reimbursement granted herein, or otherwise existing under law, except out of the Trust Property, and no Unitholder or other Trustee or officer shall be personally liable to any person with respect to any claim for such indemnity or reimbursement as aforesaid.

### **18.3 Contractual Obligations of the Trust**

The omission of the statement described in Section 7.2(b)(ii) from any document or instrument shall not render the Trustees or the Unitholders liable to any person, nor shall the Trustees or the Unitholders be liable for such omission. If, the Trustees or any Unitholder shall be held liable to any person by reason of the omission of such statement from any such agreement, undertaking or obligation, such Trustee or Unitholder shall be entitled to indemnity and reimbursement out of the Trust Property to the full extent of such liability.

### **18.4 Liability of the Trustees**

The Trustees shall not be liable to the Trust or to any Unitholder, Annuitant or any other person for the acts, omissions, receipts, neglects or defaults of any person, firm or corporation employed or engaged by it as permitted hereunder, or for joining in any receipt or act of conformity or for any loss, damage or expense caused to the Trust through the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Trust shall be paid out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or which any monies, securities or Trust Property shall be lodged or deposited, or for any loss occasioned by error in judgment or oversight on the part of the Trustees, or for any other loss, damage or misfortune which may happen in the execution by the Trustees of their duties hereunder, except to the extent the Trustees have not acted in accordance with Sections 18.1(a) and (c).

### **18.5 Reliance Upon Advice**

The Trustees may rely and act upon any statement, report or opinion prepared by or any advice received from the Auditors, lawyers or other professional advisors of the Trust and shall not be responsible or held liable for any loss or damage resulting from so relying or acting.

### **18.6 Liability of the Unitholders and Others**

No Unitholder or Annuitant or any officer, employee or agent of the Trust shall be held to have any personal liability as such, and no resort shall be had to his private property (including, without limitation, any property consisting of or arising from a distribution of any kind or nature by the Trust) for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees or any obligation which a Unitholder or Annuitant would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such, but rather the assets of the Trust only are intended to be liable and subject to levy or execution for such satisfaction. Any written instrument creating an obligation which is or includes the granting by the Trust of a lease, sublease or mortgage or which is, in the judgment of the Trustees, a material obligation, shall contain a provision to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property (including, without limitation, any property consisting of or arising from a distribution of any kind or nature by the Trust) of any of the Unitholders or Annuitant or officers, employees and agents of the Trust, but the Trust Property or a specific portion thereof only shall be bound. If the Trust acquires any real property investment subject to existing contractual obligations, the Trustees shall use their reasonable efforts to have any such obligations under material agreements, modified so as to achieve the aforesaid disavowal of contractual liability. Further, the Trustees shall cause the operations of the Trust to be conducted in such a way and in such jurisdictions as to avoid, as far as reasonably possible, any material risk of liability on the Unitholders or Annuitant for claims against the Trust, and shall, to the extent which they determine to be possible and reasonable, including in the cost or premiums, to

cause the Trust to carry insurance for the benefit of such persons in such amounts as they consider adequate to cover any foreseeable non-contractual or non-excluded contractual liability. Any potential liability of the Trustees with respect to their foregoing obligations or their failure to perform the same shall be governed by the provisions of Sections 18.1, 18.4 and 18.5. Nothing in this Declaration will preclude the Trustees from exercising any rights granted to them under the Tax Act or any other applicable taxation legislation to withhold from amounts payable to Unitholders or otherwise recover from Unitholders any taxes that the Trustees have paid on behalf of Unitholders.

## **ARTICLE 19**

### **GENERAL**

#### **19.1     Execution of Instruments**

The Trustees shall have power from time to time to appoint any Trustee or Trustees or any Person or Persons on behalf of the Trust either to sign instruments in writing generally or to sign specific instruments in writing. Provisions respecting the foregoing may be contained in the Trustees' Regulations.

#### **19.2     Manner of Giving Notice**

- (a) Any notice or other document required or permitted by the provisions of this Declaration of Trust to be given to a Unitholder, a Trustee or the Auditors shall be deemed conclusively to have been given if given either by delivery or by prepaid first-class mail addressed to the Unitholder at the address shown in the Register, to a Trustee at the last address provided by such Trustee to the President of the Trust, or to the Auditors of the Trust at the last address provided by the Auditors to the Trustees, as the case may be provided that if there is a general discontinuance of postal service due to strike, lockout or otherwise, such notice may be given by publication twice in the Report on Business section of the National Edition of The Globe and Mail or similar section of any other newspaper having national circulation in Canada provided further that if there is no newspaper having national circulation, then by publishing twice in the business section of a newspaper in each city where the register or a branch register is maintained. Any notice so given shall be deemed to have been given on the day following that on which the letter or circular was posted or, in the case of notice being given by publication, after publishing such notice twice in the designated newspaper or newspapers. In proving notice was posted, it shall be sufficient to prove that such letter or circular was properly addressed, stamped and posted.
- (b) Any written notice or written communication given to the Trustees shall be addressed to the Trustees at the head office of the Trust, and shall be deemed to have been given on the date of delivery or date sent by facsimile or other means of prepaid, transmitted or recorded communications or, if mailed, five days from the date of mailing. If any such notice or communication shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such notice or communication shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted any notice or other communication shall be given by personal delivery or by facsimile or other means of prepaid, transmitted or recorded communication.

#### **19.3     Failure to Give Notice**

The failure by the Trustees, by accident or omission or otherwise unintentionally, to give any Unitholder, any Trustee or the Auditors any notice provided for herein shall not affect the validity, effect, taking effect or time of taking effect of any action referred to in such notice, and the Trustees shall not be liable to any Unitholder for any such failure.

#### **19.4 Joint Holders**

Service of a notice or document on any one of several joint holders of Units shall be deemed effective service on the other joint holders.

#### **19.5 Service of Notice**

Any notice or document sent by post to or left at the address of a Unitholder pursuant to this Article 19 shall, notwithstanding the death or bankruptcy of such Unitholder, and whether or not the Trustees have notice of such death or bankruptcy, be deemed to have been fully served and such service shall be deemed sufficient service on all persons having an interest in the Units concerned.

#### **19.6 Trust's Auditors**

The Auditors shall be appointed by the Trustees. If at any time a vacancy occurs in the position of auditors of the Trust, the Trustees may appoint a firm of chartered accountants qualified to practice in any province of Canada to act as the Auditors. The Auditors shall report to the Trustees and the Unitholders on the annual financial statements of the Trust and shall fulfil such other responsibilities as they may properly be called upon by the Trustees to assume. The Auditors shall have access to all records relating to the affairs of the Trust.

#### **19.7 Fiscal Year**

The fiscal year of the Trust shall end on December 31 in each year.

#### **19.8 Reports to the Unitholders**

The Trust will furnish to Unitholders annual audited financial statements and other reports as are from time to time required by this Declaration of Trust and by applicable law. The Trust will also make available to the Unitholders any documents or reports received from Windridge Developments (or any replacement facilitator) pursuant to the Deed of Covenant.

#### **19.9 Trust Property to be Kept Separate**

The Trustees shall maintain the property of the Trust separate from all other property in their possession.

#### **19.10 Electronic Documents**

Any requirement under this Declaration of Trust, applicable Securities Laws or any other applicable law that a notice, statement, document or other information be created or provided is satisfied by the creation or provision of an electronic document to the extent permitted by law.

#### **19.11 Trustees May Hold Units**

Any Trustee or associate of a Trustee may be a Unitholder or may be an Annuitant, and may be required to hold Units as the Board may determine from time to time.

#### **19.12 Trust Records**

The Trustees shall prepare and maintain, at its principal office or at any other place designated by the Trustees, records containing: (i) the Declaration of Trust; and (ii) minutes of meetings and resolutions of the Unitholders. The Trust shall also prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the Trustees and any committee thereof. Such records shall be kept at the principal office of the

Trust or at such other place as the Trustees think fit and shall at all reasonable times be open to inspection by the Trustees.

**19.13 Right to Inspect Documents**

A Unitholder and any agent, consultant or creditor of the Trust shall have the right to examine the Declaration of Trust, the Trustees' Regulations, the minutes of meetings and resolutions of the Unitholders, and any other documents or records which the Trustees determine should be available for inspection by such Person, during normal business hours at the principal office of the Trust. The Unitholders and creditors of the Trust shall have the right to obtain or make or cause to be made a list of all or any of the registered holders of Units, to the same extent and upon the same conditions as those which apply to shareholders and creditors of a corporation governed by the *Business Corporations Act* (Ontario).

**19.14 Taxation Information**

On or before March 31 in each year, or such earlier day as is required by applicable legislation or regulation, the Administrator will provide to Unitholders who received distributions from the Trust in the prior calendar year, such information required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of such distributions. In particular, each Unitholder shall be informed each year of the composition of the amounts payable by the Trust to such Unitholder in terms of net income, taxable dividends, net taxable gains, foreign source income and return of capital, and will be informed of the portion of such net income that has been designated as taxable dividends on shares of taxable Canadian corporations and taxable capital gains and of the amount of any foreign taxes paid by the Trust in respect of which the Unitholder may claim a credit for tax purposes to the extent permitted by the Tax Act, where those items are applicable.

**19.15 Consolidations**

Any one or more Trustees may prepare consolidated copies of the Declaration of Trust as it may from time to time be amended or amended and restated and may certify the same to be a true consolidated copy of the Declaration of Trust, as amended and/or restated.

**19.16 Counterparts**

This Declaration of Trust may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

**19.17 Severability**

The provisions of this Declaration of Trust are severable and if any provisions are in conflict with any applicable law, the conflicting provisions shall be deemed never to have constituted a part of the Declaration of Trust and shall not affect or impair any of the remaining provisions thereof. If any provision of this Declaration of Trust shall be held invalid or unenforceable in any jurisdictions such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Declaration of Trust in any jurisdiction.

**19.18 Headings for Reference Only**

The headings preceding the articles and sections hereof have been inserted for convenience and reference only and shall not be construed to affect the meaning, construction, interpretation or effect of this Declaration of Trust.

**19.19 Governing Law**

This Declaration of Trust shall be interpreted and governed by and take effect exclusively in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any and all disputes arising under this Declaration of Trust, whether as to interpretation, performance or otherwise, shall be subject to the exclusive jurisdiction of the courts of the Province of Ontario and each of the Trustees hereby irrevocably attorns, and each Unitholder shall be deemed to hereby irrevocably attorn, to the exclusive jurisdiction of the courts of such province.

**19.20 Transition**

Notwithstanding any other provision hereof, if otherwise applicable, the provisions of Section 4.13 shall not be operative or effective with respect to the entering into or performance of any Material Agreement, or any other transaction or arrangement or proposed transaction or arrangement disclosed in the Offering Memorandum.

**19.21 Language**

Les parties aux présentes ont exigés que la présente convention ainsi que tous les documents et axes qui s'y rattachent et/ou qui en découleront soient rédigés en la langue anglaise. The parties hereto have required that this Declaration of Trust and all documents and notices resulting herefrom be drawn up in English.

**IN WITNESS WHEREOF** the Trustees appearing below and the Initial Unitholder have caused these presents to be signed and sealed as of the date first above written.

*"Dirk Foo"*

**Dirk Foo, Trustee**

*"William Friedman"*

**William Friedman, Trustee**

*"Steven Warsh"*

**Steven Warsh, Trustee**

**A2A INVESTMENTS INC., Initial Unitholder**

By *"Dirk Foo"*  
Name: Dirk Foo  
Title: President

I have authority to bind the Corporation.

## SCHEDULE A

### HILLS OF WINDRIDGE A2A TRUST TRUSTEES' REGULATIONS

#### INTERPRETATION

1. **Interpretation.** In these Trustees' Regulations, unless the context otherwise specifies or requires:
  - (a) all terms used in these Trustees' Regulations not otherwise defined herein shall have the meanings given to such terms in the Declaration of Trust;
  - (b) words importing the singular number only shall include the plural and *vice versa* and words importing a specific gender shall include the other gender; and
  - (c) the headings used in these Trustees' Regulations are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

#### MEETINGS OF TRUSTEES

2. **Place and Time of Meeting.** All meetings of the Trustees called by the giving of notice shall be held at a place in Canada and, unless consented to in writing by a majority of the Trustees, on a business day which place and time shall be specified in the notice.
3. **Notice.** The notice of any meeting need not specify the purpose of or the business to be transacted at the meeting.
4. **Adjournment.** Any meeting of Trustees may be adjourned from time to time by the chairperson of the meeting, with the consent of the meeting, to a fixed time and place. Notice of any adjourned meeting of Trustees is not required to be given if the time and place of the adjourned meeting is announced at the original meeting, but notice of the adjourned meeting shall be given to the Trustees not present at such original meeting by delivering (not mailing) the same not less than one day (exclusive of the day on which the notice is delivered but inclusive of the day for which notice is given) before the adjourned meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The Trustees who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.
5. **Minutes of Meetings.** The Chairperson shall appoint a secretary to act as secretary of each meeting of the Trustees and of the Unitholders. Written records and minutes of all meetings of Trustees shall be maintained by the secretary of each meeting and shall be placed in the minute book of the Trust. Any written records and minutes of meetings of any committee of Trustees shall be maintained by the secretary of such meeting may but need not be placed in the minute book of the Trust. Subject to Section 19.20, there shall be inserted or entered into the records and minutes of the meetings of Trustees all written disclosures or requests made to have entered into the minutes of the meeting, of the nature and extent of a Person's interest in a material agreement or transaction or proposed material agreement or transaction with the Trust made pursuant to Section 4.13 of the Declaration of Trust.



#### FOR THE PROTECTION OF TRUSTEES AND OFFICERS

6. **For the Protection of Trustees and Officers.** The provisions of the Declaration of Trust pertaining to the liability and indemnification of Trustees shall apply *mutatis mutandis* to the officers of the Trust or persons who act or acted at the Trust's request as a director or officer of a body corporate of which the Trust is or was a shareholder or creditor, and his heirs and legal representatives.

The Trust shall also indemnify any such person in such other circumstances as the Declaration of Trust or law permits, subject to the Declaration of Trust, or requires. Nothing in these Trustees' Regulations shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of these Trustees' Regulations to the extent permitted by the Declaration of Trust or law.

#### OFFICERS

7. **Appointment and Removal.** The Trustees may pursuant to the provisions of the Declaration of Trust, appoint the officers of the Trust who may or may not be Trustees. Notwithstanding the foregoing, each incumbent officer of the Trust shall continue in office until the earliest of (a) his resignation, which resignation shall be effective at the time a written resignation is received by the Trust upon 30 days' written notice or at the time specified in the resignation, whichever is later, (b) the appointment of his successor, (c) his removal, and (d) his death. The Trustees may from time to time and subject to the provisions of the Declaration of Trust, prescribe, vary, add to or limit the duties and powers of any officer.

All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the Trustees at any time, with or without cause.

8. **Chairperson.** The Chairperson of Trustees shall be appointed from among the Trustees provided that the chairperson of the Trustees shall be a non-executive appointment. When present, the Chairperson shall preside as chair at all meetings of the Trustees and at all meetings of the Unitholders, unless a Trustee who is not the Chairperson is selected to do so by the Trustees in accordance with Section 9.3 of the Declaration of Trust.
9. **Powers and Duties.** Subject to the provisions of the Declaration of Trust, all officers of the Trust shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the Trustees.
10. **Duties May be Delegated.** Subject to the provisions of the Declaration of Trust, in case of the absence or inability to act of any officer of the Trust or for any other reason that the Trustees may deem sufficient, the Trustees may delegate all or any of the powers of such officer to any other officer or to any Trustee for the time being.
11. **Vacancies.** If the office of any officer of the Trust shall be or become vacant by reason of death, resignation, removal or otherwise, the Trustees may appoint a Person to fill such vacancy.

#### UNITHOLDERS' MEETINGS

12. **Place and Time of Meetings.** Each meeting of the Unitholders shall be held at a place in Canada on a Business Day which place and time shall be specified in the notice calling the meeting.
13. **Notice.** A printed, written or typewritten notice stating the day, hour and place of any meeting of the Unitholders as well as the purpose shall be given by serving such notice on each Unitholder entitled to vote at such meeting, on each Trustee and on the auditor of the Trust in the manner provided for in the Declaration of Trust and in these Trustees' Regulations. A meeting of the Unitholders may be held for any

purpose on any day and at any time without notice if all of the Unitholders and all other Persons entitled to attend such meeting are present in Person or, where appropriate, represented by proxy at the meeting (except where a Unitholder or other Person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the Unitholders and all other persons entitled to attend such meeting who are not present in person or, where appropriate, represented by proxy thereat waive notice before or after the date of such meeting.

14. **Waiver of Notice.** A Unitholder and any other Person entitled to attend a meeting of the Unitholders may in any manner waive notice of a meeting of the Unitholders and attendance of any such person at a meeting of the Unitholders shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

15. **Votes.** Every question submitted to any meeting of the Unitholders, other than in respect of a Special Resolution, shall be decided in the first instance by a show of hands unless a person entitled to vote at the meeting has demanded a ballot.

A ballot may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting. If at any meeting a ballot is demanded on the election of a chairperson or on the question of adjournment it shall be taken immediately upon request and, in any other case, it shall be taken at such time as the chairperson may direct. If at any meeting a ballot is demanded on any other question or as to the election of Trustees, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the chairperson of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

Where two or more persons hold the same Unit or Units jointly, one of those holders present at a meeting of the Unitholders may, in the absence of the other or others, vote the Unit or Units but if two or more of those persons who are present, in person or by proxy vote, they shall vote as one on the Unit or Units jointly held by them.

At any meeting of the Unitholders unless a ballot is demanded, a declaration by the chairperson of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

16. **Proxies.** At every meeting at which he is entitled to vote, every Unitholder and/or person appointed by proxy and/or individual so authorized to represent a Unitholder who is present in person shall have one vote on a show of hands. Upon a ballot at which he is entitled to vote, every Unitholder present in person or represented by proxy or by an individual so authorized shall (subject to the provisions, if any, of the Declaration of Trust) have one vote for every Unit held by him.

A proxy shall be executed by the Unitholder or his attorney authorized in writing or, if the Unitholder is a body corporate or association, by an officer or attorney thereof duly authorized. If the Units are publicly traded, a proxy appointing a proxyholder ceases to be valid one year from its date.

A proxy may be in the following form:

The undersigned Unitholder of Hills of Windridge A2A Trust hereby appoints \_\_\_\_\_ of \_\_\_\_\_ or failing him, \_\_\_\_\_ as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the said meeting of the Unitholders of the said Trust to be held on the day of and at any adjournment hereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment thereof. This proxy is [not] solicited by or on behalf of management of the Trust.

DATED this day of

-----  
Signature of Unitholder

The Trustees may from time to time institute procedures regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of the Unitholders is to be held and for particulars of such proxies to be sent by telecopier or in writing before the meeting adjourned meeting to the Trust or any agent of the Trust for the purpose of receiving such particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting or adjourned meeting and votes given in accordance with such procedures shall be valid and shall be counted. The chairperson of any meeting of the Unitholders may, in his discretion, accept telecopier or written communication as to the authority of any person claiming to vote on behalf of and to represent a Unitholder notwithstanding that no proxy conferring such authority has been lodged with the Trust, and any votes given in accordance with such telecopier or written communication accepted by the chairperson of the meeting shall be valid and shall be counted.

17. **Adjournment.** The chairperson of any meeting of the Unitholders may with the consent of the majority of the meeting adjourn the same from time to time to another Business Day at a fixed time and place and no notice of such adjournment need be given, with the exception of a meeting adjourned for a lack of quorum pursuant to Section 9.4 of the Declaration of Trust, to the Unitholders. Any business may be brought before or dealt with at any adjourned meeting for which no notice is required which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting the original meeting shall be deemed to have terminated forthwith after its adjournment.

18. **Quorum.** No business shall be transacted at any meeting of the Unitholders unless the requisite quorum be present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of the Unitholders or within 30 minutes thereafter, the persons present and entitled to vote may adjourn the meeting to another business day not less than 10 days later at a fixed time and place as selected by the Board, but may not transact any other business and the provisions of paragraph 17 with regard to notice shall apply to such adjournment.
19. **Minutes of Meetings.** Written records and minutes of each meeting of the Unitholders shall be maintained by the secretary of each meeting and shall be placed in the minute book of the Trust.

## CERTIFICATES

20. **Certificates.** Certificates representing Units shall be signed by at least one Trustee or officer of the Trust holding office at the time of signing and unless otherwise decided by the Trustees, by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Trust and any signatures required on a certificate representing Units may be printed or otherwise mechanically reproduced thereon.

A certificate representing Units containing the signature of a person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that the Person has ceased to be a Trustee or an officer, as the case may be, of the Trust and shall be as valid as if he were a Trustee or an officer, as the case may be, at the date of its issue.

## TRANSFER OF UNITS

21. **Register.** The Register shall be kept as provided for in the Declaration of Trust at the principal office of the Trust in Toronto, Ontario.

## VOTING SHARES AND SECURITIES IN BODIES CORPORATE

22. **Voting Shares and Securities in Bodies Corporate.** All of the shares or other securities carrying voting rights of any body corporate held from time to time by the Trust may be voted at any and all meetings of shareholders or holders of other securities (as the case may be) of such body corporate and in such manner and by such person or persons as the Trustees shall from time to time determine. The duly authorized signing officers of the Trust may also from time to time execute and deliver for and on behalf of the Trust proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the Trustees.

## NOTICES

23. **Service.** If a notice or document is sent to a Unitholder by prepaid first-class mail in accordance with the provisions of the Declaration of Trust and the notice or document is returned on three consecutive occasions because the Unitholder cannot be found, it shall not be necessary to send any further notices or documents to the Unitholder until he informs the Trust in writing of his new address.
24. **Units Registered in More Than One Name.** All notices or other documents with respect to any Units registered in more than one name shall be given to whichever of such persons is named first in the records of the Trust and any notice or other document so given shall be sufficiently given to all of the holders of such Units.
25. **Deceased Unitholders.** Any notice or other document delivered or sent in a manner contemplated in the Declaration of Trust to the address of any Unitholder as the same appears in the records of the Trust shall, notwithstanding that such Unitholder be then deceased, and whether or not the Trust has notice of his death, be deemed to have been duly served in respect of the Units held by such Unitholder (whether held solely or with any other person or persons) until some other person be entered in his stead in the records of the Trust as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, interested through him or with him in such Units.
26. **Signature to Notices.** The signature of any Trustee or officer of the Trust to any notice or document to be given by the Trust may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

27. **Computation of Time.** Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the Declaration of Trust or these Trustees' Regulations, the day of service or posting of the notice or document shall not, unless it is otherwise provided, be counted in such number of days or other period, but the day of receipt of the notice or document shall, unless it is otherwise provided, be counted in such number of days or other period.
28. **Proof of Service.** With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in the Declaration of Trust and in these Trustees' Regulations and put into a post office or into a letter box. A certificate of an officer of the Trust in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of Units of the Trust as to facts in relation to the sending or delivery of any notice or other document to any Unitholder, Trustee, officer or auditor of the Trust or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every Unitholder, Trustee, officer or auditor of the Trust, as the case may be.

#### CHEQUES, DRAFTS AND NOTES

29. **Cheques, Drafts and Notes.** All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers of the Trust or person or persons, whether or not officers of the Trust, and in such manner as the Trustees may from time to time designate.

#### CUSTODY OF SECURITIES

30. **Custody of Securities.** All shares and other securities owned by the Trust shall be lodged (in the name of the Trust) with a chartered bank or a trust company, in a safety deposit box or with a law firm acting on behalf of the Trust or, if so authorized by resolution of the Trustees, with such other depositories or in such other manner as may be determined from time to time by the Trustees.

All shares and other securities belonging to the Trust may be issued, or held in the name of a nominee or nominees of the Trust (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and any shares or other securities so issued or held shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

#### EXECUTION OF INSTRUMENTS

31. **Execution of Instruments.** All contracts, documents or instruments in writing requiring the signature of the Trust may be signed by any two Trustees and all contracts, documents and instruments in writing so signed shall be binding upon the Trust without any further authorization or formality. The Trustees shall have power from time to time to appoint any officer or officers, or any person or persons, on behalf of the Trust either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The term "contracts, documents or instruments in writing" as used in these Trustees' Regulations shall include (without limitation) security certificates, deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations and conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

Without limiting the foregoing, any officer or Trustee of the trust shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or

other securities owned by or registered in the name of the Trust and to sign and execute all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of the officers and Trustees of the Trust and/or of any other person or persons appointed as aforesaid by the Trustees may, if specifically authorized by the Trustees, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Trust executed or issued by or on behalf of the Trust and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Trust on which the signature or signatures of any one or more of the foregoing officers or Trustees or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization by the Trustees shall be deemed to have been manually signed by each such officer, Trustee or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, Trustee or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Trust.

#### **INCONSISTENCIES WITH DECLARATION OF TRUST**

32. **Inconsistencies.** In the event of any conflict or inconsistency between these Trustees' Regulations and the provisions of the Declaration of Trust, as amended, restated or amended and restated from time to time, the provisions hereof shall be ineffective and shall be superseded by the provisions of such Declaration of Trust to the extent necessary to resolve such conflict or inconsistency.

## SCHEDULE B

### DEED OF COVENANT

**THIS DEED OF COVENANT** (the “**Deed**”) is effective as of the Effective Date (as defined on the signature page hereof) and is made and executed by:

**WINDRIDGE A2A DEVELOPMENTS, LLC**, a Texas limited liability company with its principal place of business located at 548 Silicon Drive, Suite 100, South Lake, Texas 76092 USA

(hereinafter called the “**Seller**”)

-and-

**HILLS OF WINDRIDGE A2A LP**, an Ontario Limited Partnership with a place of business located at 250 Ferrand Drive, Suite 888, Toronto, M3C 3G8 Canada

(hereinafter called the “**Purchaser**”)

### RECITALS

**WHEREAS** the Seller owns certain real property located in Tarrant County, Texas, and legally described on Exhibit A attached hereto and made a part hereof (the “**Property**”);

**AND WHEREAS** the Seller has divided the ownership of the Property into 4,412 undivided, tenant-in-common, fractional interests (the “**Total Fractional Units**”) and each undivided fractional ownership interest (“**UFI**”) shall constitute a 1/4412 undivided ownership interest in the Property;

**AND WHEREAS** the Purchaser has entered into an agreement of purchase and sale with the Seller dated as at February 13, 2013 pursuant to which the Purchaser has agreed to purchase up to 1,000 UFIs (the “**Purchased Property**”);

**AND WHEREAS** as a condition of sale the Seller requires the Purchaser to provide certain covenants to and for the benefit of the Seller and for all others, who may become owners of a UFI and which covenants shall be binding on the Purchaser’s successors-in-title, trustees, transferees and assigns and the Seller and the Seller’s successors-in-title, transferees and assigns and the other Co-Owners successors-in-title, trustees, transferees and assigns and which shall run with and burden the Purchaser’s UFI;

**AND WHEREAS** it is the intention of the Seller to continue to sell its interest in the Property and at its absolute and unfettered discretion, to exercise its right but not the obligation to retain as legal and beneficial owner up to 5% of the Total Fractional Interests and thus remain a Co-owner with all the rights accruing thereto;

**NOW THEREFORE THE PURCHASER** for itself, its successors-in-title, trustees, transferees and assigns covenant as follows:

### ARTICLE 1.

#### DEFINITIONS AND INTERPRETATION

1.1 For the purposes of this Covenant, the following terms shall be deemed to have the following meanings unless the context otherwise requires:

**“Co-Owners”** are the registered title owners, from time to time, of a UFI and for the purpose of clarity only, includes the Seller so long as the Seller remains a registered owner of a UFI and **“Co-Owner”** means any one of Co-Owners;

**“Development Fund”** means the funds advanced by the Co-Owners to the Facilitator concurrently with the purchase of a UFI and to be maintained in an account or accounts to be opened by the Facilitator under Article 3.1(a) hereof and to be used by the Facilitator for the purposes described in Article 3.1 hereof including, without limitation, for costs and expenses associated with the Planning, Development and Servicing Activities;

**“Facilitator”** means any person or entity, corporate or un-incorporated, who is appointed from time to time under Article 2 by the Co-owners to be their facilitator pursuant to this Deed;

**“Facilitator’s Fee”** means a fee charged by the Facilitator for service provided by the Facilitator.

**“FIRPTA”** shall refer to the Foreign Investment in Real Property Tax Act of 1980;

**“Form W-7”** has the meaning provided in Article 16.1;

**“General Meeting”** means a meeting of Co-owners called in accordance with this Deed;

**“IRC”** shall mean the U.S. Internal Revenue Code and any regulations promulgated thereunder;

**“Net Income”** shall have the meaning attributed thereto in Article 3.1(j);

**“Ordinary Resolution”** means a resolution approved by more than 50% of votes cast in person or by proxy at a duly constituted meeting of Co-Owners or any written resolution signed in one or more counterparts by Co-Owners holding, in the aggregate more than 50% of the UFIs;

**“Person”** means either a natural person, a partnership of any type, a corporation, a joint venture, a syndicate, a chartered bank, a trust, a trust company, a government or an agency thereof, a trustee or an executor, an administrator or other legal representative.

**“Planning, Development and Servicing Activities”** means obtaining the reports, information, plans, studies, audits, assessments, inspections, investigations, and other items necessary for the proper design, construction, development and regulatory compliance of the Property; facilitating and participating in legal proceedings, procedures, filings, submissions, applications and other actions necessary for the acquisition, zoning, rezoning, construction, development, maintenance, regulatory compliance and other land use matters related to the Property; contracting, subcontracting, supervising, constructing and maintaining infrastructure and improvements to or on the Property; marketing and selling the Property; in whole or in part and any and all other actions necessary to be taken or made in respect to or in furtherance of the acquisition, planning, development, construction, maintenance and sale of the Property;

**“Property”** means the real property legally described on Exhibit A attached hereto and any and all structures, buildings, erections and improvements located in. on or under on the Property;

**“Proportionate Share”** shall have the meaning attributed thereto in Article 3.1(i);

**“Purchase Agreement”** means the agreement of purchase and sale dated as of February 13, 2013 entered



into by the Seller, as vendor, and the Purchaser, as purchaser, pursuant to which the Purchaser has agreed to acquire and the Seller has agreed to sell to the Purchaser the Purchased Property;

**“Securities Act”** shall refer to *The United States Securities Act of 1933*, as amended; and

**“Special Resolution”** means a resolution approved by 66⅔% or more of votes cast in person or proxy at a duly constituted meeting of Co-Owners or any written resolution signed in one or more counterparts by Co-Owners holding in the aggregate 66.6% or more of the UFIs.

1.2 In the interpretation of this Deed, unless the context otherwise requires:

- (a) The division of this Deed into Articles, paragraphs, subparagraphs, schedules and appendices and the insertion of headings are provided for convenience only and do not form a part of this Deed nor are they intended to interpret, define or limit the scope, extent or intent of this Deed or any provision hereof;
- (b) All references to decisions, directions, instructions or approvals of the Co-Owners refer to such decisions made or directions, instructions or approvals given by Co-Owners by Ordinary or Special Resolution as the required by this Deed;
- (c) All references to currency herein are references to lawful money of United States;
- (d) Any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time;
- (e) Any reference to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity;
- (f) Words importing the masculine gender include the feminine or neuter genders and words in the singular include the plural and *vice versa*; and
- (g) All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case requires and the verb shall be construed as agreeing with required word and pronoun.

## **ARTICLE 2. ORGANIZATION**

- 2.1 The Facilitator shall carry out the instructions and directions of the Co-Owners made in accordance with this Deed. In carrying out the instructions of Co-Owners, the Facilitator, as may be appointed or changed by the Co-Owners from time to time in the manner provided herein, shall have the power and authority to administer the Property as attorney and agent of the Co-Owners.
- 2.2 The first Facilitator shall be the Seller. The Co-Owners may by Ordinary Resolution from time to time appoint another Person to be the Facilitator.
- 2.3 The Facilitator shall:
  - (a) ensure that every Person who is a registered title holder of a UFI acknowledges this Deed

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including, without limitation, acknowledges that this Deed does not have the same covenants that are contained in the restrictive covenant entered into by other Co-Owners and that the other Co-Owners UFI's are subject to the covenants contained in this Deed which are binding upon the Seller and the Purchaser;

- (b) take steps to convene the first general meeting of the Co-Owners as soon as feasible following the sale of 95% of the Total Fractional Units; and
- (c) implement the decisions and instructions of the Co-Owners.

### **ARTICLE 3. SPECIFIC POWERS OF THE FACILITATOR AND FACILITATOR'S FEES**

3.1 Subject to contrary directions and instructions of the Co-Owners passed by Ordinary or Special Resolution, the Co-Owners hereby acknowledge and agree that the Facilitator is authorized at all times for and on behalf of the Co-Owners:

- (a) to maintain and operate one or more bank accounts opened with a United States bank in the name of the Facilitator. The Facilitator shall deposit therein, the sum of \$4,600 for each UFI sold to a Co-Owner including the Purchaser and representing the Co-Owner's contribution to fund the Planning, Development and Servicing Activities (the "**Development Fund**"). Notwithstanding that the Development Fund is maintained in one or more bank accounts in the name of the Facilitator, the Purchaser shall be the owner of the funds contributed by the Purchaser to the Development Fund and the Facilitator agrees to hold such funds in escrow for the purposes described below in this Section 3.1 (a).

All expenses properly relating to the Property including, without limitation, the cost and expenses associated with the management and operation of the Property with any Planning, Development and Servicing Activities, shall be paid by the Facilitator from the Development Fund to the extent of funds available therein;

- (b) to execute, deliver and carry out all agreements which require implementation, delivery or execution in connection with the Property, including without limitation, agreements relating to the Planning, Development and Servicing Activities;
- (c) to enter into leases and/or tenancy arrangements of the Property, in whole or in part, and to collect all rentals and other income therefrom, provided that nothing herein shall constitute a guarantee by the Facilitator of the payment of any rent by tenants;
- (d) to pay all realty taxes, fees and other expenses relating to the orderly maintenance and management of the Property out of the Development Fund to the extent of funds available therein, provided that nothing herein shall be construed as a guarantee by the Facilitator of the sufficiency of funds in the Development Fund to cover all such expenses;
- (e) to commence or to defend on behalf of the Co-Owners, at the cost and expense of the Co-Owners, any and all actions and other proceedings pertaining to the Property;
- (f) to obtain the amount and type of insurance coverage to protect the Property and the Co-Owners from all usual perils of the type covered by prudent owners of comparable properties and to pay for such insurance out of the Development Fund to the extent of funds available therein, and if

funds are not therein available, at the cost of the Co-Owners in accordance with each Co-Owner's Proportionate Share;

- (g) to employ, pay and discharge on behalf of the Co-Owners out of the Development Fund to the extent of funds available therein,, all employees, contractors, or subcontractors necessary to be employed in the management and operation of the Property and the Planning, Development and Servicing Activities and if funds are not available in the Development Fund then at the cost of the Co-Owners in accordance with each Co-Owner's Proportionate Share;
- (h) to contract on behalf of the Co-Owners for water, gas, electricity and other services and commodities necessary for the construction, operation, development and maintenance of the Property and to pay for the cost thereof out of the Development Fund to the extent of funds available therein and if funds are not therein available then at the cost of the Co-Owners in accordance with each Co-Owner's Proportionate Share;
- (i) To distribute such amount of the Net Income to each Co-owner in accordance with each Co-Owner's Proportionate Share as the Facilitator deems available for distribution and not required for any of the purposes set out in this section 3.1 or for construction or the development of the Property. Each Co-Owners Proportionate Share thereof shall be determined by a fraction the numerator of which shall be the number of UFI(s) owned by such Co-Owner and the denominator shall be the Total Fractional Units ("**Proportionate Share**"). For the purposes of this Deed "**Net Income**" shall mean the gross receipts derived from the ownership, operation, use, leasing, sale of and/or development and/or any other dealing with the Property, less the aggregate of all proper expenses and charges incurred in connection with the Property, calculated on an accrual basis, including, without limitation:
  - (i) realty taxes, property tax assessments, charges or levies made by any duly constituted governmental or statutory authority, due and owing and secured by a right or apparent right to claim a lien or charge upon the UFIs with respect to the Property, and any money due and owing from improvements to the Property secured by a lien or charge in favour of materialmen or workmen or trade contractors or other like Persons;
  - (ii) all costs and expenses of any sale;
  - (iii) all development and re-zoning costs and expenses;
  - (iv) all costs and expenses of operating, maintaining, leasing, managing, using, and/or developing the Property, and the costs and expenses of repair;
  - (v) lighting, electricity and public utilities costs and expenses;
  - (vi) professional fees reasonably attributed to the Property, its operation, use, sale re-zoning and/or development;
  - (vii) all other costs, expenses or disbursements which are properly attributable to the Property, except payments to the Co-Owners on account of capital or distribution of Net Income;
  - (viii) Facilitator's Fees; and

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- (ix) reserves in such amount as deemed reasonably appropriate by the Facilitator from time to time, including without limitation for the purposes of the continued Planning, Development and Servicing Activities of the Property consistent with the Development Plan approved by the Co-Owners.
- 3.2 In exchange for the services provided by the Facilitator, the Facilitator shall be paid Facilitator's Fees consisting of Fixed Management Fees and Net Income Fees (collectively the "**Facilitator's Fees**"). The Fixed Management Fees shall be five thousand dollars (\$5,000) per house sold to any third-party owner who is not a Co-Owner (the "**Third-Party Owner**"). The "**Net Income Fees**" shall be an amount equal to twenty percent (20%) of the Net Income.
- 3.3 To the extent that pursuant to this Deed, the Co-Owners are liable for the payment of any costs relating to the Property each Co-Owner shall be severally liable for such costs in such Co-Owner's Proportionate Share.

#### **ARTICLE 4. COVENANTS OF THE CO-OWNERS**

- 4.1 The Purchaser and the Seller covenant and agree with each other as follows:
  - (a) that each Co-Owner shall have a beneficial interest to the extent of its Proportionate Share in all gross cash receipts derived from the Property;
  - (b) to be responsible for his/her or its Proportionate Share of the expenses and charges incurred in connection with the Property, and when called upon to contribute its Proportionate Share thereof;
  - (c) to waive all individual rights of possession, use, occupation and rights of access to the Property and any part thereof and to exercise such rights collectively only; in order to facilitate the future re-zoning and ultimate development of the Property for the benefit of all Co-Owners collectively; and
  - (d) to require every Person to whom a Co-Owner may hereafter transfer a UFI to execute an agreement wherein the rights of the Co-Owner transferring the UFI are assigned to the transferee and the transferee agrees to assume the obligations of the transferring Co-Owner under this Deed in the case of the Seller or a transferee of the Seller and in the case of each other Co-Owner the obligations of the transferring Co-Owner under the applicable restrictive covenant executed by such Co-Owner.

#### **ARTICLE 5. LOANS FROM FACILITATOR**

- 5.1 The Facilitator may, in its discretion and on such terms and conditions as the Facilitator deems appropriate, at any time and from time to time, but shall not be under any obligation, lend money to one or more of the Co-Owners, upon such terms and conditions as are acceptable to the Facilitator and the Co-Owner(s), for the purposes of assisting a Co-Owner's in satisfying and performing such Co-Owner's financial obligations under this Deed, including, without limitation, any financial obligations provided for in Section 3.1 hereof, or relating to the maintenance, construction, re-zoning or development of the Property. The Facilitator shall be entitled to repay the amount loaned out of such Co-Owner's

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Proportionate Share of the sales proceeds arising from the sale of the Property. If a Facilitator has made such a loan, it shall be a condition of any such loan to a Co-Owner that the Facilitator shall have priority of re-payment of principal and interest over any claim of such Co-Owners to the balance of the Development Fund, Net Income or sale proceeds arising from sale of the Property.

#### **ARTICLE 6. AUTHORITY OF THE FACILITATOR**

- 6.1 No person dealing with the Facilitator will be required to enquire into the authority of the Facilitator to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf or in the name of the Co-Owners.
- 6.2 The Facilitator is authorized to withhold any amounts required to be withheld from any distribution or other payment to a Co-owner pursuant to the provisions of the IRC, FIRPTA or other applicable law and to make payment of any such amount on behalf of such Co-Owners to the State of Texas, United State Internal Revenue Service or other governmental entity, as may be required by law.

#### **ARTICLE 7. GENERAL MEETINGS**

- 7.1 The first General Meeting of Co-Owners shall be held as soon as feasible after the sale by the Seller of 95% of the Total Fractional Units and thereafter general meetings of Co-Owners shall be held as often as is necessary when decisions or instructions are required from Co-Owners with respect to the property or when Co-Owners representing 15% or more of the Total Fractional Units requisition for a meeting.
- 7.2 The Facilitator may by written notice substantially in the form attached hereto as Exhibit B (the “**Notice Requisitioning an Ordinary Resolution**”) call for a general meeting of the Co-Owners and any Co-owner or Co-Owners together holding an aggregate interest of 15% of the Total Fractional Units or more may by written notice to the Facilitator requisition a general meeting using the form attached hereto in Exhibit B. The forms in Exhibit B are for the convenience of Co-Owners and the Facilitator only. If the Facilitator fails to call a general meeting upon requisition by Co-Owners to do so, then in such event, a Co-owner or Co-Owners together holding an aggregate interest of 15% or more of the Total Fractional Units may deliver to the other Co-Owners written notice of general meeting, stating therein the time and venue for the meeting.
- 7.3 The Facilitator shall provide all Co-Owners 14 days written notice of the first General Meeting and such notice include in the agenda:
  - (i) A resolution for the confirmation of appointment of the Facilitator;
  - (ii) Recommended decisions and instructions as may be appropriate for the leasing, rental and/or re-zoning of the Property and/or undertaking Planning, Development and Servicing Activities;
  - (iii) Recommendation for the appointment or confirmation of appointment of professional advisers and consultants for the management of the Property and to carry out Planning, Development and Servicing Activities; and

- (iv) Recommendation for the overall development plan of the Property, which will comprise the development phases for the Property, projection of Net Proceeds and its distribution plan (the “**Development Plan**”).
- 7.4 Not less than 14 days written notice shall be given for all other general meetings and each notice for general meeting after the first General Meeting shall be accompanied by an agenda setting out the matters to be placed before the Co-Owners and the resolutions for consideration and if thought fit, approval. Each agenda shall be accompanied by supporting materials, if any, sufficiently detailed to inform Co-Owners of the matters to be considered at the meeting.
- 7.5 The venue of all general meetings including the first General Meeting shall be in Flower Mound, Texas, United States at a location to be determined by the Facilitator save and except for a meeting called by one or more Co-Owners under Article 7.2 hereof upon the failure of the Facilitator to comply with a requisition for a meeting.
- 7.6 Upon receipt of a Notice of a General Meeting, any two Co-Owners may, with one proposing and the other seconding, put forth additional or alternative resolutions for the consideration and if thought fit, approval of other Co-Owners together with supporting materials. Any such proposal shall reach the Facilitator not less than 7 days before the date of meeting and the Facilitator shall forthwith put such resolutions to the Co-Owners for consideration.
- 7.7 Notices of meeting, agenda and other materials and minutes of meeting shall be sent by the Facilitator to Co-Owners by electronic transmission, or by delivering a copy to the Co-Owners by mail or by courier at his or her last known correspondence address as shown in the register of Co-Owners maintained by the Facilitator.
- 7.8 Co-Owners shall have one vote for each UFI owned by a Co-Owner and may attend a meeting in person, by corporate representative if a corporation or by proxy. Co-Owners may appoint the Facilitator as proxy and direct the Facilitator how to vote and the Facilitator shall act according to such directions.
- 7.9 The Facilitator shall chair, and if the Facilitator is a corporation, a director of the Facilitator shall chair the meeting unless the Co-Owners by Ordinary Resolution appoint one of their numbers to chair the meeting.
- 7.10 All resolutions except where a Special Resolution is expressly required hereunder shall be passed by Ordinary Resolution. Any resolution passed by Ordinary Resolution, except where a Special Resolution is expressly required hereunder, shall be binding on all Co-Owners, their respective heirs, executors, administrators, successors-in-title, assigns and transferees, whether or not any such Co-owner was present in person or by proxy or voted against any such resolution.
- 7.11 The Facilitator shall, and failing the Facilitator, the Co-Owners shall appoint a secretary to keep complete and accurate minutes of all meetings of Co-Owners and the minutes of meetings shall be signed by the Chairman of the meeting and be prima facie evidence of the facts stated herein.
- 7.12 The minutes of each meeting shall be sent to each Co-owner within 30 days after the meeting. Any failure to send the minutes of a meeting shall not affect the validity of any decisions made at the meeting.

**ARTICLE 8.**  
**MATTERS EXERCISABLE ONLY BY ORDINARY RESOLUTION**

- 8.1 Notwithstanding anything to the contrary contained in this Deed or in any restrictive covenant executed by a Co-Owner the following shall always require a decision of the Co-Owners by way of Ordinary Resolution:
- (a) Approving or ratifying a proposal or plan to re-zone, develop and/or build structures on the Property;
  - (b) Subject to Article 13 consenting to the amendment of this Deed, provided that, no amendment to this Deed shall impose or increase any financial or other obligations upon the Facilitator, or in any way adversely affect the Facilitator, without the prior written approval of the Facilitator and which approval may be denied without the Facilitator having to give any reasons thereof;
  - (c) Appointment and confirmation of a firm of chartered accounts qualified to practice in United States to prepare the financial statements for the Property and any activities carried on with respect to the Property; and
  - (d) Any matter relating to ordinary day to day management of and dealings with the Property not expressly requiring a Special Resolution.

**ARTICLE 9.**  
**MATTERS EXERCISABLE ONLY BY SPECIAL RESOLUTION**

- 9.1 Notwithstanding anything to the contrary contained in this Deed or in any restrictive covenant executed by a Co-Owner, the following shall always require a decision of the Co-Owners by the way of Special Resolution:
- (a) Approving the sale or exchange of all or any part of the Property not being the sale of a UFI by the Seller or other Co-Owners; provided that, no such sale by such Co-Owners shall include an interest in the Property of any other Co-Owner. For greater certainty nothing in this Deed or in any restrictive covenant executed by any Co-Owner shall prohibit the Seller or the Purchaser from selling a UFI of which such Purchaser is the registered title owner under conditions that the assignee or transferee shall be bound by this Deed and nothing in this Deed shall prohibit the Seller or another Co-Owner from selling a UFI of which such other Co-Owner is the registered title owner under conditions that the assignee or transferee shall be bound by the applicable restrictive covenant signed by such selling Co-Owner; or
  - (b) Approving or ratifying the giving of a loan or advance by the Facilitator under Article 5 above; and
  - (c) Amendments under Article 13 below.

**ARTICLE 10.**  
**CHANGE OF FACILITATOR**

- 10.1 The Co-Owners may by Ordinary Resolution terminate and remove the Facilitator (in its capacity as Facilitator and not as a Co-owner) and appoint a new Facilitator in its place and stead. Such new

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Facilitator shall be bound by all of the terms of this Deed and shall by a deed of adherence confirm that it is bound under this Deed as if it was an original signatory thereto. Upon termination, the Facilitator terminated shall forthwith upon request of the person designated in the resolution as the replacement Facilitator (the “**Designated Person**”) do the following:

- (a) Deliver all agreements, documents, instruments, books and records and writings relating to the Property in its possession to the Designated Person, including, without limitation the register of Co-Owners;
- (b) Execute and deliver such consents, acknowledgments, and assignments pertaining to the Property and any Planning, Development and Servicing Activities as the Designated Person may require;
- (c) Deliver the bank account or accounts containing the Development Fund to the control of the Designated Person;
- (d) Execute and deliver a release in form and content satisfactory to the Designated Person, acting reasonably, releasing the Co-Owners from any liability, provided that:
  - (i) The release by the Facilitator shall not release the Co-Owners from their obligation to continue to indemnify the Facilitator pursuant to Article 17 hereof; and
  - (ii) The Facilitator receives a release in form and content satisfactory to the Facilitator, acting reasonably, executed by the Designated Person, authorized to so do on the Co-Owners behalf by resolution in general meeting releasing the Facilitator from any liability with respect to the Property and the Co-Owners which resolution shall expressly acknowledge and agree that the Designated Person shall have the power and authority to deliver such release, without any further approval or authorization required from the Co-Owners; and
- (e) Do all things necessary and execute all necessary documents and otherwise cooperate and assist to carrying out and giving effect to each of the actions set out above.

#### **ARTICLE 11. TRANSFERS OF INTEREST**

- 11.1 The Purchaser shall not sell, transfer, mortgage or otherwise encumber or dispose of a UFI, except in accordance with the provisions of this Deed. The Facilitator shall record the names and address of the Co-Owners, the UFIs held by each Co-owner and each UFI’s private unique identification number and particulars of transfers of Interests.
- 11.2 UFIs may be sold, assigned and transferred by the Purchaser or his agent duly authorized in writing if the following conditions are satisfied:
  - (a) The transferor and transferee have delivered to the Facilitator an executed assignment and an executed registrable transfer form for the transfer of title to the transferee;
  - (b) The transferee has agreed in writing in such form as may be acceptable to the Facilitator, to be bound by the terms of this Deed, to assume the obligations of the transferring Co-owner under



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this Deed in respect of the UFI being assigned and transferred and have signed all instruments ancillary to this Deed;

- (c) The transferee delivers, or causes to be delivered to the Facilitator the form of Durable Special Power of Attorney provided by the Facilitator, duly executed by the transferor and transferee authorizing the lawyers named therein to transfer title to the UFI being assigned and transferred, together with two picture identifications of each of the transferee and transferor duly notarized and otherwise acceptable to such lawyer;
- (d) The transferee pays such costs, expenses and disbursements, including legal fees as are reasonably incurred by the Facilitator by reason of the assignment and transfer and registration of the transferee as registered owner; and
- (e) The transferee shall provide the Facilitator with evidence reasonably satisfactory to the Facilitator that the transferee is not a U.S. Person as defined under Rule 902 k of the Securities Act.

11.3 When a transferee is entitled to become a Co-owner pursuant to the provisions hereof, the Facilitator will:

- (a) Cause the Special Warranty Deed to be recorded with the appropriate county records and provide a copy of the recorded Special Warranty Deed to the UFI; and
- (b) Record the transferee as Co-owner.

## **ARTICLE 12. BOOKS AND RECORDS**

12.1 The Facilitator will keep or cause to be kept and maintained on behalf of the Co-Owners at the Facilitator's principal place of business in Flower Mound, Texas:

- (a) Full and accurate books of account and records reflecting the receipts and expenditures relating to the Property and;
- (b) A register of Co-Owners.

12.2 The register of Co-Owners shall record:

- (a) The names of Co-Owners being the registered title holders, from time to time, of the Property;
- (b) The private unique identification number(s) of the UFI (s) held by a Co-owner;
- (c) Country of residence of each Co-owner;
- (d) Address, telephone number, facsimile number and email address of each Co-owner.

12.3 The documents kept by the Facilitator shall be available for inspection by the Co-Owners.

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**ARTICLE 13.  
AMENDMENTS**

- 13.1 This Deed may be amended in writing on the initiative of the Facilitator and by Special Resolution of the Co-Owners provided that such amendment is solely for the purpose of:
- (a) Curing an ambiguity or to correct or supplement any provision contained herein which, in the reasonable opinion of the Facilitator, may be defective or inconsistent with any other provision contained herein, and with respect to which the cure, correction or supplemental provision does not and will not substantially adversely affect the interests of the Purchaser or the other Co-Owners or any one of them; or
  - (b) Making such other provisions in regard to matters or questions arising under this Deed which, in the reasonable opinion of the Facilitator, do not and will not substantially adversely affect the interest of the Purchaser.

**ARTICLE 14.  
DEVELOPMENT OF THE PROPERTY**

- 14.1 The Facilitator may propose to the Co-Owners a Development Plan that allows the Facilitator to develop and sell the Property in phases. If the Co-Owners shall approve of such phased development proposal then the Facilitator shall be irrevocably entitled to proceed with such proposal, which shall form the basis of a Development Plan which shall be drawn up with the assistance of the Facilitator, subject to all such amendments as may generally be required to be made thereto in the discretion of the Facilitator.

**ARTICLE 15.  
SALE OF THE PROPERTY**

- 15.1 An offer (the “Offer”) to purchase the Property or any portion or phase of the Property received by the Facilitator, which the Facilitator deems credible and on normal commercial terms, shall be presented to the Co-Owners for decision. If such offer to purchase is accepted by the Co-Owners by Special Resolution, then such Resolution shall authorize and be deemed to have authorized the Facilitator to accept the Offer as agent of the Co-Owners which acceptance shall be binding upon all of the Co-Owners.
- 15.2 The Facilitator shall have the right to purchase, exercisable by notice in writing to the Co-Owners, within 14 days after the Co-Owners have passed a Special Resolution to accept the Offer, the Property on the same terms and conditions as the Offer. If the Facilitator fails to give such notice within 14 days then the Facilitator shall accept the Offer and complete the transaction in accordance therewith on behalf of the Co-Owners.

**ARTICLE 16.  
INCOME OR MARGIN TAX**

- 16.1 The Purchaser hereby agrees to complete and execute if required the Application for IRS Individual Taxpayer Identification Number (“Form W-7”), and authorizes Facilitator to file form W-7 on the Purchaser’s behalf.
- 16.2 In executing this Deed, the Purchaser authorizes Facilitator after consultation with the Purchaser and its financial advisor to apply for, execute and file (and to do all things incidental thereto) on behalf of the

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Purchaser any applicable tax forms required by the IRC and any regulations promulgated thereunder or required by the laws of the State of Texas that may be required in respect of any payment made to the Purchaser relating to the Purchaser's Purchased Property or on the disposition of the Property or the Purchased Property .

- 16.3 The Purchaser hereby agrees that the Seller may withhold any income tax required under the IRC (including but not limited to FIRPTA) or any income or margin tax required by the laws of the State of Texas in respect of any payment made to the Purchaser relating to the Purchaser's UFI, including, but not limited to, any payment made upon the Purchaser's disposition of the UFI. This Deed provides the Seller with a power of attorney and authorization after consultation with the Purchaser and its financial advisor to discuss matters relating to the Purchaser and the transactions of the Purchaser relating to the UFI with officials of the U.S. Internal Revenue Service and their Texas counterparts.
- 16.4 The Purchaser agrees that it shall be personally liable for the filing of income tax returns and the payment of any income taxes required by the IRC or for the filing of income or margin tax returns and the payment of any income or margin taxes required by the laws of the State of Texas, in excess of the Seller's withholding requirements under the IRC or the laws of the State of Texas, in connection with the purchase of the UFI by the Purchaser, distributions with respect of the UFI or a disposition of the UFI, all in accordance with the IRC or the laws of the State of Texas.
- 16.5 The covenants of the Purchaser set out in this Article 16 shall survive and shall not merge upon the recording of the Transfer and the completion of the transaction(s) contemplated in this Deed.

#### **ARTICLE 17.**

##### **RELEASE, INDEMNIFICATION AND LIMITATION OF LIABILITY**

- 17.1 Each of the Co-Owners, severally and not jointly or jointly and severally, expressly waives any claims against the Seller and the Facilitator and fully, finally completely and generally releases the Seller and the Facilitator, their predecessors, successors, subsidiaries, affiliates, officers, directors, managers, employees, agents, attorneys, attorneys in fact, accountants, and representatives ("**Released Parties**") from any and all claims, actions, demands, and/or causes of action arising under federal and state law, local regulation, or the common law, of whatever kind of character, damages or detriment, whether known or unknown, arising from, relating to, or in any way connected with the Facilitator's filing of tax returns or other documents with any taxing authority.
- 17.2 Each Co-owner, severally and not jointly or jointly and severally, hereby agrees to indemnify and pay, and hold forever harmless the Seller and the Facilitator, their servants, agents, directors, officers, employees, affiliated companies, parent companies, subsidiaries, predecessors, successors in interest, beneficiaries, insurers, attorneys accountants, assigns, and all Persons in privity with the Seller and Facilitator (the "**Indemnified Parties**") against any loss from any claim, demand, or action (including reasonable legal fees and disbursements) that may hereafter at any time be made or brought against the Seller and the Facilitator by on behalf of or through Co-owner, its affiliates, subsidiaries or successors, that result from or arise out of the Facilitator's filing of tax returns or other documents with any taxing authority. This indemnity is intended to be broad and shall cover all causes of action including but not limited to claims for the Indemnified Parties sole negligence or intentional acts and it is intended to meet the express negligence standard.

**ARTICLE 18.  
BECOMING A CO-OWNER**

- 18.1 The Purchaser agrees that, (regardless of whether he executed a counterpart of this Deed), that the Purchaser shall be deemed to be a Co-owner under this Deed, and the provisions of this Deed shall constitute an agreement among the Seller and such Co-owner. If this Deed contains terms that are not contained in any other agreement or restrictive covenant signed by or binding on the Seller and another Co-Owner then with respect to the Purchaser this Deed shall govern to the extent of any such term or to the extent of any inconsistency or conflict and the Purchaser shall not be bound by the terms of any other agreement between the Seller and another Co-Owner to the extent of any inconsistency or conflict. The Co-Owners acknowledge and agree that the Seller shall have the right, but not the obligation, to retain an undivided beneficial interest in the Property, to whatever extent it wishes from time to time, and the Seller will therefore be a Co-owner to the extent that it retains any such UFI.

**ARTICLE 19.  
COMPETING INTERESTS**

- 19.1 Each of the Co-Owners and the Facilitator is enabled, without the consent of any of the others of them, to carry on any business activity of the same nature and competing with that of the Co-Owners, and is not liable to account to each other.

**ARTICLE 20.  
NOTICES**

- 20.1 Any notice, communication or payment required or permitted to be given to the Co-Owners or anyone of them or the Facilitator shall be in writing and may be given by personal delivery or sent by courier service (delivery charges prepaid) or by mailing to same to be addressed as follows:
- (a) To the Facilitator at its respective mailing address;
  - (b) To each Co-owner at his last address shown on the records maintained by the Facilitator or transmitted by fax or electronically as a PDF file to the fax number or email address provided by the Facilitator or a Co-owner.

Any notice, communication or payment delivered as aforesaid shall be in the English language but may be accompanied by an unofficial translation and shall be deemed to have been given to the address on the day of delivery or, if mailed as aforesaid, shall be deemed to have been given to the address on seventh (7<sup>th</sup>) business day following the date of deposit thereof in the mail service, provided that, for such purposes, no day during which there shall be a strike or other occurrence which shall interfere with normal mail services shall be considered a business day. Accidental or inadvertent omission or failure to give any notice, communication or payment required or permitted to be given to any Co-owner shall not affect the validity or legality of any proceeding or action undertaken in respect thereof.

Any notice or communications transmitted by fax or electronic mail before 5:00 p.m. (Texas Time) on a business day (being any day of the week, other than a Saturday, Sunday or a day that is statutory holiday in United States), shall be deemed to have been given on such business day, and if transmitted by fax or electronic mail after 5:00 p.m. (Texas Time) on a business day, shall be deemed to have been given on the business day after the date of transmission. If such business day is a statutory holiday in Alberta, Canada or in Ontario, Canada then the transmission by fax or electronic mail shall only be deemed to have been

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given on the next business day that is not a statutory holiday in Alberta, Canada or in Ontario, Canada.

**ARTICLE 21.  
FURTHER ACTS**

- 21.1 The Co-Owners covenant and agree to execute and deliver such further and other documents and to perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Deed and every part hereof.

**ARTICLE 22.  
BINDING EFFECT**

- 22.1 Subject to the restrictions on assignment and transfer herein contained, this Deed shall enure to the benefit of and be binding upon the Co-Owners and their respective heirs, executors, administrators and other legal representatives, successors-in-title, assigns and transferees.

**ARTICLE 23.  
SEVERABILITY**

- 23.1 Each provision of this Deed is intended to be severable. If any provision hereof is illegal or invalid, such illegality or invalidity shall not affect the validity of the remainder hereof.

**ARTICLE 24.  
COUNTERPARTS**

- 24.1 This Deed may be executed in any number of counterparts, by original or facsimile signature, with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one and the same agreement.

**ARTICLE 25.  
REFERENCE DATE**

- 25.1 This Deed is dated for reference purposes as of the date of signature on the signature page.

**ARTICLE 26.  
TIME**

- 26.1 Time shall be of the essence hereof.

**ARTICLE 27.  
GOVERNING LAW**

- 27.1 This Deed shall be governed by and construed in accordance with the laws of the State of Texas, in the Country of United States and the parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the State of Texas, in the Country of United States.

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**ARTICLE 28.  
NO INTENTION TO CREATE A PARTNERSHIP**

- 28.1 The Purchaser and Seller acknowledge, agree and declare that the entering into of this Deed does not, and is not intended to, create a partnership, for legal purposes. The Purchaser and Seller further declare nothing herein is to be construed as a limitation of the powers or rights of any Co-owner to carry on its separate respective activities. Except for the Facilitator as contemplated in this Deed, none of the Co-Owners shall have the right to bind any of the other Co-Owners, transact any business in any of the other Co-Owners' names or on their behalf of incur any liability for or on behalf of any of the other Co-Owners.

**ARTICLE 29.  
TERMINATION**

- 29.1 This Deed shall remain in full force and effect until the title to the Property and all subdivisions and parts thereof are transferred to a Third-Party Owner and thereafter shall continue to be binding on those Co-Owners who transferred their title to the Third-Party Owner until monies (including the balance of the Development Fund, if any and sales proceeds) are distributed by the Facilitator to the Co-Owners in their respective Proportionate Shares. All Third-Party Owners of the Property shall not be bound by this Deed.

**ARTICLE 30.  
ENTIRE AGREEMENT**

- 30.1 This Deed, sets forth the entire understanding of the Parties relating to the subject matter thereof, and all prior or contemporaneous understandings, agreements, representations and warranties, whether written or oral, are superseded by this Deed, and all such prior or contemporaneous understandings, agreements, representations and warranties are hereby terminated.

**ARTICLE 31.  
RECORDING**

- 31.1 The Purchaser acknowledges and agrees that the Seller may, in its sole discretion, not record this Deed but may refer to it in a recorded document against the Property.

EXECUTED at \_\_\_\_\_, on the \_\_\_\_ day of \_\_\_\_\_, 2013.

**HILLS OF WINDRIDGE A2A LIMITED  
PARTNERSHIP**, by its general partner, Hills of  
Windridge A2A GP Inc.

By \_\_\_\_\_

Name:

Title:

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**ACCEPTANCE**

The Seller hereby accepts the terms of this Deed. Notwithstanding anything contained in this Deed to the contrary, the undersigned hereby acknowledges and confirms that this Deed shall be deemed to be dated as of the Effective Date set out below.

EXECUTED at \_\_\_\_\_, on the \_\_\_\_ day of \_\_\_\_\_, 2013 (the "Effective Date").

**HILLS OF WINDRIDGE A2A DEVELOPMENTS, LLC**

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**STATE OF TEXAS**

**COUNTY OF \_\_\_\_\_**

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2013 by \_\_\_\_\_.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2013.

\_\_\_\_\_  
Notary Public

(SEAL)

Printed Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**AFTER RECORDING RETURN TO:**

Jeffrey C. Tasker  
Tasker & Peterson, PLLC  
4325 Windsor Centre Trail; Suite 600  
Flower Mound, Texas 75028

**EXHIBIT A****Legal Description of Property****TRACT 1**

BEING A TRACT OF LAND LOCATED IN THE J.P. WOODS SURVEY, ABSTRACT NO. 1886 AND THE G.B. KENNEY SURVEY, ABSTRACT NO. 920, CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, BEING A PORTION OF A TRACT OF LAND DESCRIBED IN A DEED TO WINDRIDGE-TARRANT 437, L.P. (DENOTED AS TRACT 1), RECORDED IN INSTRUMENT NUMBER D207309621, OF THE OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS (O.P.R.T.C.T.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT, SAID POINT BEING AND ELL CORNER IN THE EAST LINE OF SAID TRACT 1, THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT (W.S.I.S.D.), RECORDED IN VOLUME 9206, PAGE 1789, DEED RECORDS, TARRANT COUNTY, TEXAS (D.R.T.C.T.), AND IN THE WEST LINE OF LOT 33, BLOCK 4, SILVER RIDGE ADDITION, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, RECORDED IN CABINET A, SLIDE 9613, PLAT RECORDS, TARRANT COUNTY, TEXAS (P.R.T.C.T.), FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "ARTHUR SURVEYING" BEARS N 44°34'49" E, 0.34 FEET;

THENCE ALONG THE EAST LINE OF SAID TRACT 1 AS FOLLOWS:

- (1) N 81°16'29" W, ALONG THE NORTH LINE OF SAID W.S.I.S.D. TRACT, DEPARTING THE WEST LINE OF SAID BLOCK 4, A DISTANCE OF 677.69 FEET TO A 5/8" IRON ROD FOUND, SAID IRON ROD BEING AN ELL CORNER IN THE EAST LINE OF SAID TRACT 1 AND THE NORTHWEST CORNER OF SAID W.S.I.S.D. TRACT;
- (2) S 08°41'54" W, ALONG THE WEST LINE OF SAID W.S.I.S.D. TRACT, 28.83 FEET TO A 5/8" IRON ROD FOUND WITH A CAP STAMPED "CARTER&BURGESS INC.", SAID IRON ROD BEING AN THE BEGINNING OF A CURVE TO THE LEFT;
- (3) SOUTHWESTERLY, AN ARC LENGTH OF 81.24 FEET ALONG THE WEST LINE OF SAID W.S.I.S.D. TRACT AND ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 1,166.00 FEET, A DELTA ANGLE OF 3°59'31", AND A CHORD BEARING S 06°43'21" W, 81.22 FEET TO A POINT;

THENCE N 81°16'29" W, DEPARTING THE EAST LINE OF SAID TRACT 1 AND THE WEST LINE OF SAID W.S.I.S.D. TRACT, 142.33 FEET TO A POINT;

THENCE N 88°44'28" W, 269.41 FEET TO A POINT, SAID POINT BEING THE BEGINNING OF A CURVE TO THE LEFT;

THENCE NORTHWESTERLY, AN ARC LENGTH OF 93.34 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 470.00 FEET, A DELTA ANGLE OF 11°22'41", AND A CHORD BEARING N 07°04'53" W, 93.18 FEET TO A POINT;

THENCE N 12°46'14" W, 229.69 FEET TO A POINT;

THENCE N 56°19'15" W, 14.49 FEET TO A POINT;

THENCE S 80°06'49" W, 55.45 FEET TO A POINT, SAID POINT BEING THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE SOUTHWESTERLY, AN ARC LENGTH OF 40.31 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS



OF 225.00 FEET, A DELTA ANGLE OF  $10^{\circ}15'54''$ , AND A CHORD BEARING  $S\ 85^{\circ}14'46''\ W$ , 40.26 FEET TO A POINT;

THENCE  $N\ 89^{\circ}37'17''\ W$ , 3.46 FEET TO A POINT;

THENCE  $S\ 00^{\circ}22'43''\ W$ , 120.00 FEET TO A POINT;

THENCE  $N\ 89^{\circ}37'17''\ W$ , 359.86 FEET TO A POINT IN THE WEST LINE OF A TARRANT REGIONAL WATER DISTRICT WATER PIPELINE EASEMENT (DENOTED AS PART 3), RECORDED IN INSTRUMENT NUMBER D205318789, O.P.R.T.C.T.;

THENCE  $N\ 00^{\circ}25'08''\ W$ , ALONG THE WEST LINE OF SAID WATER PIPELINE EASEMENT, 280.03 FEET TO A POINT;

THENCE  $S\ 89^{\circ}37'17''\ E$ , DEPARTING THE WEST LINE OF SAID WATER PIPELINE EASEMENT, 458.11 FEET TO A POINT;

THENCE  $S\ 88^{\circ}39'53''\ E$ , 60.02 FEET TO A POINT, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE SOUTHEASTERLY, AN ARC LENGTH OF 130.09 FEET ALONG SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 470.00 FEET, A DELTA ANGLE OF  $15^{\circ}51'33''$ , AND A CHORD BEARING  $S\ 04^{\circ}50'27''\ E$ , 129.68 FEET TO A POINT;

THENCE  $S\ 12^{\circ}46'14''\ E$ , 82.73 FEET TO A POINT;

THENCE  $N\ 77^{\circ}13'46''\ E$ , 51.47 FEET TO A POINT, SAID POINT BEING THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE NORTHEASTERLY, AN ARC LENGTH OF 202.59 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 540.00 FEET, A DELTA ANGLE OF  $21^{\circ}29'44''$ , AND A CHORD BEARING  $N\ 87^{\circ}58'39''\ E$ , 201.41 FEET TO A POINT;

THENCE  $S\ 81^{\circ}16'29''\ E$ , 696.03 FEET TO A POINT;

THENCE  $N\ 08^{\circ}44'50''\ E$ , 298.63 FEET TO A POINT IN THE SOUTH RIGHT-OF-WAY LINE OF FUTURE WHITE SETTLEMENT ROAD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE  $S\ 81^{\circ}11'37''\ E$ , ALONG THE FUTURE SOUTH RIGHT-OF-WAY LINE OF SAID WHITE SETTLEMENT ROAD, 170.00 FEET TO A POINT IN THE EAST LINE OF SAID TRACT 1 AND THE WEST LINE OF SAID BLOCK 4;

THENCE  $S\ 08^{\circ}44'50''\ W$ , DEPARTING THE FUTURE SOUTH RIGHT-OF-WAY LINE OF SAID WHITE SETTLEMENT ROAD, 468.39 FEET TO THE PLACE OF BEGINNING AND CONTAINING 9.672 ACRES (421,327 SQ. FT.) OF LAND, MORE OR LESS.

## **TRACT 2**

BEING A TRACT OF LAND LOCATED IN THE J.P. WOODS SURVEY, ABSTRACT NO. 1886, CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, BEING A PORTION OF A TRACT OF LAND DESCRIBED IN A DEED TO WINDRIDGE-TARRANT 437, L.P. (DENOTED AS TRACT 1), RECORDED IN INSTRUMENT NUMBER D207309621, OF THE OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS (O.P.R.T.C.T.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING AT A POINT IN THE FUTURE SOUTH RIGHT-OF-WAY LINE OF WHITE SETTLEMENT ROAD (A VARIABLE WIDTH RIGHT-OF-WAY), SAID POINT BEING THE BEGINNING OF A CURVE TO THE RIGHT, FROM WHICH A PK NAIL BEARS  $N\ 27^{\circ}06'\ E$ , 65.4 FEET, SAID PK NAIL BEING THE NORTHWEST CORNER OF SAID TRACT 1 AND IN THE CENTERLINE OF SAID WHITE SETTLEMENT ROAD;

THENCE SOUTHEASTERLY, AN ARC LENGTH OF 118.81 FEET, ALONG THE FUTURE SOUTH RIGHT-OF-WAY LINE OF SAID WHITE SETTLEMENT ROAD AND ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 2,033.31 FEET, A DELTA ANGLE OF 03°20'52" AND A CHORD BEARING S 67°17'18" E, 118.79 FEET TO A POINT;

THENCE S 02°53'53" W, DEPARTING THE FUTURE SOUTH RIGHT-OF-WAY LINE OF SAID WHITE SETTLEMENT ROAD, A DISTANCE OF 19.10 FEET TO A POINT;

THENCE S 00°25'08" E, 766.57 FEET TO A POINT;

THENCE S 89°37'17" E, 359.86 FEET TO A POINT;

THENCE N 00°22'43" E, 120.00 FEET TO A POINT;

THENCE S 89°37'17" E, 3.46 FEET TO A POINT, SAID POINT BEING THE BEGINNING OF A CURVE TO THE LEFT;

THENCE NORTHEASTERLY, AN ARC LENGTH OF 40.31 FEET, ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 225.00 FEET, A DELTA ANGLE OF 10°15'54", AND A CHORD BEARING OF N 85°14'46" E, 40.26 FEET TO A POINT;

THENCE N 80°06'49" E, 55.45 FEET TO A POINT,

THENCE S 56°19'15" E, 14.49 FEET TO A POINT,

THENCE S 12°46'14" E, 229.69 FEET TO A POINT, SAID POINT BEING THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE SOUTHEASTERLY, AN ARC LENGTH OF 93.34 FEET, ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 470.00 FEET, A DELTA ANGLE OF 11°22'41", AND A CHORD BEARING OF S 07°04'53" E, 93.18 FEET TO A POINT;

THENCE S 88°44'28" E, 269.41 FEET TO A POINT;

THENCE S 81°16'29" E, 142.33 FEET TO A POINT IN THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO THE WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT, RECORDED IN VOLUME 9206, PAGE 1789, DEED RECORDS, TARRANT COUNTY, TEXAS (D.R.T.C.T.), SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE ALONG THE COMMON LINES OF SAID TRACT 1 AND THE WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT TRACT AS FOLLOWS:

- (1) SOUTHEASTERLY, AN ARC LENGTH OF 313.19 FEET, ALONG SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS 1,166.00 FEET, A DELTA ANGLE OF 15°23'23", AND A CHORD BEARING OF S 02°58'06" E, 312.25 FEET TO A 5/8" IRON ROD FOUND WITH A CAP STAMPED "CARTER & BURGESS";
- (2) S 10°39'13" E, 331.44 FEET TO A 5/8" IRON ROD FOUND WITH A CAP STAMPED "CARTER & BURGESS", SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT TRACT ;
- (3) N 79°19'54" E, 602.35 FEET TO A 5/8" IRON ROD FOUND WITH A CAP STAMPED "CARTER & BURGESS", BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;
- (4) NORTHEASTERLY, AN ARC LENGTH OF 71.73 FEET, ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 970.00 FEET, A DELTA ANGLE OF 04°14'13" AND A CHORD BEARING OF N 77°12'48" E, 71.71 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "FULTON

SURVEYING", SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SCHOOL DISTRICT TRACT AND IN THE NORTH RIGHT-OF-WAY LINE OF LIVE OAK CREEK DRIVE (A CALLED 60 FOOT WIDE RIGHT-OF-WAY);

THENCE ALONG THE COMMON LINES OF SAID TRACT 1 AND THE SILVER RIDGE ADDITION, PHASE I, SECTION I, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, RECORDED IN VOLUME 388-219, PAGE 7, PLAT RECORDS, TARRANT COUNTY, TEXAS (P.R.T.C.T.), AS FOLLOWS:

- (1) S 14°52'29" E, DEPARTING THE NORTH RIGHT-OF-WAY LINE OF SAID LIVE OAK CREEK DRIVE, 180.00 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED ARTHUR SURVEYING", SAID IRON ROD BEING THE SOUTHWEST CORNER OF LOT 13, BLOCK 9 OF SAID SILVER RIDGE ADDITION;
- (2) S 17°46'13" E, 250.17 FEET TO A 1/2" IRON ROD FOUND WITH A RED CAP (UNREADABLE) IN THE SOUTH RIGHT-OF-WAY LINE OF BIG HORN TRAIL (A CALLED 50 FOOT WIDE RIGHT-OF-WAY), SAID IRON ROD BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;
- (3) NORTHEASTERLY, AN ARC LENGTH OF 6.67 FEET, ALONG THE SOUTH RIGHT-OF-WAY LINE OF SAID BIG HORN TRAIL AND SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 1,425.00 FEET, A DELTA ANGLE OF 00°16'05" AND CHORD BEARING OF N 74°28'46" E, 6.67 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "ARTHUR SURVEYING", FROM WHICH A 5/8" IRON ROD FOUND WITH A CAP STAMPED "CARTER & BURGESS" BEARS S 70°07' W, 0.2 FEET, SAID IRON ROD WITH A CAP STAMPED "ARTHUR SURVEYING BEING THE NORTHWEST CORNER OF LOT 2 OF SAID BLOCK 9;
- (4) S 15°39'17" E, ALONG THE WEST LINE OF SAID LOT 2, A DISTANCE OF 206.22 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "LBS", SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID LOT 2 AND THE NORTHWEST CORNER OF LOT 1 OF SAID BLOCK 9;
- (5) S 27°15'52" E, AT 259.18 FEET, PASSING AN "X" CUT FOUND, AND CONTINUING IN ALL A TOTAL DISTANCE OF 305.58 FEET TO A 5/8" IRON ROD FOUND WITH A YELLOW CAP (UNREADABLE), SAID IRON ROD BEING IN THE WEST LINE OF LOT 11, BLOCK 8 OF SAID SILVER RIDGE ADDITION;
- (6) S 68°49'52" E, 467.71 FEET TO A 60D NAIL FOUND IN THE SOUTH LINE OF SAID LOT 9 OF SAID BLOCK 8;
- (7) N 88°46'58" E, 628.73 FEET TO A 1/2" IRON ROD FOUND, SAID IRON ROD BEING THE SOUTHEAST CORNER OF SILVER RIDGE BOULEVARD (A VARIABLE WIDTH RIGHT-OF-WAY);
- (8) N 42°48'44" E, ALONG THE EAST RIGHT-OF-WAY LINE OF SAID SILVER RIDGE BOULEVARD, 147.49 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "FULTON SURVEYING", SAID POINT BEING THE BEGINNING OF A CURVE TO THE LEFT;
- (9) NORTHEASTERLY, AN ARC LENGTH OF 161.25 FEET, ALONG THE EAST RIGHT-OF-WAY LINE OF SAID SILVER RIDGE BOULEVARD AND SAID CURVE TO THE LEFT HAVING A RADIUS OF 968.00 FEET, A DELTA ANGLE OF 09°32'40" AND CHORD BEARING OF N 38°02'24" E, 161.07 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "AREA SURVEYING", SAID IRON ROD BEING THE SOUTHWEST CORNER OF LOT 1, BLOCK 3 OF SAID SILVER RIDGE ADDITION;
- (10) S 69°13'39" E, 452.79 FEET TO A 1/2" IRON ROD FOUND, SAID IRON ROD BEING THE SOUTHWEST CORNER OF LOT 7 OF SAID BLOCK 3;

- (11) S 56°33'42" E, 104.63 FEET TO A RAILROAD SPIKE FOUND, SAID RAILROAD SPIKE BEING THE NORTHWEST CORNER OF LOT 9 OF SAID BLOCK 3;
- (12) S 15°37'55" E, 116.43 FEET TO A 5/8" IRON ROD FOUND, SAID IRON ROD BEING THE NORTHWEST CORNER OF LOT 11 OF SAID BLOCK 3;
- (13) S 26°55'27" W, 146.72 FEET TO A 5/8" IRON ROD FOUND WITH A CAP STAMPED "CARTER & BURGESS", SAID IRON ROD BEING THE SOUTHWEST CORNER OF LOT 12 OF SAID BLOCK 3;
- (14) S 55°51'37" E, 182.16 FEET TO A 1/2" IRON ROD FOUND, SAID IRON ROD BEING THE MOST SOUTHERLY SOUTHWEST CORNER OF LOT 1, BLOCK 1 OF SAID SILVER RIDGE ADDITION;
- (15) N 88°55'43" E, 545.74 FEET TO A 5/8" IRON ROD FOND WITH A CAP STAMPED "CARTER & BURGESS";

THENCE S 00°59'19" E, ALONG AN EAST LINE OF SAID TRACT 1, A DISTANCE OF 1,338.33 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "ARTHUR SURVEYING", BEING THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO EAST GATE PROPERTIES, INC., RECORDED IN INSTRUMENT NUMBER D206412166, O.P.R.T.C.T.;

THENCE N 89°50'44" W, ALONG A SOUTH LINE OF SAID TRACT 1 AND THE NORTH LINE OF SAID EAST GATE PROPERTIES TRACT, 500.11 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "FULTON SURVEYING";

THENCE S 00°59'19" E, ALONG AN EAST LINE OF SAID TRACT 1 AND THE WEST LINE OF SAID EAST GATE PROPERTIES TRACT, 500.00 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "FULTON SURVEYING", SAID IRON ROD BEING IN THE NORTH LINE OF LOT 1, BLOCK 1, WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT ADDITION, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, RECORDED IN CABINET B, SLIDE 1534, P.R.T.C.T.;

THENCE N 89°50'44" W, ALONG THE SOUTH LINE OF SAID TRACT 1, THE NORTH LINE OF SAID LOT 1, BLOCK 1, THE NORTH LINE OF CHAPEL CREEK RANCH, PHASE IA, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, RECORDED IN VOLUME 388-208, PAGE 34, P.R.T.C.T., AT 1902.31 FEET PASSING A CITY OF FORT WORTH MONUMENT WITH A BRASS CAP, SAID MONUMENT BEING THE NORTHEAST CORNER OF LOT 1, BLOCK 1, WESTSIDE IV PUMP STATION ADDITION, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, RECORDED IN CABINET A, SLIDE 8372, P.R.T.C.T. AND CONTINUING IN ALL A TOTAL DISTANCE OF 2,112.31 FEET TO A POINT FROM WHICH A 1/2" IRON ROD BEARS S86°08' E, 0.7 FEET;

THENCE N 89°55'16" W, ALONG THE SOUTH LINE OF SAID TRACT 1, THE NORTH LINE OF SAID LOT 1, BLOCK 1, WESTSIDE PUMP STATION, A NORTH LINE OF LOT 1, BLOCK 1, EAGLE MOUNTAIN BALANCING RESERVOIR, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, RECORDED IN CABINET A, SLIDE 10960, P.R.T.C.T., 250.08 FEET TO A 1/2" IRON FOUND WITH A CAP STAMPED "ARTHUR SURVEYING", FROM WHICH A 3/4" IRON FOUND BEARS N 47°54' E, 3.4 FEET;

THENCE N 13°09'04" W, ALONG A WEST LINE OF SAID TRACT 1 AND AN EAST LINE OF SAID LOT 1, BLOCK 1, EAGLE MOUNTAIN BALANCING RESERVOIR ADDITION, 406.67 FEET TO A 5/8" IRON ROD FOUND;

THENCE N 81°26'28" W, ALONG A SOUTH LINE OF SAID TRACT 1 AND THE NORTH LINE OF SAID LOT 1, BLOCK 1, EAGLE MOUNTAIN BALANCING RESERVOIR ADDITION, 1,049.91 FEET TO A 5/8" IRON ROD FOUND, SAID IRON ROD BEING IN THE EAST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO TXU ELECTRIC DELIVERY COMPANY, RECORDED IN INSTRUMENT NUMBER D206031116, O.P.R.T.C.T.;

THENCE N 15°10'54" E, ALONG A WEST LINE OF SAID TRACT 1 AND THE EAST LINE OF SAID TXU TRACT, 464.39

FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "ARTHUR SURVEYING";

THENCE N 33°28'28" W, ALONG A WEST LINE OF SAID TRACT 1 AND THE EAST LINE OF SAID TXU TRACT, A DISTANCE OF 2,194.00 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "FULTON SURVEYING";

THENCE N 27°05'28" E, 450.00 FEET TO A POINT, FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "FULTON SURVEYING" BEARS N 76°35' E, 2.4 FEET;

THENCE N 33°28'28" W, 500.00 FEET TO A 5/8" IRON ROD FOUND WITH A RED CAP;

THENCE N 27°06'58" E, 1,235.87 FEET TO THE PLACE OF BEGINNING AND CONTAINING 266.020 ACRES (11,587,852 SQ. FT.) OF LAND, MORE OR LESS.

### **TRACT 3**

BEING A TRACT OF LAND LOCATED IN THE J.P. WOODS SURVEY, ABSTRACT NO. 1886 AND THE JAMES S. WARD SURVEY, ABSTRACT NO. 1595, CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, BEING ALL OF A TRACT OF LAND DESCRIBED IN A DEED TO WINDRIDGE-TARRANT 437, L.P. (DENOTED AS TRACT 2), RECORDED IN INSTRUMENT NUMBER D207309621, OF THE OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS (O.P.R.T.C.T.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND, SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID TRACT 2, THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO SMT INVESTORS LIMITED PARTNERSHIP, RECORDED IN INSTRUMENT NUMBER D206280509, O.P.R.T.C.T., AND IN THE EAST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO TANNAHILL RANCH SURFACE PARTNERSHIP, LTD., RECORDED IN INSTRUMENT NUMBER D209144492, O.P.R.T.C.T.;

THENCE ALONG THE WEST LINE OF SAID TRACT 2 AS FOLLOWS:

- (4) N 00°46'19" W, ALONG THE EAST LINE OF SAID TANNAHILL TRACT, 2,126.46 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "FULTON SURVEYING" BEING AN ELL CORNER IN THE WEST LINE OF SAID TRACT 2 AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO EAST GATE PROPERTIES, INC., RECORDED IN INSTRUMENT NUMBER D206412166, O.P.R.T.C.T.;
- (5) N 89°13'56" E, AT 30.00 FEET, PASSING A 1/2" IRON ROD FOUND WITH A CAP STAMPED "FULTON SURVEYING", AND CONTINUING IN ALL A TOTAL DISTANCE OF 660.16 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "FULTON SURVEYING" BEING AN ELL CORNER IN THE WEST LINE OF SAID TRACT 2 AND THE SOUTHEAST CORNER OF SAID EAST GATE TRACT;
- (6) N 00°46'04" W, 660.00 FEET TO A 1/2" IRON ROD FOUND BEING AN ELL CORNER IN THE WEST LINE OF SAID TRACT 2 AND THE NORTHEAST CORNER OF SAID EAST GATE TRACT;
- (7) S 89°13'56" W, AT 630.21 FEET, PASSING A 1/2" IRON ROD FOUND WITH A CAP STAMPED "FULTON SURVEYING", AND CONTINUING IN ALL A TOTAL DISTANCE OF 660.21 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "FULTON SURVEYING", IN THE EAST LINE OF SAID TANNAHILL TRACT, SAID POINT BEING AN ELL CORNER IN THE WEST LINE OF SAID TRACT 2 AND THE NORTHWEST CORNER OF SAID EAST GATE TRACT;

- (8) N 00°46'19" W, ALONG THE EAST LINE OF SAID TANNAHILL TRACT, 640.15 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED " ARTHUR SURVEYING" FROM WHICH A 60D NAIL BEARS S56°52'37" W, 0.5 FEET, SAID 1/2" IRON ROD FOUND BEING THE NORTHWEST CORNER OF SAID TRACT 2 AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO TEXAS UTILITIES ELECTRIC COMPANY, RECORDED IN VOLUME 9046, PAGE 373, D.R.T.C.T.;

THENCE N 89°11'24" E, ALONG THE NORTH LINE OF SAID TRACT 2 AND THE SOUTH LINE OF SAID TEXAS UTILITIES TRACT RECORDED IN VOLUME 9046, PAGE 373, A DISTANCE OF 904.21 FEET TO A 1/2" IRON ROD FOUND BEING THE NORTHEAST CORNER OF SAID TRACT 2 AND IN THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO TEXAS ELECTRIC SERVICE COMPANY (T.E.S.Co.), RECORDED IN VOLUME 8814, PAGE 256, D.R.T.C.T.;

THENCE ALONG THE EAST LINE OF SAID TRACT 2 AND THE WEST LINE OF SAID T.E.S.Co. TRACT AS FOLLOWS:

- (1) S 33°28'28" E, AT 1,827.16 FEET, PASSING A 5/8" IRON ROD FOUND, AND CONTINUING IN ALL A TOTAL DISTANCE OF 2,910.26 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "ARTHUR SURVEYING" BEING THE MOST EASTERLY SOUTHEAST CORNER OF SAID TRACT 2;
- (2) S 15°10'54" W, 1,027.49 FEET TO A 5/8" IRON ROD FOUND WITH A CAP STAMPED "TRANS SYSTEMS CORP", SAID IRON ROD BEING THE MOST SOUTHERLY SOUTHEAST CORNER OF SAID TRACT 2;

THENCE ALONG THE SOUTH LINE OF SAID TRACT 2 AS FOLLOWS:

- (1) S 89°29'06" W, AT 709. 12 FEET, PASSING A 1/2" IRON ROD FOUND WITH A CAP STAMPED "DUNAWAY", AND CONTINUING IN ALL A TOTAL DISTANCE OF 1,332.27 FEET TO A 1" IRON ROD FOUND;
- (2) S 89°28'21" W, 861.90 FEET TO THE PLACE OF BEGINNING AND CONTAINING 137.743 ACRES (6,000,081 SQ. FT.) OF LAND, MORE OR LESS.

**EXHIBIT B****NOTICE REQUISITIONING AN ORDINARY RESOLUTION****By Co-Owners**

**NOTICE IS HEREBY GIVEN** that the undersigned Co-owner(s) holding 15% or more of the Undivided Fractional Interests requisitions a general meeting of all Co-Owners, to consider and if thought fit to approve the Resolution(s) attached hereto **by no later than** the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the “**Return Date**”).

Dated the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Signed:

\_\_\_\_\_

Name :

Undivided Fractional Interest(s) Unique Identification No(s):

\_\_\_\_\_

**By Facilitator**

**NOTICE IS HEREBY GIVEN** that a general meeting of Co-Owners will be held at [address] on [date] at [time] to consider and if thought fit to approve the Resolution(s) attached as Appendix I. Included in this Notice is a proxy form.

Dated the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Signed:

\_\_\_\_\_

for and on behalf of the Facilitator

Name:

Title:

I have authority to bind the Corporation.

## SCHEDULE B

## CANADIAN PROJECTS MANAGED BY A2A

Bridle  
Park IBridle  
Park IIClearview  
ParkGreen  
Valley  
Estates I & IINiagara  
Falls ParkMeaford  
Highlands  
ResortLake Huron  
ShoresWingham  
Creek

## MANAGING OVER 1,365 ACRES

PROJECT	PLANNING STATUS
Meaford Highlands Resort	<b>SUBMITTED!</b>
Wingham Creek	<b>SUBMITTED!</b>
Lake Huron Shores	<b>SUBMITTED!</b>
Bridle Park I	<b>APPROVED (COUNTY)</b>
Bridle Park 2	<b>APPROVED (COUNTY)</b>
Clearview Park	<b>APPROVED (TOWN)</b>
Greenvalley Estates 1	Plans in progress
Greenvalley Estates 2	Plans in progress
Niagara Falls Park	Plans in progress
Angus Manor Park	Acquired April 2013

**6** out of 10 projects have  
rezoning applications  
submitted to the  
authorities

**3** out of 10 projects  
successfully rezoned

IN LESS  
THAN **4** YEARS!



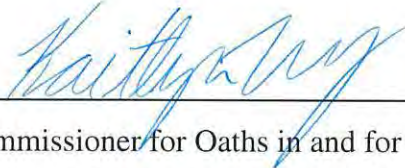
Property	Description
<b>Bridle Park I &amp; II</b>	These properties are located in the town of Stayner within the Township of Clearview, County of Simcoe in Ontario. They are about 68 hectares, proposed for residential and commercial development, with a mix of residential built form including single, semi-detached and town houses. To-date, the application for Official Plan Amendment has been approved at the Municipal and County levels. Work is progressively moving forward to reach finalization of the proposed plan of subdivision. This is a joint venture project with a land investment corporation based in Mississauga, Ontario.
<b>Clearview Park</b>	These properties are located in the town of Stayner within the Township of Clearview, County of Simcoe in Ontario. It is about 26 hectares in area and proposed for residential development. An Official Plan Amendment removing the residential development hold on the eastern half of the property was adopted by the Township. This will require final approval from the County of Simcoe, which is imminently expected. Work is on-going with the Township to successfully agree and conclude on subdivision designs and sewage infrastructure. This is a joint venture project with a land investment corporation based in Mississauga, Ontario.
<b>Green Valley Estates I&amp;II</b>	This is located in the city of London, Ontario. The property will be proposed as a development over 64 hectares, including an urban residential component with a neighbourhood commercial component, linear park system and a stormwater pond. Studies are currently being completed to derive concept plan for the land's best use. This is a joint venture project with a land investment corporation based in Mississauga, Ontario.
<b>Niagara Falls Park</b>	This property is located in the city of Niagara Falls in Ontario. It is about 85 hectares and is to be proposed as a residential and commercial development. Studies are currently being completed to derive concept plan for the land's best use, before starting formal discussions with the city's planning staff. This is a joint venture project with a land investment corporation based in Mississauga, Ontario.
<b>Meaford Highlands Resort</b>	This is a large 154-hectare property located in the Municipality of Meaford in the County of Grey in Ontario. It will be a "healthy lifestyle community" just outside (east of) the town of Meaford, on high ground, affording expansive views of the South Georgian Bay. Re-zoning applications have been submitted and work is on-going with planning staff to achieve a successful outcome in due course. It is intended to be re-zoned as a "resource-based" recreational use and will include an inn, residential resort accommodations, environmental areas, parks, stormwater management system, and executive facility and a road and trail network. Applications for Official Plan and Zoning By Law amendments have been submitted.

Property	Description
<b>Lake Huron Shores</b>	Located near the city of Goderich in Ontario, the proposed development will consist of about 28 hectares of land primarily for a residential subdivision, which envisions a range of built form and densities throughout the property, as well as commercial uses. The draft plan of subdivision contemplates 400 residential units which include single detached, semi-detached and townhouse units. In addition there will be commercial uses for the property, a park, open space areas, a stormwater management pond and walking trails. Applications for Official Plan and Zoning By Law amendments have been submitted.
<b>Wingham Creek</b>	The property is located at the eastern end of the town of Wingham in Ontario. Surrounding land uses include primarily residential uses, some commercial uses and the Turnberry Central Public School. This development is to consist of a residential subdivision, which includes a range of built form and densities throughout the plan. It contemplates 32 hectares of developable area and the development will maintain the natural areas. It will consist of up to 450 residential units, including single detached, semi-detached and townhouse units. It will also include two parks, open space areas, stormwater management ponds and walking trails. A future school site is under preparation and expected to be ready in the fall of 2013. Commercial uses are also foreseen for a land parcel to the south, which is expected to attract major retail storefronts. Applications for Official Plan and Zoning By Law amendments have been submitted.
<b>Angus Manor Park</b>	This 167-acre piece in the town of Angus, only recently acquired on April 5, 2013, is located west of the City of Barrie in Ontario. Further detailed studies are underway to determine the optimal use of the land. A2A believes that this is an ideal location for expansion of the urban boundaries of Angus by the time of the next Official Plan review expected sometime in the next 5 years. Syndication of undivided fractional units commenced in May 2013.



**A2A**  
WE PERFORM, OR ELSE

This is Exhibit "30" referred to  
In the Affidavit of Michael Edwards  
Sworn before me this 12<sup>th</sup> day of November, 2024

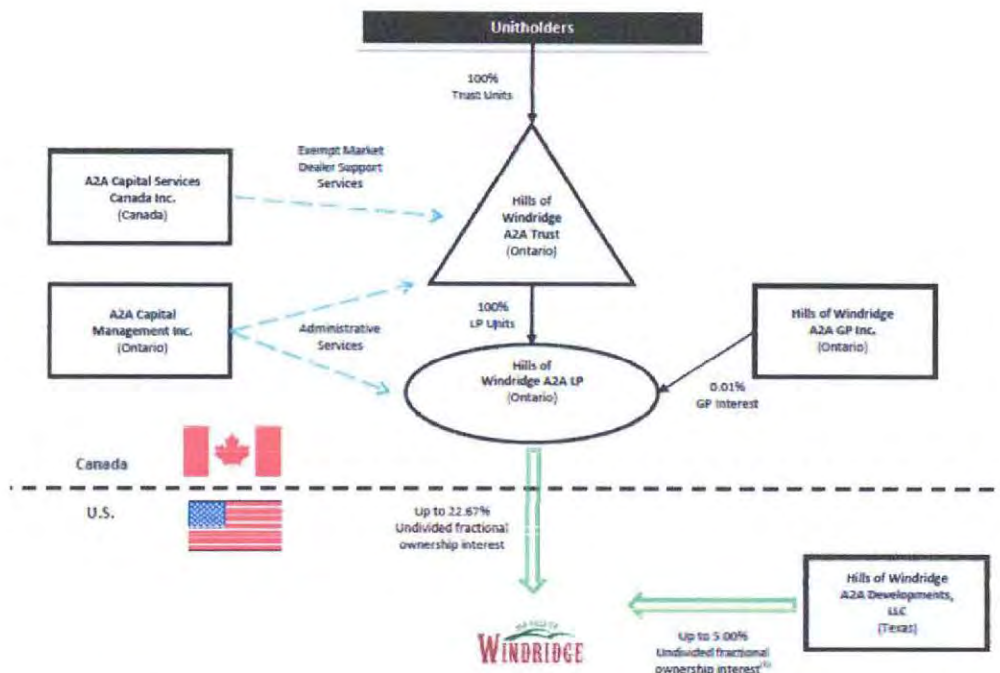


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Commissioner for Oaths in and for  
the Province of Alberta

Kathryn Wong  
Barrister & Solicitor  
3400, 350 7<sup>th</sup> Avenue SW  
Calgary, Alberta T2P3N9  
Ph: 1-403-261-7388

## WINDRIDGE OWNERSHIP STRUCTURE



Note:

Windridge Developments acquired a 100% ownership interest in the Property on September 20, 2012 for approximately U.S.\$5,000,000. Windridge Developments may, but is not obligated to, retain up to 220 of the UFs (5%), and intends to sell the balance of the UFs not acquired by Windridge LP (or retained by Windridge Developments) to individuals resident outside of North America (primarily Asia) (the "Offshore Investors"). As of May 8, 2013, a total of 2,450 UFs (55.5%) had been sold to Offshore investors at a price of U.S.\$20,000 per UFI for total proceeds of U.S.\$24,500,000.

Extract from the Amended and Restated Confidential Offering Memorandum dated November 13, 2023

This is Exhibit "31" referred to  
In the Affidavit of Michael Edwards  
Sworn before me this 12<sup>th</sup> day of November, 2024



Commissioner for Oaths in and for  
the Province of Alberta

**Kaitlyn Wong**  
Barrister & Solicitor  
3400, 350 7<sup>th</sup> Avenue SW  
Calgary, Alberta T2P3N9  
Ph: 1-403-261-7388



Edwards, Michael  
#300-1232 Bedford Hwy  
Bedford, NS  
B4A 1C6

Dear Michael,

Thank you for your interest in our organization and your investment in the Hills of Windridge A2A Trust. We look forward to building a strong business relationship with you, and ensuring your complete satisfaction with this product and our company. Inside this welcome package you will find the following items:

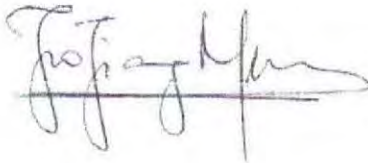
- A copy of the Subscription Agreement for your records.
- A Receipt of Investment Funds
- A four page summary highlighting the main features of The Hills of Windridge
- An update insert, providing the latest news concerning the development activity in the Hills of Windridge

We are committed to providing you with the highest level of client service possible and firmly believe that the success of our business lies solely with the satisfaction of our clients. If for any reason you have questions or comments, we would be delighted to hear from you. Call us at 403-460-9921, or send us email at [reception.calgary@a2acanada.ca](mailto:reception.calgary@a2acanada.ca) and we will get back to you as soon as possible.

At your preference, we will also be in contact with you and your dealing representative regarding future project updates, appreciation events and the first distributions to take place on the Hills of Windridge Development Project.

Again, thank you for interest and investment. We look forward to serving you.

Sincerely,



Dirk Foo  
President, Chief Executive Officer



# UNIT TRUST CERTIFICATE

Certificate No. 121

The Hills of Windridge A2A Trust (the "Trust")


Governed by the laws of the Province of Ontario and by a Declaration of Trust made the 13<sup>th</sup> day of February, 2013 as amended from time to time.

1. This is to certify that **Edwards, Michael** is the holder (the "Unitholder") of 10 units (the "Units") in the Hills of Windridge A2A Trust, of which 10 units are fully paid, and 0 units on which moneys payable on issue of the unit have not been paid.
2. The Units are transferable.
3. The Units represented by this certificate are issued upon the terms and subject to the conditions of the Declaration of Trust, which Declaration of Trust is binding upon all holders of Units and, by acceptance of this certificate, the holder assents to the terms and conditions of the Declaration of Trust. A copy of the Declaration of Trust, pursuant to which this certificate and the Units represented thereby are issued, may be obtained by a Unitholder on demand and without fee from the head office of the Trust.
4. For information as to personal liability of Unitholder, see the reverse side of this certificate.

DATED this 17th day of April, 2014.

**A2A Capital Management Inc.**  
(the Administrator)

Per:



Name: Dirk Foo  
Title: President & CEO, A2A Capital Management  
I have authority to bind the corporation.





A2A CAPITAL SERVICES CANADA INC.  
744 Fourth Avenue SW Suite 900 Calgary Alberta T2P 3T4 Canada  
T: +1 403 460 9921

## Receipt of Investment Funds

Date 1/10/2014

Subscription Reference # S10042-CDNCA-1213

### CLIENT INFORMATION

EDWARDS, MICHAEL

#300-1232 BEDFORD HWY  
BEDFORD, NS  
B4A 1C6  
Phone (902) 835-5071  
CLIENT ID: S042

DESCRIPTION		
Subscription for TEN units in The Hills of Windridge A2ATrust		
Subscription Type	Reference Number #:	Payment Type
CDN Cash	S044	CHEQUE

UNITS	PROJECT	Unit Price	Line total
10	The Hills of Windridge	CDN \$100	CDN \$1000
Subtotal			CDN \$1000
Total			CDN \$1000

Signed

Grayson Ambrose, VP Operations

# Subscription Agreement

---

**A2A**  
CAPITAL SERVICES  
CANADA INC.



**SUBSCRIPTION AGREEMENT FOR TRUST UNITS - MUST BE COMPLETED IN FULL**

TO: **HILLS OF WINDRIDGE A2A TRUST**, an open-ended unincorporated investment trust governed by the laws of the Province of Ontario (the "Trust" or "we")

The undersigned (hereinafter referred to as the "Subscriber") hereby irrevocably subscribes for and agrees to purchase from the Trust that number of trust units (the "Units"), for the aggregate purchase price, set forth below, upon and subject to the terms and conditions set forth in the attached "Terms and Conditions of Subscription" and the attached Schedules and Exhibits (collectively, the "Subscription Agreement"). The Subscriber agrees, without limitation, that we may rely on the Subscriber's representations, warranties and covenants contained herein in connection with the issuance of Units.

<u>10</u> Number of Units <small>(issued at \$100/Unit)</small>	<u>\$ 1000<sup>00</sup></u> Aggregate Purchase Price <small>(# of Units x \$100)</small>	Date: <u>Dec 11/13</u> , 201 <u>3</u>
Subscriber Information <sup>1</sup>		
<u>Michael Edwards</u> Full legal name of Subscriber - please print	<u>#300-1232 Bedford Hwy</u> Subscriber's address	
<u>(X) [Signature]</u> Signature of Subscriber or its Authorized Signatory	<u>Bedford, NS B4A 1C6</u> City, Province and postal code	
	<u>902-835-5011</u> Telephone number (including area code)	
	<u>michael@edwardsdcan.ca</u> E-mail address	
Name of Authorized Signatory (if applicable) <u>113-184-220</u> Social Insurance Number / Business Number		
Registration and Delivery Instructions <input checked="" type="checkbox"/> Check box if same as above		
Name to appear on the register	Delivery address	
Account reference, if applicable <small>(Check box as to type of Deferred Plan)</small>	City, Province and postal code	
<input type="checkbox"/> RRSP <input type="checkbox"/> RRSP (Spousal) <input type="checkbox"/> TFSA <input type="checkbox"/> RESP <input type="checkbox"/> RRIF <input type="checkbox"/> LIRA <input checked="" type="checkbox"/> Other (specify) <u>Cash</u>	Telephone number (including area code)	
	Contact name	

<sup>1</sup> If the Subscriber is signing as agent for one or more principals (a "Beneficial Purchaser") and is not a trust corporation or a portfolio manager, in either case, purchasing as a trustee or an agent for accounts fully managed by it, provide the requested information for each Beneficial Purchaser and ensure that the applicable schedules attached hereto are completed in respect of each Beneficial Purchaser.

<b>For Office Use Only</b>		
<b>ACCEPTANCE:</b> The Trust hereby accepts the subscriptions as set forth above on the terms and conditions contained herein.		
<b>HILLS OF WINDRIDGE A2A TRUST</b>	<b>Date:</b>	<b>Certificate No. Issued:</b>
By <u>[Signature]</u> Authorized Signatory	<u>Jan 15<sup>th</sup></u> , 201 <u>4</u>	<u>T.B.D</u>

## TERMS AND CONDITIONS OF SUBSCRIPTION

### Definitions

1. In this Subscription Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have the corresponding meanings:

**"Beneficial Purchaser"** means each person on whose behalf the Subscriber is acting as trustee or agent and on whose behalf the Subscriber is contracting by the execution and delivery of this Subscription Agreement;

**"Business Day"** means any day on which Canadian chartered banks are open for business in Toronto, Ontario and Calgary, Alberta, other than a Saturday or a Sunday;

**"Closing"** means the completion of the issue and sale by the Trust and the purchase by the Subscriber of the Purchased Securities pursuant to the provisions of this Subscription Agreement;

**"Closing Date"** means the date on which the Trust issues the Purchased Securities to the Subscriber pursuant to this Subscription Agreement;

**"Closing Time"** means 12:00 p.m. (Toronto time) on the Closing Date or such other time as the Trust may choose in its sole discretion;

**"Declaration of Trust"** means the declaration of trust of the Trust dated February 13, 2013;

**"Deferred Plan"** means a trust governed by a registered retirement savings plan (a "RRSP"), a registered education savings plan (a "RESP"), a registered retirement income fund (a "RRIF"), a deferred profit sharing plan (a "DPSP"), a registered disability savings plan (a "RDSP") or a tax-free savings account (a "TFSA"), as those phrases are defined in the *Income Tax Act* (Canada).

**"Designated Province"** means the province or territory of Canada in which the Subscriber is a resident;

**"NI 45-106"** means National Instrument 45-106 - *Prospectus and Registration Exemptions*;

**"Offering Memorandum"** means the amended and restated offering memorandum of the Trust dated May 8, 2013, as amended or updated from time to time;

**"Purchase Price"** means the aggregate subscription amount set out on page 1 of this Subscription Agreement (i.e., the page following the procedures and checklist page);

**"Purchased Securities"** means that number of Units indicated on page 1 of, and subscribed for by the Subscriber pursuant to, this Subscription Agreement;

**"Securities Commissions"** means, collectively, the applicable securities commissions or other securities regulatory authorities, as applicable, in each of the provinces and territories of Canada;

**"Securities Laws"** means, collectively, the applicable securities laws of each of the provinces and territories of Canada, and the regulations and rules made and forms prescribed thereunder, together with all applicable and legally enforceable published policy statements, multilateral or national instruments, blanket orders, rulings and notices of the Securities Commissions;

**"Subscriber"** means the subscriber(s) for Units who has/have executed this Subscription Agreement, and if more than one person is so named, means all of them jointly and severally;

**"Trust"** or **"we"** means Hills of Windridge A2A Trust, an open-ended unincorporated investment trust



governed by the laws of the Province of Ontario;

**Units** means the units of the Trust; and

**"U.S. Securities Act"** means the *United States Securities Act of 1933*, as amended.

**Terms of the Offering**

2. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each Beneficial Purchaser) that:

- (i) the Subscriber and, if applicable, each Beneficial Purchaser, has obtained all legal, tax and investment advice he, she or it considers appropriate in connection with the offer, sale and issuance of the Units and the execution, delivery and performance by the Subscriber of this Subscription Agreement and the transactions contemplated herein, and that the Subscriber and, if applicable, a Beneficial Purchaser, is not relying on the Trust in this regard;
- (ii) **AN INVESTMENT IN UNITS IS NOT WITHOUT RISK AND THE SUBSCRIBER MAY LOSE HIS, HER OR ITS ENTIRE INVESTMENT.** The Subscriber and, if applicable, each Beneficial Purchaser, has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder in the Purchased Securities and is able to bear the economic risk of total loss of such investment;
- (iii) all costs and expenses incurred by the Subscriber and, if applicable, any Beneficial Purchaser, (including any fees and disbursements of legal counsel retained thereby) relating to the purchase of the Purchased Securities shall be borne solely by the Subscriber and/or Beneficial Purchaser.

**Deliveries and Payment Prior to Closing**

3. The Subscriber (on its own behalf and, if applicable, each Beneficial Purchaser) agrees to deliver to the Trust, c/o A2A Capital Services Canada Inc. 744 Fourth Avenue SW -Suite 900 Calgary Alberta T2P 3T4, or such other place as the Trust may advise, at least two (2) Business Days before the Closing Date:

- (i) a signed and dated copy of the face page of the Offering Memorandum;
- (ii) a certified cheque or bank draft payable to "The Hills of Windridge A2A Trust", or payment in such other manner as may be acceptable to the Trust, for the aggregate purchase price of the Units subscribed for pursuant hereto. **If purchasing Units through a Deferred Plan (as defined herein), a Subscriber will need to provide affirmation that sufficient funds representing the subscription price are held in their Deferred Plan account;**
- (iii) a properly completed and duly signed copy of this Subscription Agreement, including:
  - a. **if the Subscriber is purchasing under section 2.3 of NI 45-106 (Accredited Investor)**, a properly completed and duly signed copy of the *Accredited Investor Status Certificate* in the form attached hereto as Schedule A (including Exhibit 1 attached thereto);
  - OR
  - b. **if the Subscriber is purchasing under section 2.10 of NI 45-106 (Minimum Amount Investment) and is not an "Accredited Investor"**, a duly signed copy of the *Minimum Amount Investment Status Certificate* in the form attached hereto as Schedule B; or
  - OR

c. if the Subscriber is purchasing under section 2.3 of NI 45-106 (Offering Memorandum)

- I. a properly completed and signed copy (in duplicate) of the *Offering Memorandum Risk Acknowledgement* attached as Schedule C; and
- II. if a resident of Alberta, Saskatchewan, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Québec or Yukon, complete and sign the *OM Exemption Certificate* attached as Schedule D (including, if applicable, Exhibit 1 attached thereto); and

(iv) such other documents required by applicable securities laws or that the Trust requests.

4. Except as otherwise indicated, all documents included in this Subscription Agreement or otherwise required pursuant to the provisions of such documents should be completed in their entirety and executed by the Subscriber (on its own behalf and, if applicable, each Beneficial Purchaser). All information should be typed or printed in ink. It is suggested that the Subscriber make and retain copies of the completed subscription and related documents.

5. The Trust shall be entitled to rely on delivery of a facsimile copy or electronic copy of an executed Subscription Agreement, and acceptance by the Trust of such facsimile or electronic copy shall be legally effective to create a valid and binding agreement between the Subscriber and the Trust in accordance with the terms hereof. Notwithstanding the foregoing, the Subscriber shall deliver originally executed copies of the documents required hereunder to the Trust within two (2) Business Days of the Closing Date. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document.

Closing

6. The Trust's obligation to issue the Purchased Securities to the Subscriber is subject to the following conditions:

- (i) receipt by the Trust of all properly completed and signed documentation required pursuant to Section 3 hereof;
- (ii) receipt by the Trust of payment of the aggregate subscription price for the Purchased Securities in accordance with Section 3 hereof;
- (iii) the issue and sale and delivery of the Purchased Securities being exempt from the prospectus and registration requirements of, and otherwise in compliance with, all applicable Securities Laws; and
- (iv) the representations and warranties of the Subscriber (on its own behalf and, if applicable, each Beneficial Purchaser) set out herein, including in the Schedules hereto, being true and correct as at the Closing Time.

7. Within five (5) Business Days of Closing, a certificate evidencing the Purchased Securities acquired hereunder will be mailed or delivered in accordance with the instructions set forth on page 1 of this Subscription Agreement (*i.e.*, the page following the procedures and checklist page).

8. The Trust may, in its absolute discretion, accept or reject the Subscriber's subscription for Units as set forth in this Subscription Agreement, in whole or in part, and the Trust reserves the right to allot to the Subscriber less than the amount of Units subscribed for under this Subscription Agreement. Upon acceptance by the Trust of this Subscription Agreement, the subscription funds are immediately releasable to the Trust provided that such funds are held in accordance with all applicable Securities Laws.

9. If this Subscription Agreement is rejected in whole, a cheque representing the full amount of funds

delivered by the Subscriber to Trust on account of the subscription price for the Units subscribed for will be promptly forwarded to the Subscriber without interest. If this Subscription Agreement is accepted only in part, a cheque representing the amount by which the payment delivered by the Subscriber to the Trust exceeds the subscription price for the Units sold to the Subscriber pursuant to a partial acceptance of this Subscription Agreement will be promptly forwarded to the Subscriber without interest.

10. The Subscriber agrees that this Subscription Agreement is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber except in accordance with applicable securities Laws or with the written consent of the Trust.

**Representations, Warranties, Acknowledgements and Covenants of the Subscriber**

11. The Subscriber (on its own behalf and, if applicable, each Beneficial Purchaser) represents, warrants, acknowledges and covenants, as applicable, to the Trust (and acknowledges that the Trust is relying thereon) both at the date hereof and at the Closing Time that:

- (i) If the Subscriber (and, if applicable, Beneficial Purchaser) is an individual, the Subscriber (and, if applicable, Beneficial Purchaser) is of the full age of majority in the jurisdiction in which this Subscription Agreement is executed and is legally competent to execute and deliver this Subscription Agreement, to perform all of his or her obligations hereunder, and to undertake all actions required of the Subscriber hereunder;
- (ii) if the Subscriber (and, if applicable, Beneficial Purchaser) is a corporation, the Subscriber (and, if applicable, Beneficial Purchaser) is duly incorporated and is a valid and existing corporation in the jurisdiction of its formation, has the necessary capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Purchased Securities and to undertake all actions required of the Subscriber hereunder, and has taken all necessary corporate action in respect thereto;
- (iii) if the Subscriber (and, if applicable, Beneficial Purchaser) is a partnership, syndicate or other form of unincorporated organization, the Subscriber (and, if applicable, Beneficial Purchaser) has the necessary legal capacity and authority in the jurisdiction of its formation to execute and deliver this Subscription Agreement, to subscribe for the Purchased Securities and to observe and perform its covenants and obligations hereunder, and has obtained all necessary approvals in respect thereto;
- (iv) upon acceptance by the Trust, this Subscription Agreement will constitute a legal, valid and binding agreement of the Subscriber enforceable against the Subscriber in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of any of the Subscriber's (and, if applicable, any Beneficial Purchaser's) constituting documents, by-laws or authorizing resolutions (if applicable), any agreement to which the Subscriber (and, if applicable, any Beneficial Purchaser) is a party or by which it is bound or any applicable statute, law, rule, regulation, judgment, decree or order affecting the Subscriber (and, if applicable, any Beneficial Purchaser);
- (v) if the Subscriber is acting as agent or trustee for a Beneficial Purchaser, the Subscriber is duly authorized to execute and deliver this Subscription Agreement and all other necessary documents in connection with such subscription on behalf of such Beneficial Purchaser, and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid, binding and enforceable obligation of, each Beneficial Purchaser;
- (vi) the Subscriber (and, if applicable, each Beneficial Purchaser) was offered the Purchased Securities in, and is a resident of, the jurisdiction referred to under "Subscriber Information" set out on page 1 hereof (*i.e.*, the page following the procedures and checklist page), intends that the Securities Laws of that jurisdiction do and shall govern the subscription of the Subscriber, and that Subscriber's (and, if applicable, any Beneficial Purchaser's) address listed set out on page 1 hereof is not being used solely for the purpose of acquiring the Purchased Securities;

- (vii) the Subscriber confirms that the Subscriber (and, if the Subscriber is not purchasing as principal, each Beneficial Purchaser for whom the Subscriber is acting):
  - (a) has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of an investment in the Units;
  - (b) is capable of assessing the proposed investment in the Units as a result of their own experience or as a result of advice received from a person registered under applicable Securities Laws; and
  - (c) is able to bear the economic risk of a total loss of his, her or its investment in the Units;
- (viii) the Subscriber (and, if applicable, each Beneficial Purchaser) understands that no securities commission, stock exchange, governmental agency, regulatory body or similar authority has made any finding or determination or expressed any opinion with respect to the merits of investing in the Units;
- (ix) the Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges that no prospectus has been filed by the Trust with any securities commission or similar regulatory authority in any jurisdiction in connection with the issuance of the Units and the issuance is exempted from the prospectus requirements available under the provisions of applicable securities laws and as a result:
  - (a) the Subscriber (and, if applicable, each Beneficial Purchaser) is restricted from using most of the civil remedies available under applicable securities laws including, without limitation, statutory rights of rescission or damages;
  - (b) the Subscriber (and, if applicable, each Beneficial Purchaser) will not receive information that may otherwise be required to be provided to the Subscriber under applicable Securities Laws or contained in a prospectus prepared in accordance with applicable Securities Law; and
  - (c) the Trust is relieved from certain obligations that would otherwise apply under applicable securities laws if the Trust were a reporting issuer or relying on different exemptions from the prospectus requirements contained in applicable Securities Laws;
- (x) the Subscriber (and, if applicable, each Beneficial Purchaser) confirms that he, she or it has received and reviewed in its entirety the Offering Memorandum;
- (xi) the Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges and agrees that he, she or it has had an opportunity to ask and have answered questions with respect to the Trust and the Units. The Subscriber (and, if applicable, each Beneficial Purchaser) has consulted, to the extent he, she or it deems appropriate, with the their own advisors as to the financial, tax, legal and related matters concerning an investment in Units and on that basis the Subscriber (and, if applicable, each Beneficial Purchaser) believes that an investment in Units is suitable and appropriate for the Subscriber (and, if applicable, each Beneficial Purchaser);
- (xii) the Subscriber (and, if applicable, each Beneficial Purchaser) has not acquired the Purchased Securities as a result of any general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;



- (xiii) the Subscriber (and, if applicable, each Beneficial Purchaser) confirms that neither the Trust nor any of its trustees, officers, employees, affiliates, or agents have made any representations (written or oral) to the Subscriber:
  - (a) regarding the future value of the Purchased Securities;
  - (b) that any person will resell or repurchase the Purchased Securities (other than the redemption right in favour of Unit holders as described in the Offering Memorandum);
  - (c) that the Purchased Securities will be listed on any stock exchange or traded on any market; or
  - (d) that any person will refund the subscription price of the Purchased Securities other than as provided in this Subscription Agreement;
- (xiv) the Subscriber (and, if applicable, each Beneficial Purchaser) has not received from the Trust any financial assistance of any kind, directly or indirectly, in connection with its purchase of Units hereunder;
- (xv) the Subscriber (and, if applicable, each Beneficial Purchaser) is purchasing the Purchased Securities for investment only and not with a view to resale or distribution of all or any of the Purchased Securities. If the Subscriber is a corporation or a partnership, syndicate, trust, association, or any other form of unincorporated organization or organized group of persons, the Subscriber was not created or being used solely to permit purchases of or to hold securities without a prospectus in reliance on a prospectus exemption;
- (xvi) except for the Subscriber's knowledge regarding its subscription for Units hereunder, the Subscriber (and, if applicable, each Beneficial Purchaser) has no knowledge of a "material fact" or a "material change" (as those terms are defined in the *Securities Act* (Ontario)) in the affairs of the Trust that has not been generally disclosed;
- (xvii) except for any registered or exempt market dealer hired by the Trust, there is no person acting or purporting to act in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee and if any person establishes a claim that any fee or other compensation is payable in connection with this subscription for the Purchased Securities, the Subscriber covenants to indemnify and hold harmless the Trust with respect thereto and with respect to all costs reasonably incurred in the defense thereof;
- (xviii) the Subscriber (and, if applicable, each Beneficial Purchaser) has consulted his, her or its legal advisor with respect to trading in the Purchased Securities and the resale restrictions imposed by applicable Securities Laws, and acknowledges that (other than as expressly provided in this Subscription Agreement) no representation has been made respecting the applicable hold periods imposed by applicable Securities Laws or other resale restrictions applicable to such securities which restrict the ability of the Subscriber to resell such securities, that the Subscriber (and, if applicable, each Beneficial Purchaser) is solely responsible to obtain definitive legal advice with respect to these restrictions and the Subscriber is solely responsible (and the Trust shall be in no way responsible) for compliance with applicable resale restrictions and the Subscriber (and, if applicable, each Beneficial Purchaser) is aware that it may not be able to resell such securities except in accordance with limited exemptions under applicable Securities Laws;
- (xix) the Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges that, in addition to any other requirements under applicable Securities Laws to which a disposition of any of the Purchased Securities by the Subscriber may be subject, the Subscriber (and, if applicable, each Beneficial Purchaser) may, depending on the nature of the disposition, be required to file a report of exempt trade within ten (10) days of a disposition by the Subscriber of the Purchased Securities;

- (xx) if required by applicable Securities Laws or by any securities commission, stock exchange or other regulatory authority, the Subscriber (and, if applicable, each Beneficial Purchaser) will execute, deliver, file and otherwise assist the Trust in filing, such reports, undertakings and other documents with respect to the issue of the Purchased Securities;
- (xxi) the Subscriber (and, if applicable, each Beneficial Purchaser) is aware that the Units have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that these securities may not be offered or sold, directly or indirectly, in the United States without registration under the U.S. Securities Act (or compliance with requirements of an exemption from registration) and the applicable laws of all applicable states and the Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges that the Trust has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Units;
- (xxii) the Units have not been offered to the Subscriber in the United States, and the individual making the order to purchase the Units and executing and delivering this Subscription Agreement on behalf of the Subscriber (and, if applicable, each Beneficial Purchaser) was not in the United States when the order was placed and this Subscription Agreement was executed and delivered;
- (xxiii) the Subscriber (and, if applicable, any Beneficial Purchaser) is not a U.S. Person (as defined in Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not purchasing the Units on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person;
- (xxiv) the Subscriber (and, if applicable, each Beneficial Purchaser) undertakes and agrees that it will not offer or sell the Units in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that it will not resell the Units, except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules;
- (xxv) none of the funds that the Subscriber (and, if applicable, any Beneficial Purchaser) is using to purchase the Purchased Securities represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "PCMLTFA") and the Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges that the Trust may in the future be required by law to disclose the Subscriber's (and, if applicable, each Beneficial Purchaser's) name and other information relating to this Subscription Agreement and the Subscriber's (and, if applicable, each Beneficial Purchaser's) purchase hereunder, on a confidential basis, pursuant to the PCMLTFA, and to the best of the Subscriber's knowledge, the Purchase Price to be provided by the Subscriber:
  - (a) has not been or will not be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction; or
  - (b) is not being tendered on behalf of a person or entity who has not been identified to the Subscriber.

The Subscriber shall promptly notify the Trust if the Subscriber discovers that any of such representations ceases to be true, and to provide the Trust with appropriate information in connection therewith; and

- (xxvi) the Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges that an investment in Units is subject to a number of risk factors, including, without limitation, those enumerated in the Offering Memorandum. In particular, the Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges that the Trust is not a reporting issuer in any province of Canada and,

as such, the applicable hold period may never expire. Accordingly, there is currently no market for any of the Units and one may never develop. It may be difficult or even impossible for a Subscriber (or, if applicable, a Beneficial Purchaser) to sell any of the Units. Resale of such Units will require the availability of exemptions from the prospectus requirements of applicable Securities Laws, or the application for a discretionary order of the securities commission or similar regulatory authority in the subscriber's province or territory of residence permitting the trade. The Subscriber (and, if applicable, each Beneficial Purchaser) covenants and agrees to comply with the securities legislation of their jurisdiction of residence, and any other relevant securities legislation, orders or policies concerning the purchase, holding of, and resale of the Units.

The Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges and agrees that the all representations, warranties acknowledgment and covenants made in this Subscription Agreement are made by him, her or it with the intention that they may be relied upon by the Trust in determining the Subscriber's (and, if applicable, any Beneficial Purchaser's) eligibility to purchase the Purchased Securities under applicable Securities Laws. The Subscriber (and, if applicable, each Beneficial Purchaser) further agrees that by accepting delivery of the Purchased Securities on the Closing Date, he, she or it shall be reaffirming that all such representations, warranties acknowledgment and covenants are true and correct as at the Closing Time with the same force and effect as if they had been made by the Subscriber (and, if applicable, each Beneficial Purchaser) at the Closing Time and that they shall survive the purchase by the Subscriber (and, if applicable, each Beneficial Purchaser) of the Purchased Securities and shall continue in full force and effect notwithstanding any subsequent disposition of such Units. The Subscriber undertakes to notify the Trust immediately of any change in any representation, warranty or other information relating to the Subscriber (or, if applicable, any Beneficial Purchaser) set out in this Subscription Agreement which takes place prior to the Closing Time.

#### **Representations and Warranties of the Trust**

12. The Trust represents, warrants, acknowledges and covenants, as applicable, to the Subscriber (and acknowledges that the Subscriber is relying thereon) both at the date hereof and at the Closing Time that:

- (i) the Trust is a duly formed, open-ended unincorporated investment trust governed by the laws of the Province of Ontario, has the necessary capacity and authority to execute and deliver this Subscription Agreement, to issue for the Purchased Securities and to observe and perform its covenants and obligations hereunder and has taken all necessary action required under the Declaration of Trust in respect thereto;
- (ii) upon acceptance by the Trust, this Subscription Agreement will constitute a legal, valid and binding agreement of the Trust enforceable against the Trust in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of any of the Declaration of Trust, trustee regulations or authorizing resolutions, any agreement to which the Trust is a party or by which it is bound or any applicable statute, law, rule, regulation, judgment, decree or order; and
- (iii) the Trust has complied or will comply with all applicable Securities Laws, in connection with the offer and sale of the Units.

#### **Indemnity**

13. The Subscriber agrees to indemnify and hold harmless the Trust and its respective trustees, officers, employees, agents, advisers and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Subscriber contained herein or in any document furnished by the Subscriber to the Trust in connection herewith being untrue in any material respect or any breach or failure by the Subscriber to comply with any

covenant or agreement made by the Subscriber herein or in any document furnished by the Subscriber to the Trust in connection herewith.

#### **Consent to Collection of Personal Information**

14. If the Subscriber (and, if applicable, any Beneficial Purchaser) is an individual, the Subscriber (and, if applicable, the Beneficial Purchaser) acknowledges that he or she has provided to the Trust in this Subscription Agreement and the Schedules hereto information of a personal nature (the "**Personal Information**") that may or may not be protected under applicable privacy legislation. This information is being collected, used and may be disclosed by the Trust for the following purposes (the "**Purposes**");

- (i) to determine the Subscriber's (or, Beneficial Purchaser's) eligibility to purchase the Units under applicable Securities Laws, preparing and registering certificates representing the Purchased Securities and completing any filings required by applicable securities commission or other securities regulatory authority;
- (ii) to be kept in the records of the Trust on its securities registers and its list of Unit holders, whether maintained by the Trust or by any person on its behalf;
- (iii) to be disclosed to securities/tax regulatory authorities or other government bodies as required and in accordance with applicable securities and tax laws; and
- (iv) as long as the Subscriber is a Unit holder, to be disclosed to other third parties held to an obligation of confidentiality to the Trust, such as their respective legal counsel, accountants, transfer agent, securities depository, or any other entity for the purpose of sending disclosure documentation required to be sent to Unit holders from time to time.

The Subscriber (on its own behalf and, if applicable, on behalf of each Beneficial Purchaser on whose behalf the Subscriber is contracting) hereby consents to the collection, use and disclosure by the Trust of the Personal Information for the Purposes.

#### **General**

15. *Obligations of the Trust.* The Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges the obligations of the Trust under this Subscription Agreement and that such obligations will not be personally binding upon any of the Trustees, any registered or beneficial holder of Units or any beneficiary under a plan of which a holder of such Units acts as a trustee or carrier, and that resort will not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise, any of the foregoing or the private property of any of the foregoing in respect of any indebtedness, obligation or liability of the Trust arising hereunder, and recourse for such indebtedness, obligations or liabilities of the Trust, as the case may be, will be limited to, and satisfied only out of, the assets of the Trust, as the case may be.

16. *Modification.* Subject to the terms hereof, neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

17. *Assignment.* The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber, the Trust and their respective successors and assigns; provided that this Subscription Agreement shall not be assignable by any party without the prior written consent of the other party. For greater certainty this Subscription Agreement may only be transferred or assigned by the Subscriber subject to compliance with applicable laws (including, without limitation, applicable securities laws).

18. *Miscellaneous and Counterparts.* All representations, warranties, agreements and covenants made or deemed to be made by the Subscriber (and, if applicable, others for whom it is contracting hereunder) herein will survive the execution and delivery, and acceptance, of this Subscription Agreement and the Closing. This Subscription Agreement may be executed in any number of counterparts, each of which when delivered, either in original or facsimile form, shall be deemed to be an original and all of which together shall constitute one and the

same document.

19. *Governing Law.* This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Subscription Agreement.

20. *Entire Agreement.* This Subscription Agreement (including the Schedules hereto) represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified in any respect by written instrument only.

21. *Severability.* The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.

22. *Language.* In connection with the offering of the Purchased Securities, the undersigned hereby requests that all documentation available, including the Subscription Agreement, be prepared and forwarded in the English language only. Dans le cadre du placement propose d'obligations de Hills of Windridge AZA Trust, le soussigné consent par les présentes à ce que la documentation relative à ce placement proposé, y compris la convention de souscription, soit rédigée et soumise en la langue anglaise seulement.

23. *Time of Essence.* Time shall be of the essence of this Subscription Agreement.

24. *Currency.* Unless otherwise noted, all dollar amounts referred to in this Subscription Agreement are in United States dollars.

*[Remainder of Page Intentionally Left Blank]*



SCHEDULE C

OFFERING MEMORANDUM RISK ACKNOWLEDGEMENT

(THIS FORM MUST BE COMPLETED IN DUPLICATE BY SUBSCRIBERS)

HILLS OF WINDRIDGE A2A TRUST COPY TO BE SUBMITTED WITH EXECUTED SUBSCRIPTION AGREEMENT

RISK ACKNOWLEDGEMENT

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- These securities are redeemable, but I may only be able to redeem them in limited circumstances.
- I could lose all the money I invest.

I am investing \$ 1000<sup>00</sup> [total consideration] in total; this includes any amount I am obliged to pay in future. Windridge A2A Developments, LLC will pay \$ 8% / 9.2% total [amount of fee or commission] of this to Pinnacle Wealth Brokers [name of exempt market dealer selling the securities] as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

DATED this 11<sup>th</sup> day of December, 2013.

Michael Edwards  
Full legal name of Subscriber – please print

(X) [Signature]  
Signature of Subscriber

\_\_\_\_\_  
Name of Signatory (if different than Subscriber)

\_\_\_\_\_  
Official Capacity or Title, if applicable

Sign 2 copies of this document. Keep one copy for your records.

You have 2 business days to cancel your purchase

WARNING

To do so, send a notice to Hills of Windridge A2A Trust stating that you want to cancel your purchase. You must send the notice before midnight on the 2<sup>nd</sup> business day after you sign the agreement to purchase the securities. You can send the notice by fax or email, or deliver it in person to Hills of Windridge A2A Trust at its business address. Keep a copy of the notice for your records.

Issuer Name & Address: Hills of Windridge A2A Trust  
c/o A2A Capital Services Canada Inc.  
744 Fourth Avenue SW -Suite 900  
Calgary Alberta T2P 3T4

Telephone / E-mail: P: 403.460.9921 E: windridgeinfo@a2acanada.ca

### **You are buying Exempt Market Securities**

They are called exempt market securities because two parts of securities law do not apply to them. If an issuer wants to sell exempt market securities to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator. There are restrictions on your ability to resell exempt market securities. Exempt market securities are more risky than other securities.

### **You will receive an offering memorandum**

Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

### **You will not receive advice** *[Instruction: Delete if sold by registrant]*

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from an adviser or registered dealer. In Alberta, Manitoba, Saskatchewan, Prince Edward Island, Northwest Territories, Nunavut and Yukon to qualify as an eligible investor, you may be required to obtain that advice.

### **The securities you are buying are not listed**

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

### **The issuer of your securities is a non-reporting issuer**

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority or regulator.

British Columbia Securities Commission  
P.O. Box 10142  
Pacific Centre 701 West Georgia Street  
Vancouver, British Columbia V7Y 1L2  
Telephone: (604) 899-6500  
Toll free (BC & Alta): 1-800-373-6393  
Fax: (604) 899-6506

Alberta Securities Commission  
4th Floor, 300-5th Avenue SW  
Calgary, Alberta T2P 3C4  
Telephone: (403) 297-6454  
Fax: (403) 297-6156

Saskatchewan Financial Services  
Commission  
6th Floor, 1919 Saskatchewan Drive  
Regina, Saskatchewan S4P 3V7  
Telephone: (306) 787-5879  
Fax: (306) 787-5899

The Manitoba Securities Commission  
500-400 St. Mary Avenue  
Winnipeg Manitoba R3C 4K5  
Telephone: (204) 945-2548  
Fax: (204) 945-0330

Securities Commission of Newfoundland  
and Labrador  
P.O. Box 8700  
2<sup>nd</sup> Floor, West Block Confederation  
Building  
St. John's, Newfoundland A1B 4J6  
Telephone: (709) 729-4189  
Fax: (709) 729-6187

Nova Scotia Securities Commission  
2<sup>nd</sup> Floor, Joseph Howe Building  
1690 Hollis Street  
Halifax, Nova Scotia B3J 3J9  
Telephone: (902) 424-7768  
Fax: (902) 424-4625

New Brunswick Securities Commission  
133 Prince William Street, Suite 606  
Saint John, New Brunswick E2L 2B5  
Telephone: (506) 658-3060  
Fax: (506) 658-3059

Prince Edward Island Securities Office  
P.O. Box 2000  
95 Rochford Street  
Charlottetown, Prince Edward Island  
C1A 7N8  
Telephone: (902) 368-4569  
Fax: (902) 368-5283

Government of Northwest Territories  
Department of Justice Securities  
Registry  
1st Floor Stuart M. Hodgson Building  
5009- 49th Street  
Yellowknife, Northwest Territories  
X1A 2L9  
Telephone: (867) 920-3318  
Fax: (867) 873-0243

Government of Nunavut  
Department of Justice  
Legal Registries Division  
P.O. Box 1000 Station 570  
1<sup>st</sup> Floor, Brown Building  
Iqaluit, Nunavut X0A 0H0  
Telephone: (867) 975-6190  
Fax: (867) 975-6194

Government of Yukon  
Department of Community Services Law  
Centre, 3rd Floor  
2130 Second Avenue  
Whitehorse, Yukon Y1A 5H6  
Telephone: (867) 667-5314  
Fax: (867) 393-6251

**The Subscriber must sign 2 copies of this form.**


**The Subscriber and Hills of Windridge A2A Trust must each receive a signed copies**



## OM Receipt Acknowledgement Form

To Whom It May Concern:

I Michael Edwards hereby acknowledge and confirm that  
I have been provided with, and am in receipt of the Offering Memorandum  
in relation to **Hills of Windridge A2A Trust** dated **November 21, 2013**.

 Michael Edwards  
Signature

Dec 11/13  
Date

Michael Edwards  
Dealing Representative Name

Pinnacle Wealth Brokers  
Exempt Market Dealer



31 Part 2



A2A CAPITAL SERVICES CANADA INC.  
744 Fourth Avenue SW Suite 900 Calgary Alberta T2P 3T4 Canada  
T: +1 403 460 9921

Nican INC  
1232 Bedford Hwy  
Bedford, NS  
B4A 1C6

Dear Nican INC,

Thank you for your interest in our organization and your investment in the Hills of Windridge A2A Trust. We look forward to building a strong business relationship with you, and ensuring your complete satisfaction with this product and our company. Inside this welcome package you will find the following items:

- A copy of the Subscription Agreement for your records.
- A Receipt of Investment Funds
- A four page summary highlighting the main features of The Hills of Windridge
- An update insert, providing the latest news concerning the development activity in the Hills of Windridge

We are committed to providing you with the highest level of client service possible and firmly believe that the success of our business lies solely with the satisfaction of our clients. If for any reason you have questions or comments, we would be delighted to hear from you. Call us at 403-460-9921, or send us email at [reception.calgary@a2a.asia](mailto:reception.calgary@a2a.asia) and we will get back to you as soon as possible.

At your preference, we will also be in contact with you and your dealing representative regarding future project updates, appreciation events and the first distributions to take place on the Hills of Windridge Development Project.

Again, thank you for interest and investment. We look forward to serving you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dirk Foo', with a long horizontal flourish extending to the right.

Dirk Foo  
President, Chief Executive Officer

A small, stylized handwritten signature in blue ink, located in the bottom right corner of the page.



A2A CAPITAL SERVICES CANADA INC.  
744 Fourth Avenue SW Suite 900 Calgary Alberta T2P 3T4 Canada  
T: +1 403 460 9921

## Receipt of Investment Funds

Date 11/27/2013

Subscription Reference # 010058-CDNCA-1113

### CLIENT INFORMATION

### NICAN INC

1232 BEDFORD HWY  
BEDFORD, NS  
B4A 1C6  
Phone (902) 835 5071  
CLIENT ID: 0058

DESCRIPTION		
Subscription for ONE unit in The Hills of Windridge A2ATrust		
Subscription Type	Reference Number #:	Payment Type
Cash	THOW058	Cheque

UNITS	PROJECT	Unit Price	Line total
01	The Hills of Windridge	CDN \$10,000	CDN \$10,000
Subtotal			CDN \$10,000
Total			CDN \$10,000

Signed

Grayson Ambrose, VP Operations



**SUBSCRIPTION AGREEMENT FOR TRUST UNITS - MUST BE COMPLETED IN FULL**

TO: **HILLS OF WINDRIDGE A2A TRUST**, an open-ended unincorporated investment trust governed by the laws of the Province of Ontario (the "Trust" or "we")

The undersigned (hereinafter referred to as the "Subscriber") hereby irrevocably subscribes for and agrees to purchase from the Trust that number of trust units (the "Units"), for the aggregate purchase price, set forth below, upon and subject to the terms and conditions set forth in the attached "Terms and Conditions of Subscription" and the attached Schedules and Exhibits (collectively, the "Subscription Agreement"). The Subscriber agrees, without limitation, that we may rely on the Subscriber's representations, warranties and covenants contained herein in connection with the issuance of Units.

<u>1</u> Number of Units (issued at \$10,000/Unit)	<u>\$ 10,000</u> Aggregate Purchase Price (# of Units x \$10,000)	Date: <u>Nov 14</u> 201 <u>3</u>
<b>Subscriber Information<sup>1</sup></b>		
<u>Nican Inc</u> Full legal name of subscriber - please print	<u>1232 Bedford Hwy</u> Subscriber's address	
<u>[Signature]</u> Signature of Subscriber or its Authorized Signatory	<u>Bedford, NS B4A 1C6</u> City, Province and postal code	
<u>Michael Edwards</u> Name of Authorized Signatory (if applicable)	<u>902.835.5071</u> Telephone number (including area code)	
<u>BIN: 87077-8610 RC0001</u> Social Insurance Number / Business Number	<u>michael@edwardsdean.ca</u> E-mail address	
Registration and Delivery Instructions ( <input checked="" type="checkbox"/> Check box if same as above)		
_____ Name to appear on the register	_____ Delivery address	
_____ Account reference, if applicable (Check box as to type of Deferred Plan)	_____ City, Province and postal code	
<input type="checkbox"/> RRSP <input type="checkbox"/> RRSP (Spousal) <input type="checkbox"/> TFSA <input type="checkbox"/> RESP <input type="checkbox"/> RRIF <input type="checkbox"/> LIRA <input checked="" type="checkbox"/> Other (specify) <u>Cash</u>	_____ Telephone number (including area code) <u>Michael Edwards</u> Contact name	

If the Subscriber is signing as agent for one or more principals (a "Beneficial Purchaser") and is not a trust corporation or a portfolio manager, in either case, purchasing as a trustee or an agent for accounts fully managed by it, provide the requested information for each Beneficial Purchaser and ensure that the applicable schedules attached hereto are completed in respect of each Beneficial Purchaser.

<b>For Office Use Only</b>		
ACCEPTANCE: The Trust hereby accepts the subscriptions as set forth above on the terms and conditions contained herein.		
By <u>[Signature]</u> Authorized Signatory	Date: <u>Nov 28<sup>th</sup></u> 201 <u>3</u>	Certificate No. Issued: <u>T.B.D</u>

## TERMS AND CONDITIONS OF SUBSCRIPTION

### Definitions

1. In this Subscription Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have the corresponding meanings:

**"Beneficial Purchaser"** means each person on whose behalf the Subscriber is acting as trustee or agent and on whose behalf the Subscriber is contracting by the execution and delivery of this Subscription Agreement;

**"Business Day"** means any day on which Canadian chartered banks are open for business in Toronto, Ontario and Calgary, Alberta, other than a Saturday or a Sunday;

**"Closing"** means the completion of the issue and sale by the Trust and the purchase by the Subscriber of the Purchased Securities pursuant to the provisions of this Subscription Agreement;

**"Closing Date"** means the date on which the Trust issues the Purchased Securities to the Subscriber pursuant to this Subscription Agreement;

**"Closing Time"** means 12:00 p.m. (Toronto time) on the Closing Date or such other time as the Trust may choose in its sole discretion;

**"Declaration of Trust"** means the declaration of trust of the Trust dated February 13, 2013;

**"Deferred Plan"** means a trust governed by a registered retirement savings plan (a "RRSP"), a registered education savings plan (a "RESP"), a registered retirement income fund (a "RRIF"), a deferred profit sharing plan (a "DPSP"), a registered disability savings plan (a "RDSP") or a tax-free savings account (a "TFSA"), as those phrases are defined in the *Income Tax Act* (Canada).

**"Designated Province"** means the province or territory of Canada in which the Subscriber is a resident;

**"NI 45-106"** means National Instrument 45-106 - *Prospectus and Registration Exemptions*;

**"Offering Memorandum"** means the amended and restated offering memorandum of the Trust dated May 8, 2013, as amended or updated from time to time;

**"Purchase Price"** means the aggregate subscription amount set out on page 1 of this Subscription Agreement (i.e., the page following the procedures and checklist page);

**"Purchased Securities"** means that number of Units indicated on page 1 of, and subscribed for by the Subscriber pursuant to, this Subscription Agreement;

**"Securities Commissions"** means, collectively, the applicable securities commissions or other securities regulatory authorities, as applicable, in each of the provinces and territories of Canada;

**"Securities Laws"** means, collectively, the applicable securities laws of each of the provinces and territories of Canada, and the regulations and rules made and forms prescribed thereunder, together with all applicable and legally enforceable published policy statements, multilateral or national instruments, blanket orders, rulings and notices of the Securities Commissions;

**"Subscriber"** means the subscriber(s) for Units who has/have executed this Subscription Agreement, and if more than one person is so named, means all of them jointly and severally;

**"Trust" or "we"** means Hills of Windridge A2A Trust, an open-ended unincorporated investment trust

governed by the laws of the Province of Ontario;

**Units** means the units of the Trust; and

**"U.S. Securities Act"** means the *United States Securities Act of 1933*, as amended.

**Terms of the Offering**

2. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each Beneficial Purchaser) that:

- (i) the Subscriber and, if applicable, each Beneficial Purchaser, has obtained all legal, tax and investment advice he, she or it considers appropriate in connection with the offer, sale and issuance of the Units and the execution, delivery and performance by the Subscriber of this Subscription Agreement and the transactions contemplated herein, and that the Subscriber and, if applicable, a Beneficial Purchaser, is not relying on the Trust in this regard;
- (ii) **AN INVESTMENT IN UNITS IS NOT WITHOUT RISK AND THE SUBSCRIBER MAY LOSE HIS, HER OR ITS ENTIRE INVESTMENT.** The Subscriber and, if applicable, each Beneficial Purchaser, has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder in the Purchased Securities and is able to bear the economic risk of total loss of such investment;
- (iii) all costs and expenses incurred by the Subscriber and, if applicable, any Beneficial Purchaser, (including any fees and disbursements of legal counsel retained thereby) relating to the purchase of the Purchased Securities shall be borne solely by the Subscriber and/or Beneficial Purchaser.

**Deliveries and Payment Prior to Closing**

3. The Subscriber (on its own behalf and, if applicable, each Beneficial Purchaser) agrees to deliver to the Trust, c/o A2A Capital Services Canada Inc. 744 Fourth Avenue SW -Suite 900 Calgary Alberta T2P 3T4, or such other place as the Trust may advise, at least two (2) Business Days before the Closing Date:

- (i) a signed and dated copy of the face page of the Offering Memorandum;
- (ii) a certified cheque or bank draft payable to "The Hills of Windridge A2A Trust", or payment in such other manner as may be acceptable to the Trust, for the aggregate purchase price of the Units subscribed for pursuant hereto. **If purchasing Units through a Deferred Plan (as defined herein), a Subscriber will need to provide affirmation that sufficient funds representing the subscription price are held in their Deferred Plan account;**
- (iii) a properly completed and duly signed copy of this Subscription Agreement, including:
  - a. **if the Subscriber is purchasing under section 2.3 of NI 45-106 (Accredited Investor)**, a properly completed and duly signed copy of the *Accredited Investor Status Certificate* in the form attached hereto as Schedule A (including Exhibit 1 attached thereto);
  - OR
  - b. **if the Subscriber is purchasing under section 2.10 of NI 45-106 (Minimum Amount Investment) and is not an "Accredited Investor"**, a duly signed copy of the *Minimum Amount Investment Status Certificate* in the form attached hereto as Schedule B; or

OR



c. **if the Subscriber is purchasing under section 2.3 of NI 45-106 (Offering Memorandum)**

- I. a properly completed and signed copy (in duplicate) of the *Offering Memorandum Risk Acknowledgement* attached as Schedule C; and
  - II. if a resident of Alberta, Saskatchewan, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Québec or Yukon, complete and sign the *OM Exemption Certificate* attached as Schedule D (including, if applicable, Exhibit 1 attached thereto); and
- (iv) such other documents required by applicable securities laws or that the Trust requests.

4. Except as otherwise indicated, all documents included in this Subscription Agreement or otherwise required pursuant to the provisions of such documents should be completed in their entirety and executed by the Subscriber (on its own behalf and, if applicable, each Beneficial Purchaser). All information should be typed or printed in ink. It is suggested that the Subscriber make and retain copies of the completed subscription and related documents.

5. The Trust shall be entitled to rely on delivery of a facsimile copy or electronic copy of an executed Subscription Agreement, and acceptance by the Trust of such facsimile or electronic copy shall be legally effective to create a valid and binding agreement between the Subscriber and the Trust in accordance with the terms hereof. Notwithstanding the foregoing, the Subscriber shall deliver originally executed copies of the documents required hereunder to the Trust within two (2) Business Days of the Closing Date. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document.

**Closing**

6. The Trust's obligation to issue the Purchased Securities to the Subscriber is subject to the following conditions:

- (i) receipt by the Trust of all properly completed and signed documentation required pursuant to Section 3 hereof;
- (ii) receipt by the Trust of payment of the aggregate subscription price for the Purchased Securities in accordance with Section 3 hereof;
- (iii) the issue and sale and delivery of the Purchased Securities being exempt from the prospectus and registration requirements of, and otherwise in compliance with, all applicable Securities Laws; and
- (iv) the representations and warranties of the Subscriber (on its own behalf and, if applicable, each Beneficial Purchaser) set out herein, including in the Schedules hereto, being true and correct as at the Closing Time.

7. Within five (5) Business Days of Closing, a certificate evidencing the Purchased Securities acquired hereunder will be mailed or delivered in accordance with the instructions set forth on page 1 of this Subscription Agreement (*i.e.*, the page following the procedures and checklist page).

8. The Trust may, in its absolute discretion, accept or reject the Subscriber's subscription for Units as set forth in this Subscription Agreement, in whole or in part, and the Trust reserves the right to allot to the Subscriber less than the amount of Units subscribed for under this Subscription Agreement. Upon acceptance by the Trust of this Subscription Agreement, the subscription funds are immediately releasable to the Trust provided that such funds are held in accordance with all applicable Securities Laws.

9. If this Subscription Agreement is rejected in whole, a cheque representing the full amount of funds



delivered by the Subscriber to Trust on account of the subscription price for the Units subscribed for will be promptly forwarded to the Subscriber without interest. If this Subscription Agreement is accepted only in part, a cheque representing the amount by which the payment delivered by the Subscriber to the Trust exceeds the subscription price for the Units sold to the Subscriber pursuant to a partial acceptance of this Subscription Agreement will be promptly forwarded to the Subscriber without interest.

10. The Subscriber agrees that this Subscription Agreement is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber except in accordance with applicable securities Laws or with the written consent of the Trust.

**Representations, Warranties, Acknowledgements and Covenants of the Subscriber**

11. The Subscriber (on its own behalf and, if applicable, each Beneficial Purchaser) represents, warrants, acknowledges and covenants, as applicable, to the Trust (and acknowledges that the Trust is relying thereon) both at the date hereof and at the Closing Time that:

- (i) If the Subscriber (and, if applicable, Beneficial Purchaser) is an individual, the Subscriber (and, if applicable, Beneficial Purchaser) is of the full age of majority in the jurisdiction in which this Subscription Agreement is executed and is legally competent to execute and deliver this Subscription Agreement, to perform all of his or her obligations hereunder, and to undertake all actions required of the Subscriber hereunder;
- (ii) if the Subscriber (and, if applicable, Beneficial Purchaser) is a corporation, the Subscriber (and, if applicable, Beneficial Purchaser) is duly incorporated and is a valid and existing corporation in the jurisdiction of its formation, has the necessary capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the Purchased Securities and to undertake all actions required of the Subscriber hereunder, and has taken all necessary corporate action in respect thereto;
- (iii) if the Subscriber (and, if applicable, Beneficial Purchaser) is a partnership, syndicate or other form of unincorporated organization, the Subscriber (and, if applicable, Beneficial Purchaser) has the necessary legal capacity and authority in the jurisdiction of its formation to execute and deliver this Subscription Agreement, to subscribe for the Purchased Securities and to observe and perform its covenants and obligations hereunder, and has obtained all necessary approvals in respect thereto;
- (iv) upon acceptance by the Trust, this Subscription Agreement will constitute a legal, valid and binding agreement of the Subscriber enforceable against the Subscriber in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of any of the Subscriber's (and, if applicable, any Beneficial Purchaser's) constituting documents, by-laws or authorizing resolutions (if applicable), any agreement to which the Subscriber (and, if applicable, any Beneficial Purchaser) is a party or by which it is bound or any applicable statute, law, rule, regulation, judgment, decree or order affecting the Subscriber (and, if applicable, any Beneficial Purchaser);
- (v) if the Subscriber is acting as agent or trustee for a Beneficial Purchaser, the Subscriber is duly authorized to execute and deliver this Subscription Agreement and all other necessary documents in connection with such subscription on behalf of such Beneficial Purchaser, and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid, binding and enforceable obligation of, each Beneficial Purchaser;
- (vi) the Subscriber (and, if applicable, each Beneficial Purchaser) was offered the Purchased Securities in, and is a resident of, the jurisdiction referred to under "Subscriber Information" set out on page 1 hereof (*i.e.*, the page following the procedures and checklist page), intends that the Securities Laws of that jurisdiction do and shall govern the subscription of the Subscriber, and that Subscriber's (and, if applicable, any Beneficial Purchaser's) address listed set out on page 1 hereof is not being used solely for the purpose of acquiring the Purchased Securities;

- (vii) the Subscriber confirms that the Subscriber (and, if the Subscriber is not purchasing as principal, each Beneficial Purchaser for whom the Subscriber is acting):
  - (a) has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of an investment in the Units;
  - (b) is capable of assessing the proposed investment in the Units as a result of their own experience or as a result of advice received from a person registered under applicable Securities Laws; and
  - (c) is able to bear the economic risk of a total loss of his, her or its investment in the Units;
- (viii) the Subscriber (and, if applicable, each Beneficial Purchaser) understands that no securities commission, stock exchange, governmental agency, regulatory body or similar authority has made any finding or determination or expressed any opinion with respect to the merits of investing in the Units;
- (ix) the Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges that no prospectus has been filed by the Trust with any securities commission or similar regulatory authority in any jurisdiction in connection with the issuance of the Units and the issuance is exempted from the prospectus requirements available under the provisions of applicable securities laws and as a result:
  - (a) the Subscriber (and, if applicable, each Beneficial Purchaser) is restricted from using most of the civil remedies available under applicable securities laws including, without limitation, statutory rights of rescission or damages;
  - (b) the Subscriber (and, if applicable, each Beneficial Purchaser) will not receive information that may otherwise be required to be provided to the Subscriber under applicable Securities Laws or contained in a prospectus prepared in accordance with applicable Securities Law; and
  - (c) the Trust is relieved from certain obligations that would otherwise apply under applicable securities laws if the Trust were a reporting issuer or relying on different exemptions from the prospectus requirements contained in applicable Securities Laws;
- (x) the Subscriber (and, if applicable, each Beneficial Purchaser) confirms that he, she or it has received and reviewed in its entirety the Offering Memorandum;
- (xi) the Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges and agrees that he, she or it has had an opportunity to ask and have answered questions with respect to the Trust and the Units. The Subscriber (and, if applicable, each Beneficial Purchaser) has consulted, to the extent he, she or it deems appropriate, with their own advisors as to the financial, tax, legal and related matters concerning an investment in Units and on that basis the Subscriber (and, if applicable, each Beneficial Purchaser) believes that an investment in Units is suitable and appropriate for the Subscriber (and, if applicable, each Beneficial Purchaser);
- (xii) the Subscriber (and, if applicable, each Beneficial Purchaser) has not acquired the Purchased Securities as a result of any general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

- (xiii) the Subscriber (and, if applicable, each Beneficial Purchaser) confirms that neither the Trust nor any of its trustees, officers, employees, affiliates, or agents have made any representations (written or oral) to the Subscriber:
  - (a) regarding the future value of the Purchased Securities;
  - (b) that any person will resell or repurchase the Purchased Securities (other than the redemption right in favour of Unit holders as described in the Offering Memorandum);
  - (c) that the Purchased Securities will be listed on any stock exchange or traded on any market; or
  - (d) that any person will refund the subscription price of the Purchased Securities other than as provided in this Subscription Agreement;
- (xiv) the Subscriber (and, if applicable, each Beneficial Purchaser) has not received from the Trust any financial assistance of any kind, directly or indirectly, in connection with its purchase of Units hereunder;
- (xv) the Subscriber (and, if applicable, each Beneficial Purchaser) is purchasing the Purchased Securities for investment only and not with a view to resale or distribution of all or any of the Purchased Securities. If the Subscriber is a corporation or a partnership, syndicate, trust, association, or any other form of unincorporated organization or organized group of persons, the Subscriber was not created or being used solely to permit purchases of or to hold securities without a prospectus in reliance on a prospectus exemption;
- (xvi) except for the Subscriber's knowledge regarding its subscription for Units hereunder, the Subscriber (and, if applicable, each Beneficial Purchaser) has no knowledge of a "material fact" or a "material change" (as those terms are defined in the *Securities Act* (Ontario)) in the affairs of the Trust that has not been generally disclosed;
- (xvii) except for any registered or exempt market dealer hired by the Trust, there is no person acting or purporting to act in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee and if any person establishes a claim that any fee or other compensation is payable in connection with this subscription for the Purchased Securities, the Subscriber covenants to indemnify and hold harmless the Trust with respect thereto and with respect to all costs reasonably incurred in the defense thereof;
- (xviii) the Subscriber (and, if applicable, each Beneficial Purchaser) has consulted his, her or its legal advisor with respect to trading in the Purchased Securities and the resale restrictions imposed by applicable Securities Laws, and acknowledges that (other than as expressly provided in this Subscription Agreement) no representation has been made respecting the applicable hold periods imposed by applicable Securities Laws or other resale restrictions applicable to such securities which restrict the ability of the Subscriber to resell such securities, that the Subscriber (and, if applicable, each Beneficial Purchaser) is solely responsible to obtain definitive legal advice with respect to these restrictions and the Subscriber is solely responsible (and the Trust shall be in no way responsible) for compliance with applicable resale restrictions and the Subscriber (and, if applicable, each Beneficial Purchaser) is aware that it may not be able to resell such securities except in accordance with limited exemptions under applicable Securities Laws;
- (xix) the Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges that, in addition to any other requirements under applicable Securities Laws to which a disposition of any of the Purchased Securities by the Subscriber may be subject, the Subscriber (and, if applicable, each Beneficial Purchaser) may, depending on the nature of the disposition, be required to file a report of exempt trade within ten (10) days of a disposition by the Subscriber of the Purchased Securities;

- (xx) if required by applicable Securities Laws or by any securities commission, stock exchange or other regulatory authority, the Subscriber (and, if applicable, each Beneficial Purchaser) will execute, deliver, file and otherwise assist the Trust in filing, such reports, undertakings and other documents with respect to the issue of the Purchased Securities;
- (xxi) the Subscriber (and, if applicable, each Beneficial Purchaser) is aware that the Units have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that these securities may not be offered or sold, directly or indirectly, in the United States without registration under the U.S. Securities Act (or compliance with requirements of an exemption from registration) and the applicable laws of all applicable states and the Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges that the Trust has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Units;
- (xxii) the Units have not been offered to the Subscriber in the United States, and the individual making the order to purchase the Units and executing and delivering this Subscription Agreement on behalf of the Subscriber (and, if applicable, each Beneficial Purchaser) was not in the United States when the order was placed and this Subscription Agreement was executed and delivered;
- (xxiii) the Subscriber (and, if applicable, any Beneficial Purchaser) is not a U.S. Person (as defined in Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not purchasing the Units on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person;
- (xxiv) the Subscriber (and, if applicable, each Beneficial Purchaser) undertakes and agrees that it will not offer or sell the Units in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that it will not resell the Units, except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules;
- (xxv) none of the funds that the Subscriber (and, if applicable, any Beneficial Purchaser) is using to purchase the Purchased Securities represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "PCMLTFA") and the Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges that the Trust may in the future be required by law to disclose the Subscriber's (and, if applicable, each Beneficial Purchaser's) name and other information relating to this Subscription Agreement and the Subscriber's (and, if applicable, each Beneficial Purchaser's) purchase hereunder, on a confidential basis, pursuant to the PCMLTFA, and to the best of the Subscriber's knowledge, the Purchase Price to be provided by the Subscriber:
  - (a) has not been or will not be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction; or
  - (b) is not being tendered on behalf of a person or entity who has not been identified to the Subscriber.

The Subscriber shall promptly notify the Trust if the Subscriber discovers that any of such representations ceases to be true, and to provide the Trust with appropriate information in connection therewith; and

- (xxvi) the Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges that an investment in Units is subject to a number of risk factors, including, without limitation, those enumerated in the Offering Memorandum. In particular, the Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges that the Trust is not a reporting issuer in any province of Canada and,



as such, the applicable hold period may never expire. Accordingly, there is currently no market for any of the Units and one may never develop. It may be difficult or even impossible for a Subscriber (or, if applicable, a Beneficial Purchaser) to sell any of the Units. Resale of such Units will require the availability of exemptions from the prospectus requirements of applicable Securities Laws, or the application for a discretionary order of the securities commission or similar regulatory authority in the subscriber's province or territory of residence permitting the trade. The Subscriber (and, if applicable, each Beneficial Purchaser) covenants and agrees to comply with the securities legislation of their jurisdiction of residence, and any other relevant securities legislation, orders or policies concerning the purchase, holding of, and resale of the Units.

The Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges and agrees that the all representations, warranties acknowledgment and covenants made in this Subscription Agreement are made by him, her or it with the intention that they may be relied upon by the Trust in determining the Subscriber's (and, if applicable, any Beneficial Purchaser's) eligibility to purchase the Purchased Securities under applicable Securities Laws. The Subscriber (and, if applicable, each Beneficial Purchaser) further agrees that by accepting delivery of the Purchased Securities on the Closing Date, he, she or it shall be reaffirming that all such representations, warranties acknowledgment and covenants are true and correct as at the Closing Time with the same force and effect as if they had been made by the Subscriber (and, if applicable, each Beneficial Purchaser) at the Closing Time and that they shall survive the purchase by the Subscriber (and, if applicable, each Beneficial Purchaser) of the Purchased Securities and shall continue in full force and effect notwithstanding any subsequent disposition of such Units. The Subscriber undertakes to notify the Trust immediately of any change in any representation, warranty or other information relating to the Subscriber (or, if applicable, any Beneficial Purchaser) set out in this Subscription Agreement which takes place prior to the Closing Time.

#### **Representations and Warranties of the Trust**

12. The Trust represents, warrants, acknowledges and covenants, as applicable, to the Subscriber (and acknowledges that the Subscriber is relying thereon) both at the date hereof and at the Closing Time that:

- (i) the Trust is a duly formed, open-ended unincorporated investment trust governed by the laws of the Province of Ontario, has the necessary capacity and authority to execute and deliver this Subscription Agreement, to issue for the Purchased Securities and to observe and perform its covenants and obligations hereunder and has taken all necessary action required under the Declaration of Trust in respect thereto;
- (ii) upon acceptance by the Trust, this Subscription Agreement will constitute a legal, valid and binding agreement of the Trust enforceable against the Trust in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of any of the Declaration of Trust, trustee regulations or authorizing resolutions, any agreement to which the Trust is a party or by which it is bound or any applicable statute, law, rule, regulation, judgment, decree or order; and
- (iii) the Trust has complied or will comply with all applicable Securities Laws, in connection with the offer and sale of the Units.

#### **Indemnity**

13. The Subscriber agrees to indemnify and hold harmless the Trust and its respective trustees, officers, employees, agents, advisers and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Subscriber contained herein or in any document furnished by the Subscriber to the Trust in connection herewith being untrue in any material respect or any breach or failure by the Subscriber to comply with any

covenant or agreement made by the Subscriber herein or in any document furnished by the Subscriber to the Trust in connection herewith.

#### **Consent to Collection of Personal Information**

14. If the Subscriber (and, if applicable, any Beneficial Purchaser) is an individual, the Subscriber (and, if applicable, the Beneficial Purchaser) acknowledges that he or she has provided to the Trust in this Subscription Agreement and the Schedules hereto information of a personal nature (the "**Personal Information**") that may or may not be protected under applicable privacy legislation. This information is being collected, used and may be disclosed by the Trust for the following purposes (the "**Purposes**"):

- (i) to determine the Subscriber's (or, Beneficial Purchaser's) eligibility to purchase the Units under applicable Securities Laws, preparing and registering certificates representing the Purchased Securities and completing any filings required by applicable securities commission or other securities regulatory authority;
- (ii) to be kept in the records of the Trust on its securities registers and its list of Unit holders, whether maintained by the Trust or by any person on its behalf;
- (iii) to be disclosed to securities/tax regulatory authorities or other government bodies as required and in accordance with applicable securities and tax laws; and
- (iv) as long as the Subscriber is a Unit holder, to be disclosed to other third parties held to an obligation of confidentiality to the Trust, such as their respective legal counsel, accountants, transfer agent, securities depository, or any other entity for the purpose of sending disclosure documentation required to be sent to Unit holders from time to time.

The Subscriber (on its own behalf and, if applicable, on behalf of each Beneficial Purchaser on whose behalf the Subscriber is contracting) hereby consents to the collection, use and disclosure by the Trust of the Personal Information for the Purposes.

#### **General**

15. *Obligations of the Trust.* The Subscriber (and, if applicable, each Beneficial Purchaser) acknowledges the obligations of the Trust under this Subscription Agreement and that such obligations will not be personally binding upon any of the Trustees, any registered or beneficial holder of Units or any beneficiary under a plan of which a holder of such Units acts as a trustee or carrier, and that resort will not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise, any of the foregoing or the private property of any of the foregoing in respect of any indebtedness, obligation or liability of the Trust arising hereunder, and recourse for such indebtedness, obligations or liabilities of the Trust, as the case may be, will be limited to, and satisfied only out of, the assets of the Trust, as the case may be.

16. *Modification.* Subject to the terms hereof, neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

17. *Assignment.* The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber, the Trust and their respective successors and assigns; provided that this Subscription Agreement shall not be assignable by any party without the prior written consent of the other party. For greater certainty this Subscription Agreement may only be transferred or assigned by the Subscriber subject to compliance with applicable laws (including, without limitation, applicable securities laws).

18. *Miscellaneous and Counterparts.* All representations, warranties, agreements and covenants made or deemed to be made by the Subscriber (and, if applicable, others for whom it is contracting hereunder) herein will survive the execution and delivery, and acceptance, of this Subscription Agreement and the Closing. This Subscription Agreement may be executed in any number of counterparts, each of which when delivered, either in original or facsimile form, shall be deemed to be an original and all of which together shall constitute one and the

same document.

19. *Governing Law.* This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Subscription Agreement.

20. *Entire Agreement.* This Subscription Agreement (including the Schedules hereto) represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified in any respect by written instrument only.

21. *Severability.* The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.

22. *Language.* In connection with the offering of the Purchased Securities, the undersigned hereby requests that all documentation available, including the Subscription Agreement, be prepared and forwarded in the English language only. Dans le cadre du placement propose d'obligations de Hills of Windridge A2A Trust, le soussigné consent par les présentes à ce que la documentation relative à ce placement proposé, y compris la convention de souscription, soit rédigée et soumise en la langue anglaise seulement.

23. *Time of Essence.* Time shall be of the essence of this Subscription Agreement.

24. *Currency.* Unless otherwise noted, all dollar amounts referred to in this Subscription Agreement are in United States dollars.

*[Remainder of Page Intentionally Left Blank]*

## SCHEDULE A

### ACCREDITED INVESTOR STATUS CERTIFICATE

*The categories listed herein contain certain specifically defined terms. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your investment and/or legal advisor before completing this certificate. Capitalized terms not otherwise defined herein having the meanings ascribed thereto in the Subscription Agreement.*

TO: HILLS OF WINDRIDGE A2A TRUST (the "Trust")

In connection with the purchase by the undersigned Subscriber for the Purchased Securities, the Subscriber (on its own behalf and, if applicable, on behalf of each Beneficial Purchaser) hereby represents, warrants, covenants and certifies to the Trust, and it is a condition of the issuance of the Purchased Securities, that:

1. the Subscriber is resident in the jurisdiction as set forth on the page 1 of this Subscription Agreement (i.e., the page following the procedures and checklist page) or is otherwise subject to the securities laws of such jurisdiction;
2. the Subscriber is purchasing the Purchased Securities as principal for its own account and not for the benefit of any other person (unless the Subscriber is an accredited investor pursuant to paragraphs (J) and (K) in Exhibit 1 attached to this Certificate);
3. the Subscriber has read and understands the initialed criterion of an accredited investor as set out in Exhibit 1 attached to this Schedule A;
4. the Subscriber is, and at the time of closing will be, an "accredited investor" within the meaning of NI 45-106 by virtue of satisfying the initialed criterion as set out in Exhibit 1 attached to this Schedule A;
5. the Subscriber was not created or used solely to purchase or hold securities as an accredited investor; and
6. upon execution of this Certificate by the Subscriber, this Schedule A shall be incorporated into and form a part of the Subscription Agreement.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Full legal name of Subscriber – please print

\_\_\_\_\_  
Signature of Subscriber

\_\_\_\_\_  
Name of Signatory (if different than Subscriber)

\_\_\_\_\_  
Official Capacity or Title, if applicable

**IMPORTANT: PLEASE INITIAL THE CATEGORY OR CATEGORIES  
IN EXHIBIT 1 STARTING ON THE NEXT PAGE THAT DESCRIBES YOU.**



**EXHIBIT 1  
TO SCHEDULE A**

**NOTE: THE SUBSCRIBER MUST INITIAL BESIDE THE APPLICABLE PORTION OF THE DEFINITION BELOW.**

**All monetary references in this Exhibit 1 are in Canadian Dollars.**

- \_\_\_\_\_ (A) a Canadian financial institution, or a Schedule III bank; or
  - \_\_\_\_\_ (B) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
  - \_\_\_\_\_ (C) a subsidiary of any person referred to in paragraphs (A) or (B), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary; or
  - \_\_\_\_\_ (D) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador); or
  - \_\_\_\_\_ (E) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (D); or
  - \_\_\_\_\_ (F) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly-owned entity of the Government of Canada or a jurisdiction of Canada; or
  - \_\_\_\_\_ (G) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec; or
  - \_\_\_\_\_ (H) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government; or
  - \_\_\_\_\_ (I) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada; or
  - \_\_\_\_\_ (J) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000; or
  - \_\_\_\_\_ (K) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year; or
- (Note: if individual accredited investors wish to purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under paragraph (T) below, which must be initialed.)*
- \_\_\_\_\_ (L) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000; or

- \_\_\_\_\_ (M) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements; or
  - \_\_\_\_\_ (N) an investment fund that distributes or has distributed its securities only to:
    - (i) a person that is or was an accredited investor at the time of the distribution, or
    - (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 or 2.19 of National Instrument 45-106, or
    - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of National Instrument 45-106; or
  - \_\_\_\_\_ (O) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt; or
  - \_\_\_\_\_ (P) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be; or
  - \_\_\_\_\_ (Q) a person acting on behalf of a fully managed account managed by that person, if that person:
    - (i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and
    - (ii) in Ontario, is purchasing a security that is not a security of an investment fund; or
  - \_\_\_\_\_ (R) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded; or
  - \_\_\_\_\_ (S) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (A) to (D) or paragraph (I) in form and function; or
  - \_\_\_\_\_ (T) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors (as defined in National Instrument 45-106); or
- (Note: if you are purchasing as an individual accredited investor, paragraph (K) above must be initialed rather than paragraph (T).)*
- \_\_\_\_\_ (U) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser; or
  - \_\_\_\_\_ (V) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor.

For the purposes hereof, the following definitions are included for convenience.

**"Canadian financial institution"** means

- (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

**"control person"** has the same meaning as in securities legislation and generally means any person that holds or is one of a combination of persons that holds:

- (i) a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, and
- (ii) if a person holds more than 20% of the outstanding voting rights attached to all outstanding voting securities of an issuer, the person is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

**"director"** means:

- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

**"eligibility adviser"** means :

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
  - (A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
  - (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

**"executive officer"** means, for an issuer, an individual who is

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or

- (iii) performing a policy-making function in respect of the issuer;

**"financial assets"** means

- (i) cash,
- (ii) securities, or
- (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

**"foreign jurisdiction"** means a country other than Canada or a political subdivision of a country other than Canada;

**"founder"** means, in respect of an issuer, a person who,

- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (ii) at the time of the distribution or trade is actively involved in the business of the issuer;

**"fully managed account"** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

**"investment fund"** means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an EVCC and a VCC (as such capitalized terms are defined in National Instrument 81-106 - *Investment Fund Continuous Disclosure*);

**"jurisdiction"** means a province or territory of Canada except when used in the term foreign jurisdiction;

**"local jurisdiction"** means the jurisdiction in which the Canadian securities regulatory authority is situate;

**"non-redeemable investment fund"** means an issuer,

- (i) whose primary purpose is to invest money provided by its security holders,
- (ii) that does not invest;
  - (A) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund; or
  - (B) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund; and
- (iii) that is not a mutual fund;

**"person"** includes

- (i) an individual,
- (ii) a corporation,

- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

**"regulator"** means, for the local jurisdiction, the Executive Director as defined under securities legislation of the local jurisdiction;

**"related liabilities"** means

- (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (ii) liabilities that are secured by financial assets.

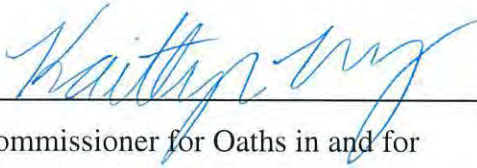
**"Schedule III bank"** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

**"spouse"** means, an individual who,

- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (iii) in Alberta, is an individual referred to in paragraph (i) or (ii) above, or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and

**"subsidiary"** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

This is Exhibit "32" referred to  
In the Affidavit of Michael Edwards  
Sworn before me this 12<sup>th</sup> day of November, 2024



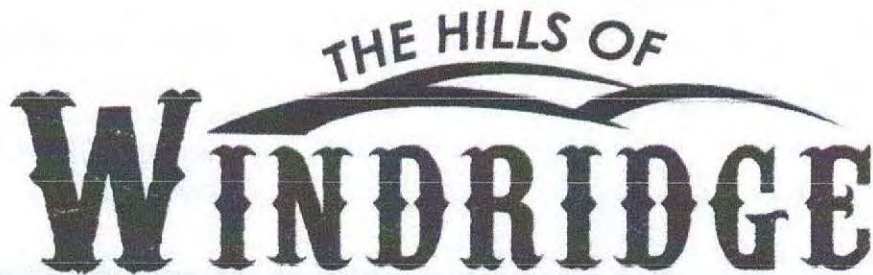
Commissioner for Oaths in and for  
the Province of Alberta

**Kaitlyn Wong**  
Barrister & Solicitor  
3400, 350 7<sup>th</sup> Avenue SW  
Calgary, Alberta T2P3N9  
Ph: 1-403-261-7388

**A2A**  
CAPITAL SERVICES  
CANADA INC.

# Subscription Agreement

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A handwritten signature in blue ink, appearing to be "mbl", located in the bottom right corner of the page.