

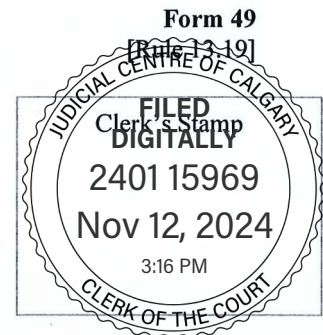
COURT FILE NUMBER **2401-**
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, RSC 1985,
c C-36, as amended

AND IN THE MATTER OF THE
COMPROMISE OR ARRANGEMENT OF
ANGUS A2A GP INC., ANGUS MANOR PARK
A2A GP INC., ANGUS MANOR PARK A2A
CAPITAL CORP., ANGUS MANOR PARK
A2A DEVELOPMENTS INC., WINDRIDGE
A2A GP INC., WINDRIDGE A2A
DEVELOPMENTS, LLC, FOSSIL CREEK A2A
GP INC., FOSSIL CREEK A2A
DEVELOPMENTS, LCC, A2A
DEVELOPMENTS INC., SERENE COUNTRY
HOMES (CANADA) INC. and A2A CAPITAL
SERVICES CANADA INC.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND Robyn Gurofsky/Kaitlyn Wong
CONTACT INFORMATION OF Fasken Martineau DuMoulin LLP
PARTY FILING THIS 3400, 340 7th Avenue SW
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 File No. 321102-00017



AFFIDAVIT OF PAUL LAUZON

Sworn on November 12, 2024

I, Paul Lauzon, of the city of Kelowna, in the Province of British Columbia, SWEAR AND SAY
THAT:

- 1) I am a Chartered Life Underwriter, Chartered Financial Planner and Chartered Financial Consultant, providing insurance and investment planning advice to my clients. I currently operate Lauzon Financial Advisors Inc. in Kelowna, British Columbia. Prior to that, from approximately January, 2012 to September, 2016, I was also a dealer representative with Pinnacle Wealth Brokers Inc. ("**Pinnacle Wealth**"), an exempt market dealer involved in, among other things, selling the units issued by the A2A Group of Companies that are the subject of these proceedings. As such, I have personal knowledge of the matters hereinafter sworn to in this Affidavit, except where stated to be based on information and belief, and where so stated, I verily believe the same to be true.
- 2) Unless otherwise stated, all monetary references in this affidavit are references to Canadian dollars.
- 3) I make this Affidavit to supplement the Affidavit sworn by Michael Edwards on November 12, 2024 (the "**Michael Edwards Affidavit**"), a former colleague of mine, whom I understand also sold numerous investments in the A2A Group of Companies.
- 4) Capitalized terms not defined in this Affidavit have the meaning described in the Michael Edwards Affidavit.
- 5) Michael Edwards and I have been working together in an attempt to ascertain information regarding the relevant A2A projects. We have collectively reached out to David Murphy and Rob Petersen of Azimuth Risk Management Ltd., a company that has experience working with investors in distressed real estate companies that operated in the exempt market. Rob Petersen had assisted me on other bad exempt market investments including Omniarch and Weslease. David and Rob have been critical to gathering information and speaking to investors with questions about the projects and the proposed proceedings.

Sale of A2A Units

- 6) While a dealer representative with Pinnacle Wealth, I was involved in promoting units in each of the Angus Manor, Fossil Creek and Windridge projects. In total, I estimate I sold \$150,000 in units to a total of approximately 15 individuals.

- 7) Some of these sales include the following:
- a) In respect of the Angus Manor project, I sold Angus Manor LP units to the following:
 - i) Pat and Ray Wedlund for a total of \$15,000;
 - ii) Isabelle Brousseau for a total of \$15,000;
 - iii) John and Catherin Degenhardt for a total of \$15,000;
 - iv) Zane Wispinski for a total of \$15,000; and
 - v) Dean Henry for a total of \$15,000.
 - b) In respect of the Windridge project, I sold Windridge trust units to the following:
 - i) Suzanne Watts for a total of \$10,000 held in a registered account;
 - ii) Paul Lauzon (myself) for a total of \$15,000 held in a registered account;
 - iii) Steacy Osborne for a total of \$10,000 held in a registered account;
 - iv) David Gobeil for a total of \$10,000; and
 - v) My former receptionist Susan Filiatrault bought \$500 from another Pinnacle Dealing Representative.
 - c) In respect of the Fossil Creek project, I sold Fossil Creek trust units to a number of investors within my network, including but not limited to the following:
 - i) My brother, Andrew Lauzon, for a total investment of \$10,000 held in a registered account;
 - ii) Michele Hayes, for a total investment of \$10,000 held in a registered account; and
 - iii) Brian and Judith Richards, for a total investment of \$10,000.

- 8) I have spoken to each of the investors listed above. Each of these investors has consented to the reference to their name and investment in this Affidavit and have indicated support for a court process as an attempt to preserve any assets and obtain transparency.

Fossil Creek – Investment Structure

- 9) Information regarding the Angus Manor and Windridge projects is contained in the Michael Edwards Affidavit. I adopt the evidence contained in that affidavit in respect of those projects as if it were my own.
- 10) The A2A Group solicited funds for the Fossil Creek project from Canadian investors by way of a confidential offering memorandum dated May 7, 2014, amended on November 18, 2014 (the “FC OM”). Attached hereto and marked as **Exhibit “A”** is a copy of the FC OM.
- 11) Pursuant to the FC OM, the Fossil Creek Trust, the sole holder of ownership units in the Fossil Creek LP, offered ownership units in the Fossil Creek Trust to certain Canadian investors (“FC Investors”) at a price of \$100 per unit. The intended raise under the FC OM contemplated a minimum offering of 16,500 units (\$1,650,000) up to a maximum offering of 27,500 units (\$2,750,000).
- 12) Funds raised from the FC Investors under the FC OM were to be used by the Fossil Creek Trust to acquire the Fossil Creek LP units at a subscription price of \$100 per Fossil Creek LP unit. Fossil Creek LP will then acquire UFIs in the Fossil Creek Lands (defined below) at a price of \$7,857.30 per UFI. According to the FC OM, of the \$7,857.30 paid by Fossil Creek LP per UFI, \$3,142.70 (approximately 40% of the UFI cost) will be transferred to a development fund. The Fossil Creek OM states that the development fund is to be used for Fossil Creek LP’s portion of expenses relating to the development of the Fossil Creek Lands, including without limitation, the cost of any planning, development and servicing activities.
- 13) The funds raised under the FC OM were part of a larger offering of UFIs in the Fossil Creek Lands to offshore investors. As at May 1, 2014, the FC OM reported that a total of 1,826 UFIs had been sold to offshore investors at a price of \$10,000 USD per UFI and that

of the total proceeds raised from offshore investors, approximately 28.57% was contributed to the development fund.

- 14) The ownership structure of the Fossil Creek project following the FC OM is reflected in the chart attached hereto and marked as **Exhibit “B”**, which was extracted from the FC OM.
- 15) The FC OM states that the Fossil Creek Lands were purchased by Fossil Creek Developments from an unrelated third party for \$3,500,000 USD. The funds raised from the FC Investors through the Fossil Creek Trust, together with the offshore investors, are total \$14,250,285 USD and are being paid to Fossil Creek Developments to acquire a 95% interest in the Fossil Creek Lands through issuance of UFIs. This is exclusive of the \$3,142.70 per UFI contributed by Fossil Creek LP to the development fund.
- 16) Referenced in the FC OM are certain material agreements governing the various transactions and relationships of the A2A entities involved in Fossil Creek. These include the following (collectively, the **“Fossil Creek Material Agreements”**):
 - a) Fossil Creek UFI Purchase Agreement between Fossil Creek LP and Fossil Creek Developments pursuant to which Fossil Creek Developments agrees to sell to Fossil Creek LP up to 250 UFIs at a price of \$7,143 USD per UFI;
 - b) Fossil Creek Limited Partnership Agreement governing the Fossil Creek LP units and the powers of Fossil Creek GP;
 - c) Fossil Creek Declaration of Trust dated March 17, 2014 establishing Fossil Creek A2A Trust;
 - d) Fossil Creek Administration Agreement dated March 17, 2014 between Serene and Fossil Creek Trust, pursuant to which Fossil Creek Trust grants Serene the authority to administer the duties of the trustees under the Fossil Creek Declaration of Trust;
 - e) Fossil Creek Deed of Covenant between Fossil Creek LP, the other co-owners of the Fossil Creek Lands, the offshore investors and Fossil Creek Developments,

pursuant to which Fossil Creek Developments is appointed as the facilitator to carry out the instructors of the co-owners and set meetings of the co-owners.

Fossil Creek – Lands

- 17) The Fossil Creek project is comprised of 3 phases of a master planned residential community known as the Trails of Fossil Creek, located within the boundaries of Fort Worth, Texas (the “**Fossil Creek Lands**”). I am advised by Rob Petersen of Azimuth that title to the Fossil Creek Lands has been requested, but it has not yet been obtained.

Concerns Regarding A2A Group Investments


- 18) At no time after investing in Fossil Creek did any investor with whom I spoke receive any financial or other reporting from the A2A Group.
- 19) In or around the end of 2020 and beginning of 2021, I began to have concerns regarding the operations and management of the A2A projects. I had not heard anything from A2A or Pinnacle since A2A’s update on Windridge in April 2018. None of the updates ever received included financial reporting.
- 20) Over a period of approximately three years, I attempted to contact the A2A Group through Pinnacle Wealth. Representatives at Pinnacle Wealth, including Joseph Kurusz, indicated that they were attempting to reach A2A Group in Singapore but were having no success. I followed up multiple times to determine if any information could be ascertained, but was unsuccessful in getting any answers.
- 21) As a result, I tried a different approach by reaching out to Cory Baglien, a former A2A wholesaler representative for Canada. Mr. Baglien was unable to provide me with any substantive information.
- 22) As a result of the inability to get any information regarding the A2A Group or the projects, I started doing my own research in 2023 and came across internet articles about Dirk Foo and A2A outlining legal claims that were being made in relation to shoddy construction of

homes in the Windridge and other projects. I also discovered articles claiming that Dirk Foo was difficult to find, suggesting that he fled to Singapore and then the Philippines to avoid authorities in Singapore.

- 23) On March 18, 2024, I received email correspondence from Pinnacle Wealth, through their email admin@pinnaclewealth.ca. Attached hereto and marked as **Exhibit "C"** is a copy of the Pinnacle Wealth email dated March 18, 2024. In that email, Pinnacle Wealth indicates that:
- a) they have been advised that Olympia Trust Company is taking steps to mark the value of Windridge Trust security to zero and remove it from client records due to a lack of communication from the issuer.
 - b) they have also received no updates from the issuer and all attempts at communication have gone unanswered.
 - c) they will continue to regularly request information and will advise investors when the situation changes.
- 24) I have not been advised by Pinnacle Wealth of any change in the situation.
- 25) As a result of the information contained online, I contacted Rob Petersen of Azimuth Risk Management Ltd. to determine whether he could find any information that would benefit the investors.
- 26) Rob Petersen has advised me recently that there are current moves to sell the Angus Manor Park Lands. This sale causes me great concerns in that the Angus LP unit holders have not been given any notice whatsoever of this activity, which comes as a shock given the lack of communication from A2A since 2018.
- 27) Without a third party taking control of the Debtor Companies' projects, I fear that the investors will be left with no recoveries.

- 28) I make this affidavit in support of the Initial Order under the CCAA or alternatively, the appointment of a receiver, and for no improper purpose.

SWORN BEFORE ME at Kelowna, British
Columbia this 12 day of November, 2024.



Commissioner for Oaths in and for British
Columbia

HARMAN SIDHU
Barrister & Solicitor
Gordon & Company
207 - 1433 St. Paul Street
Kelowna, BC Canada V1Y 2E4

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PAUL LAUZON

**This is Exhibit "A" referred to in the
Affidavit of Paul Lauzon sworn before me
this 12th day of November, 2024**



**Commissioner for Oaths
In and for British Columbia**

HARMAN SIDHU
Barrister & Solicitor
Gordon & Company
207 - 1433 St. Paul Street
Kelowna, BC Canada V1Y 2E4

Amendment to Offering Memorandum

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. The information disclosed on this page is a summary only. Purchasers should read the entire Offering Memorandum for full details about the Offering. This is a risky investment.



The Issuer:

FOSSIL CREEK A2A TRUST
(the “Trust”)

Suite 900, 744 – 4th Avenue SW, Calgary, Alberta T2P 3T4 Canada

T: 403.460.9921

E: fossilcreektrust@a2acanada.ca

Date of Original Offering Memorandum: May 7, 2014

Amendment Date: November 18, 2014

The Offering

Purpose:	The Trust was established for the purpose of investing in Fossil Creek A2A Limited Partnership (“ Fossil Creek LP ”), which in turn was established for the purpose of (i) acquiring up to a 11.9% undivided fractional interest in 93 acres of land located in Tarrant County within the Fort Worth area in the State of Texas, United States of America and (ii) participating, in the multi-phase, 467 home residential community development to be built by Fossil Creek A2A Developments, LLC (“ Fossil Creek Developments ”) on such land and which will form part of a residential community known as “The Trails of Fossil Creek”.
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.
Securities Offered & Price:	Trust units (“ Units ”) at a price of \$100 per Unit. See Item 5 - “Description of the Securities Offered”.
Minimum Offering:	\$1,650,000 (16,500 Units)
Maximum Offering:	\$2,750,000 (27,500 Units).
Minimum Subscribers & Subscription Amount:	100 Units (\$10,000). The Administrator may, in its sole discretion, on an individual basis, accept subscriptions for less than 100 Units in order to allow the Trust to satisfy the minimum investment requirements of a “mutual fund trust” under the Tax Act.
Payment Terms:	The subscription price is payable at the time of Closing by bank draft or such other manner as may be accepted by the Trust in its sole discretion. See Item 5.2 - “Subscription Procedures”.
Proposed Closing Date(s):	On or about October 1, 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 November 1, 2014, all subscription funds will be returned to Subscribers without interest or deduction. If the Closing of the Minimum Offering occurs by November 1, 2014, but the Maximum Offering has not yet been reached, additional Closings may be held through February, 2015.
Tax Consequences:	There are important tax consequences to the ownership of Units. All investors will be responsible for the preparation and cost of filing 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 Item 6 - “Certain Canadian Federal Tax Considerations” and “Certain U.S. Federal Tax Considerations”.
Selling Agent:	Yes. Agents, including exempt market dealers and their dealing representatives or other qualified persons will offer the Units for sale. See Item 7 - “Compensation Paid to Sellers and Finders”.
Resale Restrictions:	Except as described under Item 2.7 – “Material Agreements – Redemption Rights”, you will be restricted from selling your Units for an indefinite period. See Item 10 - “Resale Restrictions”.
Purchasers’ Rights:	You have two (2) Business Days to cancel your Subscription Agreement to purchase the Units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the Subscription Agreement. See Item 11 - “Purchasers’ Rights”.

AMENDMENT

The Offering Memorandum of the Corporation dated May 7, 2014 (the "Offering Memorandum") is hereby amended and updated through the disclosure provided for in this Amendment. Unless specifically provided for in this Amendment the defined terms utilized herein shall have the same meaning as in the Offering Memorandum.

The terms of the Offering Memorandum are hereby amended as follows as a result of the following:

1. The Proposed Closing Date has been extended by the Corporation;
2. The resignation of Mr. Jeff Peterson as an officer and director of the Administrator;
3. The increase of the Maximum Offering amount; and
4. The increase in the number and percentage of the Undivided Fractional Interests ("UFI") to be acquired by the Trust from Fossil Creek Developments.

Amendments to the Offering Memorandum and Summary Page

Summary Page: The following terms from the Summary Page are deleted in their entirety and replaced with the following:

The terms provided under the heading "Purpose" are deleted in their entirety and replaced with the following:

*"The Trust was established for the purpose of investing in Fossil Creek A2A Limited Partnership ("**Fossil Creek LP**"), which in turn was established for the purpose of (i) acquiring up to a 13.05% undivided fractional interest in 93 acres of land located in Tarrant County within the Fort Worth area in the State of Texas, United States of America and (ii) participating, in the multi-phase, 467 home residential community development to be built by Fossil Creek A2A Developments, LLC ("**Fossil Creek Developments**") on such land and which will form part of a residential community known as "The Trails of Fossil Creek".*

The term provided under the heading "Maximum Offering" is deleted in its entirety and replaced with the following:

"\$3,014,000 (30,140 Units)".

The terms provided under the heading "Proposed Closing Date(s)" are deleted in their entirety and replaced with the following:

"On or about January 1, 2015 (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 February 1, 2015, all subscription funds will be returned to Subscribers without interest or deduction. If the Closing of the Minimum Offering occurs by February 1, 2015, but the Maximum Offering has not yet been reached, additional Closings may be held through May, 2015".

Glossary of Terms: The definitions of the capitalized terms below are each deleted in their entirety from the Glossary and are replaced with the following:

*"**Development Fund**" means up to \$782,818 USD in the case of the Maximum Offering, and \$428,550 USD in the case of the Minimum Offering (and of amounts in between if the Gross Proceeds raised under this Offering are more than the Minimum Offering and less than the Maximum Offering) to be contributed by Fossil Creek LP pursuant to the terms of the Deed of Covenant which will be used for the Fossil Creek LP's portion of expenses relating to the development of the Property including, without limitation, cost of any Planning, Development and Servicing Activities, as more fully described in Item 2.7 - "Material Agreements – Deed of Covenant".*

*"**Maximum Offering**" means the maximum offering of an equivalent number of Units equal to gross proceeds of \$2,740,000 USD".*

*"**Offering**" means the offering of an equivalent number of Units equal to a maximum of \$2,740,000 USD".*

*"**UFI Purchase Agreement**" means the agreement of purchase and sale to be entered into between Fossil Creek LP and Fossil Creek Developments, as amended and/or restated from time to time, pursuant to which Fossil Creek LP will (i) acquire up to a 13.05% Undivided Fractional Interest in the Property and (ii) contribute funds to the Development Fund, in one or more transactions".*

Item 1.1 Available Funds: The chart in this Item is deleted in its entirety and replaced with the following:

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised by this Offering	\$1,650,000	\$3,014,000
B	Selling Commissions and Service Fees ⁽¹⁾	\$0	\$0
C	Marketing Fee ⁽¹⁾	\$0	\$0
D	Trustee Fee ⁽²⁾	\$0	\$0
E	Estimated Offering costs ⁽³⁾	\$0	\$0
F	Available Funds: $F = A - (B+C+D+E)$	\$1,650,000	\$3,014,000
G	Additional sources of funding required ⁽⁴⁾	\$0	\$0
H	Working capital deficiency	\$0	\$0
I	Total: $I = (F+G) - H$	\$1,650,000	\$3,014,000

Note 1 of the above chart is deleted in its entirety and replaced with the following:

“All Selling Commissions, Service Fees and Marketing Fees will be paid for by Fossil Creek Developments from the proceeds of the sale of the UFI's to Fossil Creek LP. See Item 2.7 - “Material Agreements – Funding Agreement”. The total Selling Commissions, Service Fees and Marketing Fees payable by Fossil Creek Developments will not exceed 10.5% of the Gross Proceeds. The maximum amount of Selling Commissions, Service Fees and Marketing Fees payable by Fossil Creek Developments under the Minimum Offering will be \$173,250 and under the Maximum Offering will be \$316,470. See Item 7 - “Compensation Paid to Sellers and Finders””.

Item 1.2 Use of Available Funds: The chart in this Item is deleted in its entirety and replaced with the following:

	Assuming Minimum Offering	Assuming Maximum Offering
Purchase of UFI's ⁽¹⁾	\$1,178,595 (\$1,071,450 USD) (150 UFI's)	\$2,152,900 (\$1,957,182 USD) (274 UFI's)
Contribution to Development Fund ⁽²⁾	\$471,405 (\$428,550 USD)	\$861,099 (\$782,818 USD)
Total	\$1,650,000 (\$1,500,000 USD)	\$3,014,000 (\$2,740,000 USD)

Note 1 of the above chart is deleted in its entirety and replaced with the following:

“Fossil Creek LP will acquire UFI's from Fossil Creek Developments pursuant to the UFI Purchase Agreement at a cost of \$7,143 USD per UFI. Funds raised under this Offering will be raised in Canadian dollars and will then be converted to USD to acquire UFI's and make the contribution to the Development Fund (see note (2) below). The above assumes an exchange rate of Canadian dollar to USD of \$1.10 (the “Exchange Rate”). In the event the Exchange Rate increases, the number of Units issued under this Offering will be increased by a corresponding number sufficient fund acquisition of the UFI's by Fossil Creek LP. In the event the Exchange Rate decreases the number of Units issued under this Offering will be decreased. The UFI's acquired by Fossil Creek LP will represent a 13.05% ownership interest in the Property in the case of the Maximum Offering, and 7.14% 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 but less than the Maximum Offering)”.

Item 2.1.2 Fossil Creek LP: The second paragraph of this Item is deleted in its entirety and replaced with the following:

“Fossil Creek LP was established for the sole purpose of (i) acquiring, from Fossil Creek Developments, between a 7.14% and a 13.05% undivided fractional interest in the Property; and (ii) participating in the multi-phase, 467-home residential community development to be built by Fossil Creek Developments on the Property to be known as “The Trails of Fossil Creek”. See Item 2.3 – “Our Business - The Property””.

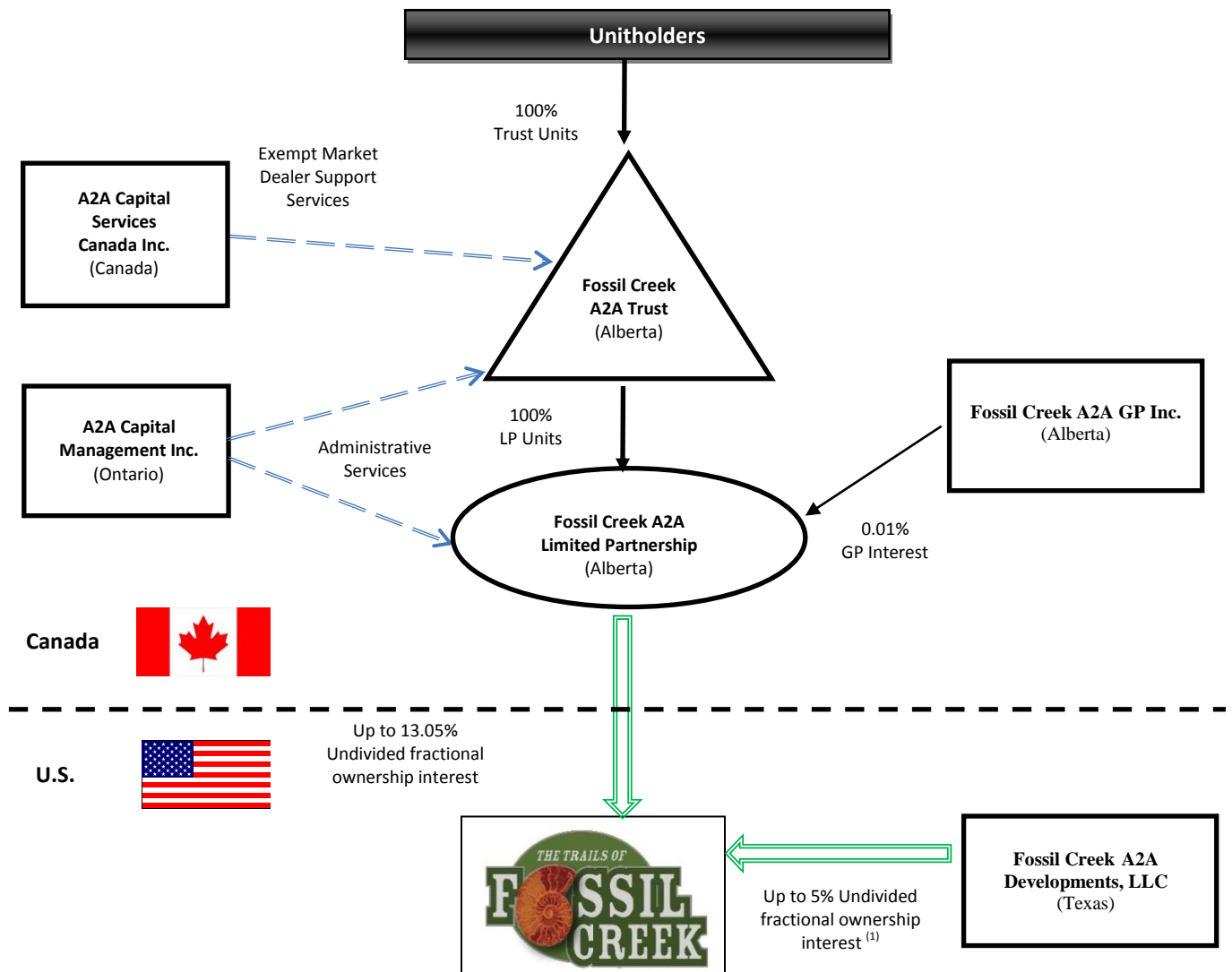
Item 2.1.4 Fossil Creek Developments: The third paragraph of this Item is deleted in its entirety and replaced with the following:

“Dirk Foo, a Trustee of the Trust, is a director and the sole shareholder of Fossil Creek Developments”.

Item 2.1.5 The Administrator: The fifth paragraph of this Item is deleted in its entirety and replaced with the following:

"The Administrator is controlled by Allan Lind and Glenn Pickard. The directors of the Administrator are Allan Lind and Glenn Pickard. The officers of the Administrator are; Allan Lind, President and Treasurer; Anne Law, Secretary; and Warren Soo, CFO".

Item 2.2 A2A Group Structure: The chart in this Item has been deleted in its entirety and replaced with the following:



Item 2.3 Our Business:

Under the heading "The Property" the third paragraph of this Item beginning "The above amount is exclusive..." is deleted in its entirety and replaced with the following:

"The above amount is exclusive of the \$2,857 USD contribution to the Development Fund to be made by Fossil Creek LP for each UFI purchased, up to a maximum of \$782,818 USD assuming Fossil Creek LP purchases 274 UFIs. The \$2,857 USD contribution to the Development Fund is included in the purchase price of each UFI by Offshore Investors".

Under the heading "The Property" the fifth paragraph of this Item beginning "As of May 1, 2014..." is deleted in its entirety and replaced with the following:

"As of May 1, 2014, a total of 1,826 UFIs (86.95%) have been sold to Offshore Investors at a price of \$10,000 USD per UFI for total proceeds of \$18,260,000 USD. Of the total proceeds, 28.57% or \$5,216,822 USD has been contributed by those Offshore Investors to the Development Fund".

Under the heading “Project Projections” the chart in this Item is deleted in its entirety and is replaced as follows:

Planned Distribution Date	Annual Pre-Tax Distributions to all Co-owners ⁽¹⁾ All amounts below are expressed in USD	Annual Pre-Tax Distribution to Fossil Creek LP (assuming Maximum Offering) ⁽¹⁾⁽²⁾⁽³⁾ All amounts below are expressed in USD
March 31, 2016	\$6,200,000 (\$2,950/UFI)	\$808,300
March 31, 2017	\$11,000,000 (\$5,240/UFI)	\$1,435,760
March 31, 2018	\$15,000,000 (\$7,140/UFI)	\$1,956,360
TOTAL	\$32,200,000 (\$15,330/UFI)	\$4,200,420

Item 2.5 Short Term Objectives of the Trust and How They Will be Achieved:

The first paragraph of this Item is deleted in its entirety and replaced with the following:

“The Trust’s objectives for the next 12 months are to acquire, through Fossil Creek LP, up to a 13.05% undivided fractional interest in the Property and contribute \$2,857 USD to the Development Fund for each UFI acquired”.

The chart in this Item is deleted in its entirety and replaced with the following:

What must be done and how it will be achieved ⁽¹⁾	Target completion date, or if not known, number of months to complete	Cost to complete ⁽²⁾	Trust’s proportionate share cost (assuming Maximum Offering) ⁽³⁾
Servicing of lots	Second Quarter 2014 - November 2014	\$3,400,000 USD	\$443,700 USD
Construction of model homes	November 2014 - February 2015	\$ 290,000 USD	\$ 37,845 USD
Marketing and sales activities	To commence in late in 2014 or early 2015	\$ 50,000 USD	\$ 6,525 USD
Total		\$3,740,000 USD	\$488,070 USD

Note 2 of the above chart in this Item is deleted in its entirety and been replaced with the following:

“The total amount of funds to be set aside in the Development Fund from the sale of all 2,100 UFIs (including to Fossil Creek LP and the Offshore Investors) is \$6,300,000 USD. As of May 1, 2014 a total of 1,826 UFIs (86.95%) have been sold to Offshore Investors at a price of \$10,000 USD per UFI for total proceeds of \$18,260,000 USD. Of the total proceeds, 28.57% or \$5,216,822 USD has been contributed by those Offshore Investors to the Development Fund”.

Item 2.7.3 UFI Purchase Agreement: The first sentence of the first paragraph of this Item beginning “Fossil Creek LP will enter...” is deleted and replaced with the following sentence:

“Fossil Creek LP will enter into the UFI Purchase Agreement with Fossil Creek Developments wherein the latter will agree to sell to Fossil Creek LP up to 274 UFIs at a price of \$7,143 USD per UFI”.

Item 3.2 Management Experience:

“Reference in this Item to Jeff Peterson is hereby deleted”.

Item 4.1 Trust’s Capital: The chart in this Item is deleted in its entirety and replaced with the following:

Description of security	Number authorized to be issued	Number outstanding as at the date hereof ⁽¹⁾	Number outstanding after:	
			Minimum Offering ⁽²⁾	Maximum Offering ⁽²⁾
Units	Unlimited	1	16,500	30,140

Item 4.1, Note 2 of the chart in this Item is deleted in its entirety and replaced with the following:

"The Trust is offering as a minimum an equivalent number of Units equal to gross proceeds of \$1,500,000 USD, and as a maximum an equivalent number of Units equal to gross proceeds of \$2,740,000 USD at a price of \$100 per Unit. The above assumes an exchange rate between the Canadian dollar to USD of \$1.10 (the "Exchange Rate"). In the event the Exchange Rate increases, the Trust intends to sell additional Units and as a result the maximum amount of Unit issued by the Trust will increase".

Item 5.3 Offering Jurisdictions: The sixth paragraph of this Item beginning "The initial Closing is expected to occur on or before October 1, 2014..." is deleted in its entirety and replaced with the following:

"The initial closing is expected to be held on January 1, 2015 and subsequent closings may occur from time to time and at any time on such other dates as the Trustees determine. If subscriptions for \$1,650,000 are not received and accepted and certain other conditions have not been satisfied or waived on or before February 1, 2015, subscriptions and subscription funds will be returned to subscribers without interest or deduction. If the Closing of the Minimum Offering occurs by February 1, 2015, but the Maximum Offering has not yet been reached, additional Closings may be held through May, 2015".

Item 7 Compensation Paid to Sellers and Finders: The third paragraph of this Item beginning "Based on the above assumption..." is deleted in its entirety and replaced with the following:

"Based on the above assumption, maximum amount of Selling Commissions and Service Fees payable by Fossil Creek Developments under the Minimum Offering will be \$151,800 (based on a minimum raise of \$1,650,000 in Gross Proceeds) and under the Maximum Offering will be \$277,288 (based on a maximum raise of \$3,014,000 in Gross Proceeds) assuming an exchange rate between the Canadian to USD of \$1.10 (the "Exchange Rate"). In the event the Exchange Rate increases, the Trust intends to sell additional Units, and as a result the maximum amount of the Selling Commission and Service Fees paid by the Trust will increase".

Item 7 Marketing Fees: The second paragraph of this Item beginning "A2A Capital Services will receive up to 1.3%..." is deleted in its entirety and replaced with the following:

"A2A Capital Services will receive up to 1.3% of the Gross Subscription Proceeds 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 Fossil Creek Developments under the Minimum Offering will be \$21,450 (based on a minimum raise of \$1,650,000 in Gross Proceeds) and under the Maximum Offering will be \$39,182 (based on a maximum raise of \$3,014,000 in Gross Proceeds) assuming an exchange rate between the US and Canadian dollar of \$1.10 (the "Exchange Rate"). In the event the Exchange Rate increases, the Trust intends to sell additional Units and as a result the maximum amount of the Marketing Fee will increase".

Item 8 Risk Factors: Under the heading "Limited Control Over Fossil Creek Development" the first paragraph is deleted in its entirety and replaced with the following:

"Even in the case of a Maximum Offering, the Trust will only indirectly hold 13.05% of the UFI's. As such, it will have limited control over the activities and decisions of Fossil Creek LP and Fossil Creek 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".

Other than the Amendments as described above, the disclosure and information contained in the Offering Memorandum remains accurate and valid. Accordingly, investors should be aware that this Amendment to the Offering Memorandum only contains specific amendments to the Offering Memorandum and does not contain the full text of the disclosure and information contained in the Offering Memorandum. It is intended that this Amendment be read in conjunction with the Offering Memorandum and investors should not rely exclusively on the information and disclosure contained individually in the Offering Memorandum or this Amendment to the Offering Memorandum.

ITEM 13 - DATE AND CERTIFICATE

Dated: November 18, 2014

This Amendment to the Offering Memorandum does not contain a misrepresentation.

**FOSSIL CREEK A2A TRUST
by its Administrator**

A2A CAPITAL MANAGEMENT INC.

"ALLAN LIND"

ALLAN LIND, Director

"GLENN PICKARD"

GLENN PICKARD, Director

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 risky investment. See Item 8 – “Risk Factors” in this Offering Memorandum.

OFFERING MEMORANDUM

MAY 7, 2014



The Issuer:	FOSSIL CREEK A2A TRUST (the “Trust”) Suite 900, 744 – 4 th Avenue SW, Calgary, Alberta T2P 3T4 Canada T: 403.460.9921 E: fossilcreektrust@a2acanada.ca
Purpose:	The Trust was established for the purpose of investing in Fossil Creek A2A Limited Partnership (“Fossil Creek LP”), which in turn was established for the purpose of (i) acquiring up to a 11.9% undivided fractional interest in 93 acres of land located in Tarrant County within the Fort Worth area in the State of Texas, United States of America and (ii) participating, in the multi-phase, 467 home residential community development to be built by Fossil Creek A2A Developments, LLC (“Fossil Creek Developments”) on such land and which will form part of a residential community known as “The Trails of Fossil Creek”.
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.

	<i>The Offering</i>
Securities Offered & Price:	Trust units (“Units”) at a price of \$100 per Unit. See Item 5 - “Description of the Securities Offered”.
Minimum Offering:	\$1,650,000 (16,500 Units)
Maximum Offering:	\$2,750,000 (27,500 Units).
Minimum Subscribers & Subscription Amount:	100 Units (\$10,000). The Administrator may, in its sole discretion, on an individual basis, accept subscriptions for less than 100 Units in order to allow the Trust to satisfy the minimum investment requirements of a “mutual fund trust” under the Tax Act.
Payment Terms:	The subscription price is payable at the time of Closing by bank draft or such other manner as may be accepted by the Trust in its sole discretion. See Item 5.2 - “Subscription Procedures”.
Proposed Closing Date(s):	On or about October 1, 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 November 1, 2014, all subscription funds will be returned to Subscribers without interest or deduction. If the Closing of the Minimum Offering occurs by November 1, 2014, but the Maximum Offering has not yet been reached, additional Closings may be held through February, 2015.
Tax Consequences:	There are important tax consequences to the ownership of Units. All investors will be responsible for the preparation and cost of filing 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 Item 6 - “Certain Canadian Federal Tax Considerations” and “Certain U.S. Federal Tax Considerations”.
Selling Agent:	Yes. Agents, including exempt market dealers and their dealing representatives or other qualified persons will offer the Units for sale. See Item 7 - “Compensation Paid to Sellers and Finders”.
Resale Restrictions:	Except as described under Item 2.7 - “Material Agreements – Redemption Rights”, you will be restricted from selling your Units for an indefinite period. See Item 10 - “Resale Restrictions”.
Purchasers’ Rights:	You have two (2) Business Days to cancel your Subscription Agreement to purchase the Units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the Subscription Agreement. See Item 11 - “Purchasers’ Rights”.

This Offering is being made to, and subscriptions will only be accepted from, persons resident in the Provinces and Territories of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec (provided that, with respect to Québec, the Offering Memorandum is available in both the French and English languages), Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon. This Offering is being made pursuant to certain exemptions contained in National Instrument 45-106 – Prospectus and Registration Exemptions (“NI 45-106”).

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities in any jurisdiction.

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering for the purpose of evaluating the securities offered hereby. 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.

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FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements in this Offering Memorandum as they relate to the Trust, Fossil Creek LP, the General Partner and Fossil Creek 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 Fossil Creek 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 Fossil Creek 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 Fossil Creek 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, Fossil Creek LP, the General Partner and Fossil Creek Developments;
- (e) making distributions of Cash Flow of the Trust within the first six months of 2016; 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 Fossil Creek 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 Administrator, the General Partner or Fossil Creek 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 Fossil Creek Developments on the basis of its knowledge of the residential construction industry (including their estimates and assumptions relating to the industry based on that knowledge). Fossil Creek 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 Fossil Creek Developments believes it to be reliable, none of the Trust, the Administrator, the General Partner or Fossil Creek 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”) 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 Tax Act. 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 Item 10 - “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 Deferred Plans and may be a prohibited investment for Deferred Plans. See Item 2.7 – “Material Agreements – Redemption Rights” and Item 8 - “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, 2015. The ability of the Trust to make cash distributions and the actual amount distributed will depend on the ability of Fossil Creek 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”.

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 Item 8 - “Risk Factors” section of this Offering Memorandum 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 “USD 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 Fossil Creek LP from its investment in UFI’s will be denominated in U.S. dollars. Accordingly, the Trust and Unitholders are exposed to the impact of fluctuations in the Canadian/U.S. dollar exchange rate. See Item 8 - “Risk Factors – Foreign Exchange Fluctuations”.

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 Group" or "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 federal corporation incorporated pursuant to the *Canada Business Corporations Act*;

"ABCA" means the *Business Corporations Act (Alberta)* as amended from time to time;

"Administration Agreement" means the agreement dated March 17, 2014 between the Administrator and the Trust, as amended, supplemented and/or amended and 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., a private 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*;

"applicable 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;

"Auditors" means the firm of chartered accountants appointed as the auditors of the Trust from time to time;

"Business Day" means a day which is not a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Calgary, in the Province of Alberta;

"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 amounts received as a limited partner holding LP Units in Fossil Creek 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 Trustees, 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 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 the acceptance by the Trust of Subscription Agreements for Units by Subscribers and the distribution of Units to the Subscribers by the Trust pursuant to those Subscription Agreements;

"Closing Date" means the date on which a Closing occurs;

"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, collectively, the registered owners from time to time, including Fossil Creek LP, of the UFI's in the Property;

"Declaration of Trust" means the declaration of trust dated March 17, 2014 establishing the Trust, as amended and/or restated or supplemented from time to time;

“Deed of Covenant” means the agreement to be entered into between Fossil Creek LP and Fossil Creek Developments, upon acquisition of UFI’s by the Partnership from Fossil Creek Developments as more particularly described in Item 2.7 – “Material Agreements – Deed Of Covenant”;

“Deferred Plans” means registered retirement savings plans (“RRSPs”), registered education savings plans (“RESPs”), registered retirement income funds (“RRIFs”), or tax-free savings accounts (“TFSA’s”), as those phrases are defined in the Tax Act, and **“Deferred Plan”** means any of them;

“Development Fund” means up to \$714,250 USD in the case of the Maximum Offering, and \$428,550 USD in the case of the Minimum Offering (and of amounts in between if the Gross Proceeds raised under this Offering are more than the Minimum Offering and less than the Maximum Offering) to be contributed by Fossil Creek LP pursuant to the terms of the Deed of Covenant which will be used for the Fossil Creek LP’s portion of expenses relating to the development of the Property including, without limitation, cost of any Planning, Development and Servicing Activities, as more fully described in Item 2.7 - “Material Agreements – Deed of Covenant”;

“DFW” means Dallas-Fort Worth, a metropolitan area located in North Texas as more particularly described in Item 2.3 “Our Business – The Property”;

“Distributable Cash Flow” means, for any Distribution Period, an amount equal to the Cash Flow for such Distribution Period less any amount that the Trustees may reasonably consider to be necessary to provide for the payment of any costs or expenses, including any tax liability of Fossil Creek LP or the Trust, that have been or are reasonably expected to be incurred in the activities and operations of the Trust or Fossil Creek 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 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 15th 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 preceding Business Day or such other date determined from time to time by the Trustees;

“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, 2016;

“Entity” means any one of the Trust, Fossil Creek LP or General Partner, and **“Entities”** means two or more of them;

“Facilitator” means any person or entity, corporate or un-incorporated, who is appointed from time to time by the Co-owners to be their facilitator pursuant to Deed of Covenant and Restrictive Covenant. Until replaced in accordance with the terms of the Deed of Covenant and Restrictive Covenant Fossil Creek Developments shall be the Facilitator of the Property;

“Facilitator Fee” means the fee per home payable to the Facilitator of \$2,500 USD per home built on the Property as more particularly described in Item 2.7 - “Material Agreements – Deed of Covenant”

“Fossil Creek Developments” means Fossil Creek A2A Developments, LLC, a Texas limited liability company which is (i) the seller of the UFIs to Fossil Creek LP pursuant to the UFI Purchase Agreement and (ii) the initial facilitator under the Deed of Covenant as more fully described in Item 2.7 - “Material Agreements – Deed of Covenant”;

“Fossil Creek LP” or the **“Partnership”** means Fossil Creek A2A Limited Partnership, an Alberta limited partnership established pursuant to the laws of the Province of Alberta and the Fossil Creek LP Agreement;

“Fossil Creek LP Agreement” means the agreement between Grayson Ambrose and the General Partner dated as of March 17, 2014 establishing Fossil Creek LP, as amended and/or restated from time to time;

“Funding Agreement” means the agreement entered into between Fossil Creek Developments, the Trust and the Partnership which provides that Fossil Creek Developments will pay all costs incurred by the Trust and the Fossil Creek LP in connection with the transactions described in the Offering Memorandum including without limitation, all Selling Commissions, Service Fees, Marketing Fee, Trustee Fee and offering costs, as well as all legal costs to complete the transfer of the UFIs to the Fossil Creek LP;

“General Partner” means Fossil Creek A2A GP Inc., in its capacity as the general partner of Fossil Creek LP only, or any person who from time to time is admitted as successor general partner under the Fossil Creek LP Agreement. The General Partner is controlled by Glenn Pickard;

“Gross Proceeds” means the aggregate gross proceeds of this Offering;

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

“Limited Partner” means any person who is admitted to the Fossil Creek LP as a limited partner for as long as they are registered holder(s) of at least one LP Unit;

“LP Units” means limited partnership units of Fossil Creek LP and **“LP Unit”** means any of the LP Units;

“Marketing Fee” means the fee, up to a maximum of 1.3% of the Gross Proceeds, payable to A2A Capital Services by Fossil Creek Developments for Marketing Support Services to the Trust and agents selling the Units;

“Marketing Support Services” means services rendered from A2A Capital Services to the Trust and agents selling the Units in connection with the marketing of the Units including without limitation the following: product knowledge seminars, ongoing development and market updates, and continuous client and dealing representative information support services;

“Maximum Offering” means the maximum offering of an equivalent number of Units equal to gross proceeds of \$2,500,000 USD;

“Minimum Offering” means the minimum offering of an equivalent number of Units equal to gross proceeds of \$1,500,000 USD;

“Net Income of the Project” shall have the meaning as provided for in Item 2.7 – “Material Agreements – Deed of Covenant”;

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

“Offering” means the offering of an equivalent number of Units equal to a maximum of \$2,500,000 USD;

“Offering Memorandum” means this offering memorandum, including any amendment hereto;

“Offshore Investors” means individuals resident outside of North America (primarily Asia) to whom Fossil Creek Developments intends to sell UFI’s to in addition to the Fossil Creek LP;

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

“Partnership Act” means the *Partnership Act* (Alberta) as amended and in force from time to time;

“Planning, Development and Servicing Activities” means the following activities undertaken by Fossil Creek Developments, its consultants, agents and assigns with respect to the development of the Property: 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;

“Project” means the development of phases 3, 4 and 5 of the Trails of Fossil Creek community to be developed upon the Property by Fossil Creek Developments as more particularly described in Item 2.3 – “Our Business - The Project”;

“Project Management Fee” means the fee paid to Fossil Creek Developments of 20% of the Net Income of the Project pursuant to the terms of the Deed of Covenant and Restrictive Covenant;

“Property” means the land comprising 93 acres (more or less) of land located in Tarrant County within the Fort Worth area in the State of Texas, United States of America, as more fully described in Exhibit A to the Deed of Covenant, and where the context requires, the UFI in the Property that are acquired by Fossil Creek LP;

“Redemption Notes” means promissory notes issued in series, or otherwise, by the Trust and issued to redeeming Trust Unitholders in principal amounts equal to the Redemption Price per Trust Unit multiplied by the number of Trust Units to be redeemed and having the following terms and conditions:

- (a) unsecured and bearing interest from and including the issue date of each such note at five percent (5%), payable annually in arrears (with interest after as well as before maturity, default and judgment, and interest on overdue interest at such rate);
- (b) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Trustee or the Administrator with holders of senior indebtedness;
- (c) subject to earlier prepayment without penalty, being due and payable on the third anniversary of the date of issuance; and
- (d) subject to the other standard terms and conditions as would be included in a promissory note of this kind, as may be approved by the Administrator.

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

“Restrictive Covenant” means the agreement to be entered into between an Offshore Investor and Fossil Creek Developments, upon acquisition of UFIs by the Offshore Investors from Fossil Creek Developments as more particularly described in Item 2.7 – “Material Agreements – Restrictive Covenant”;

“Selling Commissions” means the commission or agency fee 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 laws. See Item 7 – “Compensation Paid to Sellers and Finders”;

“Service Fees” means the fees 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 law. See Item 7 – “Compensation Paid to Sellers and Finders”;

“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 an 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 amended from time to time;

“TFC Community” means The Trails of Fossil Creek, a residential community which will include the Property as more particularly described in Item 2.3 - “Our Business – The Project”;

“Trust” means Fossil Creek A2A Trust, an unincorporated, open-ended investment trust established under the laws of the Province of Alberta pursuant to the Declaration of Trust;

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

“Trustee” means a trustee of the Trust at that time including without limitation so long as such persons remain as trustees and **“Trustees”** means, at any time, all of the individuals, each of whom is at that time a Trustee;

“Trustee Fee” means the annual fee of \$10,000 paid from the Development Fund to Rick Unrau for acting as a Trustee of the Trust;

"UFI Purchase Agreement" means the agreement of purchase and sale to be entered into between Fossil Creek LP and Fossil Creek Developments, as amended and/or restated from time to time, pursuant to which Fossil Creek LP will (i) acquire up to a to a 11.9% 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 a 1/2100 undivided fractional ownership interest, as tenant in common, in the Property;

"Units" means a trust unit of the Trust which represents an interest in the Trust as provided for in the Declaration of Trust and has the rights, privileges, restrictions and conditions set forth in the Declaration of Trust and shall not include fractional Units;

"Unitholder" means at any time the holder of one or more Units, as shown on the register of such holders;

"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; and

"USD" means United States Dollars.

In this Offering Memorandum, references to **"dollars"** and **"\$"** are to the currency of Canada, unless otherwise indicated.

ITEM 1 - USE OF AVAILABLE FUNDS**1.1 Available Funds**

The available funds of this 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	\$1,650,000	\$2,750,000
B	Selling Commissions and Service Fees ⁽¹⁾	\$0	\$0
C	Marketing Fee ⁽¹⁾	\$0	\$0
D	Trustee Fee ⁽²⁾	\$0	\$0
E	Estimated Offering costs ⁽³⁾	\$0	\$0
F	Available Funds: $F = A - (B+C+D+E)$	\$1,650,000	\$2,750,000
G	Additional sources of funding required ⁽⁴⁾	\$0	\$0
H	Working capital deficiency	\$0	\$0
I	Total: $I = (F+G) - H$	\$1,650,000	\$2,750,000

Notes:

- (1) All Selling Commissions, Service Fees and Marketing Fees will be paid for by Fossil Creek Developments from the proceeds of the sale of the UFI's to Fossil Creek LP. See Item 2.7 - "Material Agreements – Funding Agreement". The total Selling Commissions, Service Fees and Marketing Fees payable by Fossil Creek Developments will not exceed 10.5% of the Gross Proceeds. The maximum amount of Selling Commissions, Service Fees and Marketing Fees payable by Fossil Creek Developments under the Minimum Offering will be \$173,250 and under the Maximum Offering will be \$288,750. See Item 7 - "Compensation Paid to Sellers and Finders".
- (2) The Trustee Fee will be paid by Fossil Creek Developments from the proceeds of the sale of the UFI's to Fossil Creek LP.
- (3) All offering costs will be paid for by Fossil Creek Developments from the proceeds of the sale of the UFI's to Fossil Creek LP.
- (4) It is not anticipated that any additional funding will be required to meet the Trust's objectives of indirectly acquiring UFI's 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 Item 8 - "Risk Factors".

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1.2 Use of Available Funds

All of the Gross Proceeds from this Offering will be used to acquire LP Units in the Partnership. If LP Units are acquired by the Trust the LP Units will be acquired for the subscription price of \$100 per LP Unit. The number of LP Units to be acquired by the Trust will be contingent on the amount of funds raised pursuant to this Offering. See Item 2.3 - "Business of the Trust".

Fossil Creek LP will use the Gross Proceeds received from the Trust as follows:

	Assuming Minimum Offering	Assuming Maximum Offering
Purchase of UFI's ⁽¹⁾	\$1,178,595 (\$1,071,450 USD) (150 UFI's)	\$1,964,325 (\$1,785,750 USD) (250 UFI's)
Contribution to Development Fund ⁽²⁾	\$471,405 (\$428,550 USD)	\$785,675 (\$714,250 USD)
Total	\$1,650,000 (\$1,500,000 USD)	\$2,750,000 (\$2,500,000 USD)

Note:

- (1) Fossil Creek LP will acquire UFI's from Fossil Creek Developments pursuant to the UFI Purchase Agreement at a cost of \$7,143 USD per UFI. Funds raised under this Offering will be raised in Canadian dollars and will then be converted to USD to acquire UFI's and make the contribution to the Development Fund (see note (2) below). The above assumes an exchange rate of Canadian dollar to USD of \$1.10 (the "Exchange Rate"). In the event the Exchange Rate increases, the number of Units issued under this Offering will be increased by a corresponding number sufficient fund acquisition of the UFI's by Fossil Creek LP. In the event the Exchange Rate decreases the number of Units issued under this Offering will be decreased. The UFI's acquired by Fossil Creek LP will represent a 11.9% ownership interest in the Property in the case of the Maximum Offering, and 7.14% 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 but less than the Maximum Offering).
- (2) For each UFI acquired by Fossil Creek LP, it will contribute \$2,857 USD to the Development Fund to be held by Fossil Creek Developments as a reserve pursuant to the terms of the Deed of Covenant and which funds represent Fossil Creek LP's portion of expenses relating to the development of the Property including, without limitation, cost of any Planning, Development and Servicing Activities. See Item 2.7 - "Material Agreements – Deed of Covenant".

ITEM 2 - BUSINESS OF THE TRUST

2.1 Establishment and Corporate Structure

2.1.1 The Trust

Fossil Creek A2A Trust is a newly formed unincorporated, open-ended investment trust established on March 17, 2014 pursuant to the Declaration of Trust under, and governed by, the laws of the Province of Alberta. 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 Suite 900, 744 – 4th Avenue SW, Calgary, Alberta T2P 3T4.

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 has been established for the purpose of issuing Units to raise proceeds that will be used by the Trust to acquire LP Units in the Fossil Creek LP. The Trust intends to acquire 100% of the LP Units of the Fossil Creek LP.

The Trustees

The Trustees of the Trust are Grayson Ambrose, Dirk Foo and Rick Unrau. Mr. Foo is also a director and is the sole shareholder of Fossil Creek Developments. See Item 3.2 – "Management Experience".

2.1.2 Fossil Creek LP

Fossil Creek A2A Limited Partnership is a newly formed limited partnership established pursuant to and governed by the laws of Alberta. Fossil Creek LP was formed as of March 17, 2014 pursuant to the Fossil Creek 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.

Fossil Creek LP was established for the sole purpose of (i) acquiring, from Fossil Creek Developments, between a 7.14% and a 11.9% undivided fractional interest in the Property; and (ii) participating in the multi-phase, 467-home residential community development to be built by Fossil Creek Developments on the Property to be known as "The Trails of Fossil Creek". See Item 2.3 – "Our Business - The Property".

Initial Limited Partner

The initial limited partner of the Fossil Creek LP is Grayson Ambrose, an individual, residing in the City of Calgary, in the Province of Alberta. Mr. Ambrose holds one (1) LP Unit in the Fossil Creek LP, which LP Unit will be redeemed by the Fossil Creek LP upon the initial closing under this Offering.

Acquisition of LP Units by the Trust

Upon the initial closing of this Offering the Trust will become a limited partner in the Fossil Creek LP through acquiring LP Units with the available funds of the Minimum Offering amount. The Trust will acquire LP Units from the Fossil Creek LP for the purchase price of \$100 per LP Unit. Thereafter the Trust will continue to acquire LP Units in the Fossil Creek LP with all proceeds from future closing under this Offering. It is the intention of the Trust and the Fossil Creek LP that the Trust will be the only limited partner of the Fossil Creek LP.

Distributable Cash of the Fossil Creek LP

The ability of the Trust to make distributions of cash and to make cash redemptions of Units will be wholly dependent upon distributions of Distributable Cash the Trust receives from the Fossil Creek LP pursuant to the terms of the Fossil Creek LP Agreement.

The following are the terms of the Fossil Creek LP Agreement relating to the distributions of Distributable Cash:

The General Partner may in its Discretion make distributions of Distributable Cash as follows:

- (i) firstly, 0.01% to the General Partner; and
- (ii) secondly, to the Limited Partners.

If the General Partner determines to make a distribution of Distributable Cash, the General Partner will distribute Distributable Cash to the Limited Partners whose names appear on the register on the date on which such distribution is being made. Distributions made will be net of any tax required by law to be withheld by the General Partner on behalf of the Fossil Creek LP.

Other Advances or Distributions

Subject to and in the same priority as set forth above, the General Partner may, in addition to the advances or distributions described above, advance or distribute Distributable Cash at any other time and establish a record date for making of such advance or distribution. Notwithstanding the foregoing, the General Partner will not make any such advance or distribution if and to the extent such advance or distribution would be contrary to any provision of any other agreement to which the Fossil Creek LP is a party, or by which the Fossil Creek LP is bound (including any loan agreement) or to any applicable law.

2.1.3 The General Partner

The General Partner of the Fossil Creek LP is Fossil Creek A2A GP Inc., a newly formed corporation incorporated pursuant to the laws of Alberta on March 17, 2014. The General Partner is controlled by Glenn Pickard. See Item 3.2 - "The General Partner".

The registered office address for the General Partner is Suite 900, 744 – 4th Avenue SW, Calgary, Alberta T2P 3T4.

The General Partner has, to the exclusion of the Limited Partners, the sole power and exclusive authority to manage the business and affairs of the Fossil Creek LP, to make all decisions regarding the business of the Fossil Creek LP and to bind the Fossil Creek LP. The General Partner is to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Limited Partners and the Fossil Creek LP and shall, in discharging its duties, exercise the degree of care, the diligence and the skill that a reasonably prudent manager of a partnership would exercise in similar circumstances. Certain restrictions are imposed on the General Partner and

certain actions may not be taken by it without the approval of the Partners by special resolution. The General Partner cannot dissolve the Fossil Creek LP or wind up its affairs except in accordance with the provisions of the Fossil Creek LP Agreement.

The General Partner has:

- i. unlimited liability for the debts, liabilities and obligations of the Fossil Creek LP;
- ii. subject to the terms of the Fossil Creek LP Agreement, and to any applicable limitations set forth in the Partnership Act and applicable similar legislation, the full and exclusive right, power and authority to manage, control, administer and operate the business and affairs and to make decisions regarding the undertaking and business of the Fossil Creek LP; and
- iii. the full and exclusive right, power and authority to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying out the business of the Fossil Creek LP.

An action taken by the General Partner on behalf of the Fossil Creek LP is deemed to be the act of the Fossil Creek LP and binds the Fossil Creek LP.

Notwithstanding any other agreement the Fossil Creek LP or the General Partner may enter into, all material transactions or agreements entered into by the Fossil Creek LP must be approved by the board of directors of the General Partner.

2.1.4 Fossil Creek Developments

Fossil Creek 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.

Fossil Creek 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 UFI's 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 Item 2.7 - "Material Agreements – Deed of Covenant".

Dirk Foo, a Trustee of the Trust, is a director and the sole shareholder of Fossil Creek Developments. Jeff Peterson, an officer of the Administrator, is also a director of Fossil Creek Developments.

Fossil Creek Developments will be responsible for paying all Selling Commissions, Service Fees, Marketing Fees, Trustee Fees and offering costs, as well as all legal costs to complete the transfer of the UFI's to Fossil Creek LP from the proceeds of the sale of the UFI's to Fossil Creek LP.

2.1.5 The Administrator

A2A Capital Management Inc., is a corporation incorporated pursuant to the laws of the Province of Ontario on August 28, 2009. The registered and head office address for A2A Capital Management Inc. is, 250 Ferrand Drive, Suite 888, Toronto, Ontario M3C 3G8.

The Administration Agreement

Pursuant to the Declaration of Trust and the Administration Agreement, the Trustees have granted to the Administrator authority to effect the actual administration of the duties of the Trustees under the Declaration of Trust. The Trustees have granted the Administrator the authority to provide general administrative services and support to the Trust and the Trustees, to act as agent for the Trust, to execute documents on behalf of the Trust and to administer decisions of the Trustees 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 in the Declaration of Trust and in the Administration Agreement, including the power to further delegate administration of the Trust, provided that no further delegation shall be effective until the Administrator shall have notified the Trustees of the name of the person or persons to whom such further delegation is made, and the terms and conditions thereof.

In the event that the Administrator is unable or unwilling to perform its obligations under the Administration Agreement, the Trustees shall either perform all obligations of the Administrator thereunder or shall be entitled to engage another person that is duly qualified to perform such obligations.

The Administrator is controlled by Allan Lind and Glenn Pickard. The directors of the Administrator are Allan Lind and Glenn Pickard. The officers of the Administrator are; Allan Lind, President and Treasurer; Anne Law, Secretary; Jeff Peterson, Vice-President; and Warren Soo, CFO.

2.1.6 A2A Capital Services

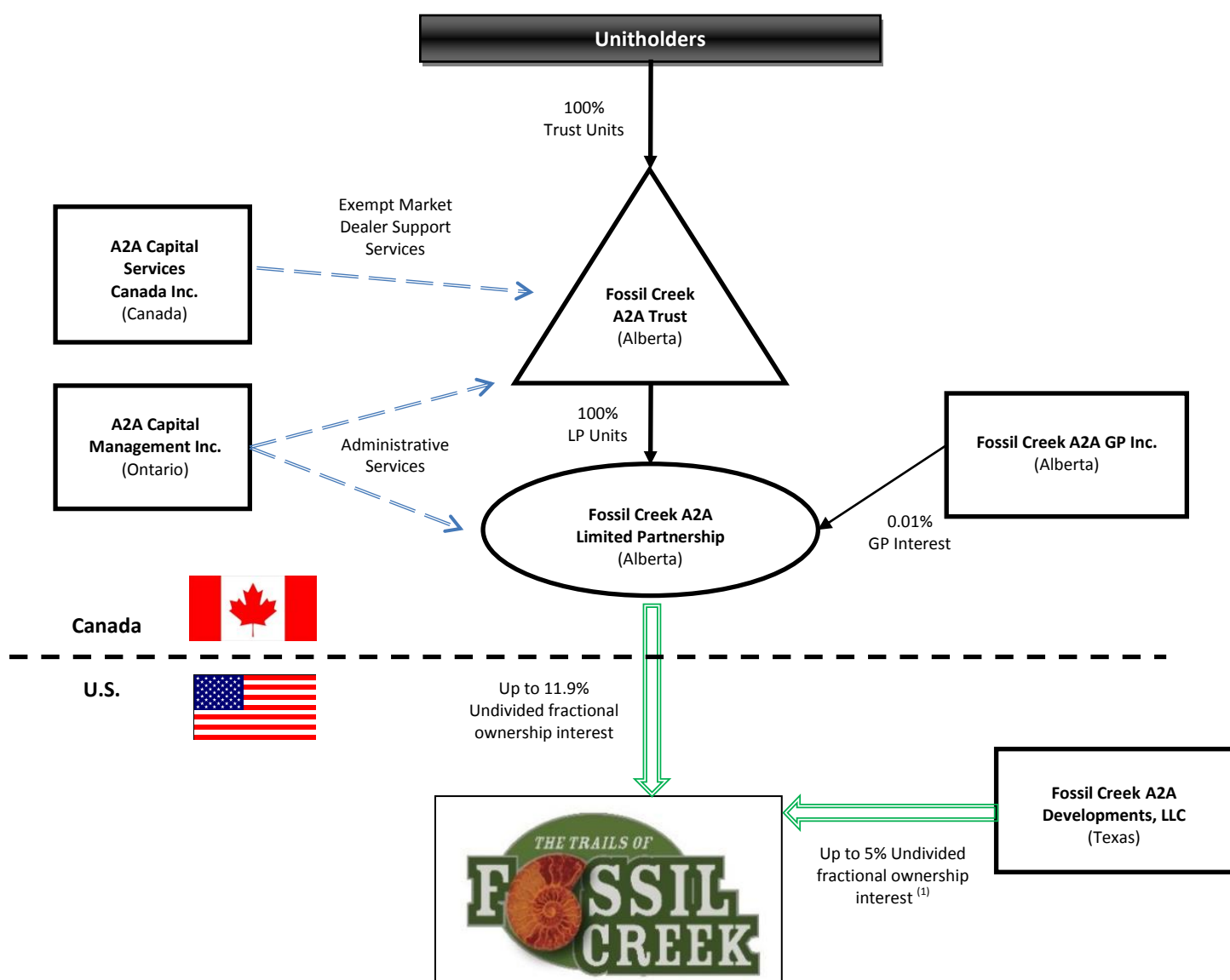
A2A Capital Services Canada Inc., is a corporation incorporated pursuant to the *Canada Business Corporations Act* on November 15, 2012. The registered and head office address for A2A Capital Services is, Suite 900, 744 Fourth Avenue SW, Calgary, Alberta T2P 3T4.

A2A Capital Services will be paid the Marketing Fee for providing Marketing Support Services to the Trust and agents selling the Units pursuant to this Offering Memorandum.

A2A Capital Services is controlled by Glenn Pickard. The directors of A2A Capital Services are Grayson Ambrose and Luke Michael Foo. The officer of A2A Capital Services is Grayson Ambrose, who holds both the offices of President and Secretary.

2.2 A2A Group Structure

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



⁽¹⁾ Assumes Fossil Creek Developments sells 95% of the UFI's to Fossil Creek LP and Offshore Investors. In the event that less than 95% of the UFI's are sold to Fossil Creek LP and Offshore Investors, Fossil Creek Developments will retain the unsold percentage of UFI's.

2.3 Our Business

A2A Group

The A2A Group is 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 above average returns in realistic timeframes.

Founded in Singapore in 2009, the A2A Group's specialized consultative service was the brainchild of a group of dynamic entrepreneurs who pioneered and launched the concept of land banking in Asia in the mid-1990's. Today, the A2A Group 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 1,836 acres of land (including the Property) are under the A2A Group's management in North America.

The Property

The Property consists of approximately 93 acres of land, located in the Dallas-Fort Worth ("DFW") metroplex. The Property is just a 19 minute-drive from the City of Fort Worth and lies entirely within the Fort Worth city limits. Fossil Creek Developments acquired a 100% ownership interest in the Property on August 30, 2013 for approximately \$3,500,000 USD from an unrelated third party. The Property was already zoned for residential development upon acquisition by Fossil Creek Developments. All activities since September 2013 have been focused on submission of the final subdivision plan approval. This was submitted on November 22, 2013. The Trust expects that subdivision approval will occur in the second quarter of 2014.

Investors, including Unitholders in the Trust (by way of the Trust's ownership in Fossil Creek LP) and Offshore Investors are ultimately paying \$14,250,285 USD to acquire a 95% interest in the Property.

The above amount is exclusive of the \$2,857 USD contribution to the Development Fund to be made by Fossil Creek LP for each UFI purchased, up to a maximum of \$714,250 USD assuming Fossil Creek LP purchases 250 UFIs. The \$2,857 USD contribution to the Development Fund is included in the purchase price of each UFI by Offshore Investors.

Fossil Creek Developments may retain up to 105 of the UFIs (5%) and intends to sell the balance of the UFIs not acquired by Fossil Creek LP (or retained by Fossil Creek Developments) to Offshore Investors.

As of May 1, 2014, a total of 1,825 UFIs (86.9%) have been sold to Offshore Investors at a price of \$10,000 USD per UFI for total proceeds of \$18,250,000 USD. Of the total proceeds, 28.57% or \$5,214,025 USD has been contributed by those Offshore Investors to the Development Fund".

The Project

The Property will comprise phases 3, 4 and 5 of a master planned residential community known as "The Trails of Fossil Creek" (the "TFC Community"). The TFC Community is currently comprised of 500 residential homes which have developed since 2005. Development of the Property is expected to yield to 467 residential lots within the TFC Community.



TRAILS OF FOSSIL CREEK

PHASE ONE:

337 LOTS

SOLD OUT!

Developer/Builder: Mady Development

PHASE TWO:

197 LOTS

AVAILABLE!

Developer/Builder: Centex

PHASES 3-5

467 LOTS

**TO BE DEVELOPED THROUGH A2A'S
ENHANCED PROJECT DEVELOPMENT PLAN**

The Property is a medium size tract with a flat terrain and is adjacent to existing homes and estates such as The Fossil Creek (Phase 1 and 2), Fossil Hill Estates, Fossil Creek Estates, Van Zandt Farms and Dorado Ranch.

THE NEIGHBORHOOD



The lots comprising the Property will serve the growing housing demand within the DFW area. Tarrant County, in which the Property is located, enjoys the highest share of population growth in the DFW vicinity. From 2000-2010, Tarrant County's population grew by 362,815 residents.

The Property was already zoned for residential development when it was acquired by Fossil Creek Developments. Activities prior to September 2013 have focused on pre-acquisition due diligence, land planning and studies, and the administrative and legal processing of the property. Activities since September 2013 have focused on project marketing, preparing the property for shovel to ground development, and the submission of the final subdivision plan approval. This final subdivision plan was submitted on November 22, 2013. A preliminary subdivision plan was already approved with the most recent revisions accepted in January 3, 2011. As such, all activities since April 18, 2013 have been focused in due diligence studies, infrastructure assessment, home plans, configurations and marketing plans.

The concept plan developed by Fossil Creek Developments and its consultants with respect to the Property calls for a residential community consisting of approximately 467 single-family lots to be built out in three (3) phases:

<u>Phase No.</u>	<u># of Lots/Homes</u>
3	195
4	128
5	144
TOTAL	467

Amenities of The Trails of Fossil Creek Community

The TFC Community is located within the Northwest Independent School District, which features excellent schools such as:

- Sonny and Allegra Nance Elementary School
(rated "Recognized*" with 792 students) 2 min away
- Kay Granger Elementary School
(rated "Exemplary*" with 641 students) 14 min away
- Haslet Elementary School
(rated "Exemplary*" with 641 students) 10 min away

*Source: The Texas Tribune, 2010 Accountability Ratings as released by the Texas Education Agency

Homeowners around the TFC Community are also just 11 minutes away from the Alliance Town Center Mall which houses popular retailers and establishments like Best Buy, Kroger, JC Penny, Starbucks and Olive Garden.

The Interstate I-35 and the Northeast loop of 820 are nearby and are major freeway corridors allowing movement of goods and people throughout the DFW area and connecting to the national network of freeways spanning North America from Mexico to Canada.



The TFC Community is within driving distance to some of the largest reputable employers in the DFW area including.



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 Fossil Creek Developments will begin marketing in late 2014 or early 2015. Based on the projections, homes will be sold at an average of 2,165 square feet per home. With sizes of homes ranging between 1,750–2,500 square feet, the estimated average selling price per home will be \$164,000 USD.

The estimated total revenue from the development of the Property, if and when all the homes are built and sold out, is \$77,000,000 USD, depending on the mix of feasible floor plans demanded and assuming that Fossil Creek Developments sells a home on each lot comprising the Property. The total estimated costs (the “Development Costs”) for the development of the Property are \$63,167,500 USD. Costs have been divided into the following categories when preparing the construction budget:

Description	Estimated Costs – All amounts below are expressed in USD
Home building and marketing	\$ 36,000,000
Servicing costs (physical development of the lots and providing them with water, sewer, drainage, electricity, water, phone and cable)	\$ 11,000,000
Facilitator’s Fee (\$2,500 USD/home built on the Property assuming the construction of 467 homes; there will no Fee for sale of serviced lots to other homebuilders) See Item 2.7 - “Material Agreements – Deed of Covenant”.	\$ 1,167,500
Land cost (payment by Fossil Creek LP and the Offshore Investors to Fossil Creek Developments for the purchase of the UFI)	\$ 15,000,000
TOTAL	\$ 63,167,500

The estimated Development Costs are subject to uncertainty and factors which could cause actual results or events to differ materially from this estimate. Although Fossil Creek Developments believes the above estimates to be reasonable, no assurance can be given that the estimates are correct or that costs will not be greater than anticipated. As such, the estimate is expressly qualified by this cautionary statement. See Item 8 - Risk Factors and the heading Forward-Looking Statements on page 4 of this Offering Memorandum.

Project Borrowing

The Project is not expected to 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. Each year, beginning in 2016, the Co-owners (including Fossil Creek 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 Item 2.7 - "Material Agreements – Deed of Covenant" and "Restrictive Covenant".

Project Projections

Based on initial projections and the assumption of a complete build-out of the Project, the estimated Net Income of the Project will be approximately \$14,000,000 USD. 20% of the Net Income of the Project will be distributed to Fossil Creek Developments as the Project Management Fee. The Co-owners are projected to receive a total of \$11,200,000 USD in estimated distributions over the course of the Property's development together with a return of the initial \$10,000 USD cost per UFI. The estimated schedule of distributions on the UFIs to the Co-owners (including the Fossil Creek LP) and to the Fossil Creek LP alone is as follows:

Planned Distribution Date	Annual Pre-Tax Distributions to all Co-owners⁽¹⁾ All amounts below are expressed in USD	Annual Pre-Tax Distribution to Fossil Creek LP (assuming Maximum Offering)⁽¹⁾⁽²⁾⁽³⁾ All amounts below are expressed in USD
March 31, 2016	\$6,200,000 (\$2,950/UFI)	\$737,500
March 31, 2017	\$11,000,000 (\$5,240/UFI)	\$1,310,000
March 31, 2018	\$15,000,000 (\$7,140/UFI)	\$1,785,000
TOTAL	\$32,200,000 (\$15,330/UFI)	\$3,832,500

Notes:

⁽¹⁾ The information contained in the above table contains forward-looking statements and projections. These statements relate to future events or future performance. All statements other than statements of historical fact are forward-looking statements or projections. Forward-looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue" "projected" or the negative of these terms or other comparable terminology. These statements are only predictions. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward-looking statements and projections made as the date hereof and are expressly qualified by this cautionary statement. No obligation is assumed to update or revise any of the forward-looking statements after the date of this Offering Memorandum to conform such statements to actual results or to changes in expectations except as otherwise required by applicable legislation. See Item 8 - "Risk Factors" and "Forward Looking Statements" on page 4 of this Offering Memorandum.

⁽²⁾ Distributions may be a return of capital or a return on capital or a combination of both.

⁽³⁾ The distributions to Fossil Creek LP will be subject to U.S. and Canadian taxation and therefore the amounts received by the Trust from Fossil Creek LP will be lower than the amounts shown. The Distributable Cash Flow of the Trust, and therefore the returns to Unitholders, will not equal, and will be less than the amounts shown above. See Item 6 - "Certain Canadian Federal Tax Considerations" and "Certain U.S. Federal Tax Considerations".

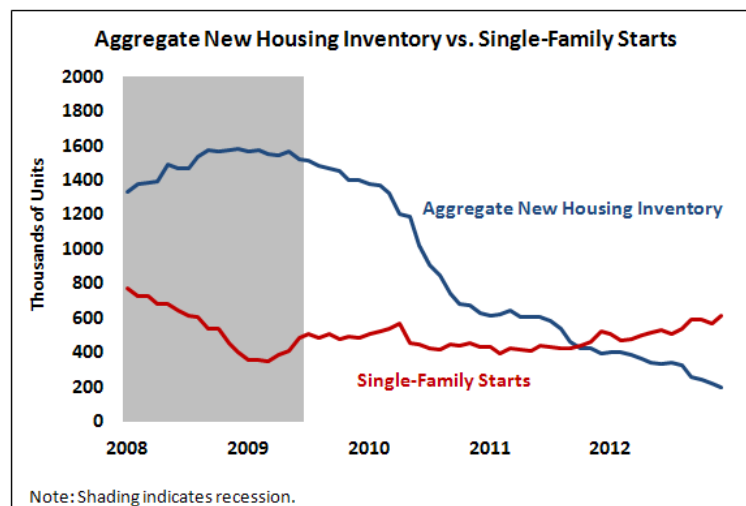
Why the United States? Texas? Dallas-Fort Worth?

U.S. Residential Housing Market

A2A has been closely monitoring 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 speed bumps, most notably the most recent U.S. government shutdown, 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 housing market continued its recovery in 2013 with the National Association of Realtors (NAR) reporting on December 2013 that existing home sales in October 2013 were up 6% above October 2012 due to pent up demand, record low mortgage rates and shrinking inventory. Sales remained above year-ago levels for the past 28 months. Homes were also sold faster than a year ago with homes staying on the market at a median time of 54 days compared to the 71 days median in October 2012. Constrained inventory is also putting pressure on home prices. The national median existing home price for all housing type was \$199,300 USD, up 12.8% from October 2012, which is the 11th consecutive month of double-digit year-over-year increases. Another reason why median prices are climbing is because of the decreasing share of foreclosures and short-sales in the total sales. Foreclosures and short-sales only accounted for 14% of October 2013 sales (unchanged from September 2013) and considerably down from 25% in October 2012 and 32% in December 2011. 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, also reported in October 2013 that rising home prices is being felt across the nation with prices climbing in 49 out of the 50 states (all except for New Mexico).

NAR reported that total housing inventory at the end of October declined 1.8% to 2.13 million existing homes available for sale, which represents a 5-month supply at current sales pace. Unsold inventory is 0.9% above a year ago, when there was 5.2 months of supply. 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 as reported by the U.S. Census Bureau in February 2013:

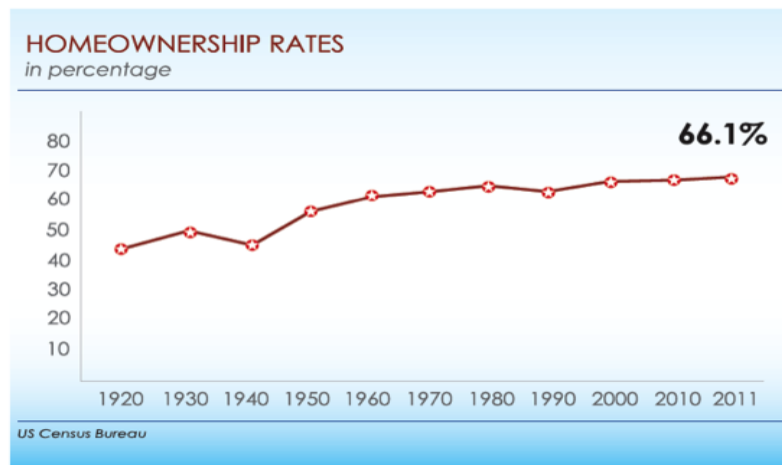


* source U.S. Census Bureau

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.



2013 saw the strong recovery of the housing market with rising home prices and demand, which generated approximately \$2.8 Trillion USD of wealth from real estate (source: International Business Times). While the rapid bounce is attributed mostly to strong investment buying and tight supply conditions, the next stage of recovery is expected to be characterized by strengthening activity among owner-occupiers as home ownership rates are expected to slowly increase going forward.

According to a U.S. Census Bureau News Joint Release with the U.S. Department of Housing and Urban Development dated November 26, 2013:

Building Permits

Privately-owned housing building permits in January were at a seasonally adjusted annual rate of 1,034,000. This is 6.2% ($\pm 0.8\%$) above the September rate of 974,000 and is 13.9% ($\pm 1.5\%$) above the October 2012 estimate of 908,000.

Single-family authorizations in January were at a rate of 620,000. This is 0.8% ($\pm 0.9\%$) above the September figure of 615,000. Authorization of units in building with five units or more were at a rate of 387,000 in October.

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

In the DFW Region, quarterly new home closings rose to 4,587 units, the most in one quarter in five years, and 20 percent higher than in the third quarter of 2012. Annual closings rose to 16,553 homes during the third quarter, 20 percent higher than a year earlier. Closings would likely have grown faster during the third quarter, but builders have reported construction delays due to difficulty scheduling various trades. The annual closings are now 30 percent higher than at the bottom of the market in the third quarter of 2011. Closings should continue to grow at a strong pace over the next two quarters given the strong backlog.

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: www.thetexaseconomy.org/economic-outlook).

Texas remains the second wealthiest state with a gross state product of \$1.39 trillion USD in 2012 (current-dollar), 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 the past three years, Texas is ahead of the rest of the United States on all key employment statistics, as the following statistics attest (source: www.thetexaseconomy.org/economic-outlook):

- The U.S. added 134,472 non-farm jobs in November 2013. The U.S. unemployment rate was 7% for November 2013. Between November 2013 and November 2012, U.S. total non-farm employment increased 1.7%.
- Texas total non-farm employment increased by 11,233 jobs during October 2013. Between October 2012 and October 2013, Texas total non-farm employment increased by 267,400 or 2.4%.
- The Texas unemployment rate was 6.2% for October 2013.
- The Texas unemployment rate has been at or below the national rate for 82 consecutive months.

Texas Unemployment 2013	
October Rate	6.2%
October 2012 – October 2013 change	-0.4%
U.S. Unemployment 2013	
October Rate	7.0%
November 2012 – November 2013 change	-0.8%

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 October 2013, there were 22,059 sales of existing single-family homes, an increase of 9.4% over the previous year. The median sale price for an existing single-family home was \$171,300 USD in October 2013, 9.5% higher than a year ago.

Existing Texas Single Family Home Sales Oct 2012-Oct 2013	
Units	+9.4%
Median Sales Price	+9.5%
Texas Housing Permits Oct 2012 – Oct 2013	
Single-Family	+8.7%
Multi-Family	+56.2%
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 November 1, 2013, the Texas housing market which usually experiences a slowdown after the summer selling season, remains fired up. Sales volume in the third quarter of 2013 was also almost equal to volume in the second quarter of the year.

As featured in the report:

- According to the Texas Quarterly Housing Report, 80,105 single-family homes were sold in Texas in the third quarter of 2013. That is 18.97% more than the same quarter last year and, for the second quarter in a row, the highest volume of homes sold in Texas since the Texas Association of REALTORS® began issuing the report in 2009.
- As in past quarters, high demand contributed to a shrinking inventory of Texas homes during the third quarter. For 2013-Q3, the Texas market featured 4 months of inventory, which is 27.27% less than the same quarter of last year, when inventory was at 5.5 months. Of the 47 markets included in the report, 10 have less than 3 months of inventory and that includes several large markets, such as Austin and Dallas.

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. Dallas-Fort Worth is often recognized by the popular business press like Money, Fortune, and other magazines as one of the "Best Places to Live". 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.

DFW is expected to increase its population by 153% at the end of 2050, bringing its population from 6.6 million to 16.7 million. The expected growth is a demonstration of the continuous demand for housing within the metro.

With an estimated Gross Metropolitan Product (GMP) of \$401.3 Billion USD (IHS Global Insight 2011), DFW is the 6th 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 2nd 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. Bloomberg's Businessweek also ranks DFW as the 5th strongest metropolitan area in the U.S., attributing its edge to the presence of big companies in the area. 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.

DFW's vibrant economy continues to drive the growth of employment in the area. As of second quarter of 2013, DFW has created a total of 107,800 jobs within a 12-month period (source Metrostudy-MetroUSA). This is the 2nd 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 6.2% (August 2013), it has one of the lowest jobless rates in the country.

2.4 Long Term Objectives of the Trust

The Trust's long term objective is to participate through Fossil Creek LP as a Co-owner in the development of the Property and to distribute annually the profits generated from the sales of lots and/or homes on the Property to the Unitholders. See Item 2.3 – "Our Business - 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 Fossil Creek Developments to realize the development potential of the Property. See "Forward-Looking Information and Statements" and Item 8 - "Risk Factors"

2.5 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 Fossil Creek LP, up to a 11.9% undivided fractional interest in the Property and contribute \$2,857 USD to the Development Fund for each UFI acquired.

The Trust anticipates the following activities will be conducted by Fossil Creek Developments on behalf of the Co-owners over the next 12 months, assuming that approval subdivision of the Property is obtained by the end of September 2014, with the costs of these activities being funded from the Development Fund:

What must be done and how it will be achieved ⁽¹⁾	Target completion date, or if not known, number of months to complete	Cost to complete ⁽²⁾	Trust's proportionate share cost (assuming Maximum Offering) ⁽³⁾
Servicing of lots	Second Quarter 2014 - November 2014	\$3,400,000 USD	\$404,600 USD
Construction of model homes	November 2014 - February 2015	\$ 290,000 USD	\$ 34,510 USD
Marketing and sales activities	To commence in late in 2014 or early 2015	\$ 50,000 USD	\$ 5,950 USD
Total		\$3,740,000 USD	\$445,000 USD

Notes:

(1) There are no guarantees these objectives will be successfully completed. See Item 8 - "Risk Factors" and "Forward Looking Statements" on page 4 of this Offering Memorandum.

(2) The total amount of funds to be set aside in the Development Fund from the sale of all 2,100 UFIs (including to Fossil Creek LP and the Offshore Investors) is \$6,300,000 USD. As of May 1, 2014 a total of 1,825 UFIs (86.9%) have been sold to Offshore Investors at a price of \$10,000 USD per UFI for total proceeds of \$18,250,000 USD. Of the total proceeds, 28.57% or \$5,214,025 USD has been contributed by those Offshore Investors to the Development Fund.

(3) For each UFI acquired by Fossil Creek LP, it will contribute \$2,857 USD to the Development Fund to be held by Fossil Creek Developments as a reserve under the Deed of Covenant, and which will be used for Fossil Creek LP's portion of expenses relating to the Property including, without limitation, cost of any Planning, Development and Servicing Activities. See Item 2.7 - "Material Agreements – Deed of Covenant". The amounts above each represent 5.65% of the estimated total costs to be incurred by Fossil Creek Developments on behalf of all Co-owners (including to Fossil Creek 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 the third to fourth quarter of 2014. See Item 2.3 – "Our Business - The Project".

2.6 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 timeframe 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 Item 8 - "Risk Factors" and "Forward Looking Statements" on page 4 of this Offering Memorandum.

2.7 Material Agreements

The Trust

The only material agreements which have been entered into by the Trust since its formation are:

- the Declaration of Trust (see Item 2.7 – “Material Agreements - Summary of the Declaration of Trust”);
- the Administration Agreement (see Item 2.7 – “Material Agreements - Summary of the Administration Agreement”); and
- the Funding Agreement (see Item 2.7 – “Material Agreements - Summary of the Funding Agreement”).

Fossil Creek LP

The only material agreements which have been entered into by the Fossil Creek LP since its formation are:

- the Fossil Creek LP Agreement (see Item 2.7 – “Material Agreements - Summary of the Fossil Creek LP Agreement”); and
- the Funding Agreement (see Item 2.7 – “Material Agreements - Summary of the Funding Agreement”).
- the Fossil Creek LP will enter into the UFI Purchase Agreement (see Item 2.7 – “Material Agreements - Summary of the UFI Purchase Agreement”) and Deed of Covenant (see Item 2.7 – “Material Agreements - Summary of the Deed of Covenant”) upon closing of the Minimum Offering amount.

The following summarizes all material agreements, and certain of the material terms thereof, to which the Trust or the Fossil Creek 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.

2.7.1 Declaration of Trust

The disclosure in this Offering Memorandum concerning the Declaration of Trust summarizes only some of its provisions and does not purport to be complete. In the case of any contradiction between this summary and the Partnership Agreement, the terms of the Declaration of Trust shall be paramount. Any capitalized terms not otherwise defined in this Offering Memorandum shall have the meaning ascribed thereto in the Declaration of Trust.

General

A Subscriber for Units will become a Unitholder of the Trust upon the acceptance by the Trustees of a subscription in the form approved from time to time by the Trustees.

Nature of Units

- (a) The beneficial interests in the Trust shall be divided into interests of one class, described and designated as “Units”, which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust, and the interest of each Unitholder shall be determined by the number of Units registered in the name of the Unitholder; and
- (b) subject to the terms of the Declaration of Trust, each Unit represents an equal undivided beneficial interest in any distribution from the Trust (whether of Income of the Trust, Net Realized Capital Gains or other amounts) and in any net assets of the Trust in the event of termination or winding-up of the Trust. All Units shall rank among themselves equally and rateably without discrimination, preference or priority, whatever may be the actual date or terms of issue thereof. 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 Unitholders.

Authorized Number of Units

The aggregate number of Trust Units which is authorized and may be issued is unlimited.

Issue of Units

- (a) Units shall be issued pursuant to and in accordance with the Declaration of Trust;
- (b) the Administrator is authorized to review and accept subscriptions for Units received by the Trust and to issue Units pursuant thereto;

- (c) in addition, Units may be issued by the Trust at the times, to the persons, for the consideration and on the terms and conditions that the Administrator determines, and, without limiting the generality of the foregoing, the Administrator may authorize the Trust to pay a reasonable commission to any person in consideration of such person purchasing or agreeing to purchase Units from the Trust or from any other person or procuring or agreeing to procure purchasers for Units; and
- (d) Units shall only be issued as and when fully paid in money, property, including indebtedness, or past services, and are not to be subject to future calls or assessments, except that Units to be issued under an offering may be issued for a consideration payable in instalments and the Trust may take a security interest over such Units for unpaid instalments.

Units Non-Assessable

No Units shall be issued other than as fully paid and non-assessable. No person shall be entitled, as a matter of right, to subscribe for or purchase any Unit, except in accordance with the provisions of the Declaration of Trust.

Legal Ownership of Assets of the Trust

The legal ownership of the assets of the Trust and the right to manage the investments of the Trust are vested exclusively in the Trustees and the Administrator, and the Unitholders shall have no interest therein other than the beneficial interest in the Trust Assets conferred by their Units issued hereunder and they shall have no right to compel any partition, division, dividend or distribution of the Trust Assets or any of the assets of the Trust. The Units shall be personal property and shall confer upon the holders thereof only the interest and rights specifically set forth in the Declaration of Trust. No Unitholder has or is deemed to have any right of ownership in any of the assets of the Trust, including without limitation the Trust Assets.

No Fractional Units

Fractions of Units shall not be issued, except pursuant to distributions of additional Units to all Unitholders. Fractions of Units will not be entitled to vote at meetings of Unitholders.

Consolidation of Units

Immediately after any pro-rata distribution of additional Units to all holders of Units, the number of the outstanding Units will automatically be consolidated such that each such holder will hold after the consolidation the same number of Units as such holder held before the distribution of additional Units and each Unit certificate representing a number of Units prior to the distribution of additional Units is deemed to represent the same number of Units after the distribution of additional Units and the consolidation. Such consolidation shall not constitute a redemption or cancellation of Units so consolidated and a Unitholder whose Units are consolidated shall not receive, and shall not be entitled to receive, any proceeds of disposition in respect thereof. Notwithstanding the foregoing, where tax is required to be withheld in respect of a Unitholder's share of the distribution, the Trust shall withhold from the cash portion of such distribution, if any, or the Unitholder shall make a cash payment to the Trust, of an amount equal to the amount of tax required to be remitted to the appropriate taxation authority by the Trust, or, if such withholding cannot be made by the Trust or such payment is not made by the Unitholder:

- (a) the consolidation of the Units held by such Unitholder will result in such Unitholder holding that number of Units equal to the number of Units held by such Unitholder prior to the distribution minus the number of Units withheld by the Trust on account of withholding taxes payable by the Unitholder in respect of the distribution; and
- (b) the consolidation shall not apply to any Units so withheld.

Any Units so withheld shall either be delivered to the appropriate taxation authority or sold, in which case the net proceeds shall be remitted to the appropriate taxation authority. Such Unitholder will be required to surrender the Unit Certificates, if any, representing such Unitholder's original Units, in exchange for a Unit Certificate representing such Unitholder's post-consolidation Units other than the withheld Units.

Re-Purchase of Initial Unit by Trust

Immediately after the issuance of one or more additional Units, the Trust shall purchase the Initial Unit from the Settlor, and the Settlor shall sell the Initial Unit to the Trust, for a purchase price of one hundred dollars (\$100.00) and, upon the completion of such purchase and sale, the Initial Unit shall be cancelled and shall no longer be outstanding.

No Conversion, Retraction, Redemption or Pre-Emptive Rights

Except as otherwise set forth herein, there are no conversion, retraction, redemption or pre-emptive rights attaching to the Units.

Power of Attorney

Each Unitholder hereby grants to the Trustees, the Administrator and their respective successors and assigns, a power of attorney constituting the Trustees or the Administrator, as the case may be, with full power of substitution, as such Unitholder's true and lawful attorney to act on the Unitholder's behalf, with full power and authority in the Unitholder's name, place and stead, and to execute, under seal or otherwise, swear to, acknowledge, deliver, make or file or record when, as and where required:

- (a) the Declaration of Trust, any amendment, supplement or restatement of the Declaration of Trust and any other instrument required or desirable to qualify, continue and keep in good standing the Trust as a mutual fund trust;
- (b) any instrument, deed, agreement or document in connection with carrying on the affairs of the Trust as authorized in the Declaration of Trust including all conveyances, transfers and other documents required in connection with any disposition of Units;
- (c) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Trust in accordance with the terms of the Declaration of Trust;
- (d) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Trust or of a Unitholder's interest in the Trust; and
- (e) any amendment to the Declaration of Trust which is authorized from time to time.

The Power of Attorney granted herein is, to the extent permitted by applicable law, irrevocable and will survive the assignment by the Unitholder of all or part of the Unitholder's interest in the Trust and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Unitholder.

Powers of the Trustees

- (a) Subject to the terms and conditions of the Declaration of Trust, the Trustees may exercise from time to time in respect of the Trust Assets and the investments and affairs of the Trust any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof;
- (b) subject to the specific limitations contained in the Declaration of Trust, the Trustees shall have, without further or other action or consent, and free from any power of control on the part of the Trust Unitholders, full, absolute and exclusive power, control and authority over the Trust Assets and over, and management of, the affairs of the Trust to the same extent as if the Trustees were the sole and absolute beneficial owners of the Trust 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, carrying out the trust created hereunder. In construing the provisions of the Declaration of Trust, presumption shall be in favour of the granted powers and authority 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. To the maximum extent permitted 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;
- (c) except as expressly prohibited by law, the Trustees may grant or delegate to any person (including the Administrator) the authority and the powers of the Trustees under the Declaration of Trust as the Trustees may in its Discretion deem appropriate, necessary or desirable to carry out and effect the actual management and administration of the duties of the Trustees under the Declaration of Trust, without regard to whether the authority is normally granted or delegated by trustees; and
- (d) the Trustees are hereby authorized to execute and deliver the Administration Agreement and to appoint the Administrator to act for and on behalf of the Trust in accordance with those powers and authorities granted to the Administrator under the terms of such agreement, and the Trustees may delegate to such person (and in addition to those matters, if any, specifically granted or delegated to the Administrator in the Declaration of Trust) and of those duties of the Trustees under the Declaration of Trust that the Trustees deem appropriate. Without limiting the generality of the foregoing, the Trustee may grant broad Discretion to the Administrator to administer and manage the day-to-day operations of the Trust, to act as agent for the Trust, to execute documents on behalf of the Trust, and to make decisions on behalf of the Trust. The Administrator shall have the powers and duties as may be expressly provided for in the Declaration of Trust and in the Administration Agreement and may be given, without limitation, the

power to further delegate management and administration of the Trust, as well as the power to retain and instruct such appropriate experts or advisors to perform those duties and obligations which it is not best suited to perform.

Specific Powers and Authorities

Subject to any other express limitations contained in the Declaration of Trust and in addition to any other powers and authorities conferred by the Declaration of Trust or which the Trustees may have by virtue of any present or future statute or rule of law, but subject to the delegation to the Administrator, the Trustees without any action or consent by the Unitholders shall have and may exercise at any time and from time to time the following powers and authorities which may or may not be exercised by the Trustees in such manner and upon such terms and conditions as it may from time to time determine proper, provided that the exercise of such powers and authorities does not adversely affect the status of the Trust as a “mutual fund trust” for purposes of the Tax Act or cause the Trust to become a “SIFT trust” for purposes of the Tax Act, or fail to comply with the provisions of 132(7) of the Tax Act:

- (a) to supervise the activities and manage the investments and affairs of the Trust;
- (b) to maintain records and provide reports to Unitholders;
- (c) to open, operate and close accounts and other similar credit, deposit and banking arrangements, and to negotiate and sign banking and financing contracts and agreements;
- (d) without limit as to amount, issue any type of debt securities or convertible debt securities and borrow money or incur any other form of indebtedness for the purpose of carrying out the purposes of the Trust or for other expenses incurred in connection with the Trust and for such purposes may draw, make, execute and issue promissory notes and other negotiable and non-negotiable instruments or securities and evidences of indebtedness, secure the payment of sums so borrowed or indebtedness incurred and mortgage, hypothecate, pledge, assign or grant a security interest in any money owing to the Trust or in Trust Assets or engage in any other means of financing the Trust;
- (e) to obtain security, including encumbrances on assets, to secure the full payment of monies owed to the Trust and the performance of 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;
- (f) to exercise and enforce any and all rights of foreclosure, to bid on property on sale or foreclosure, to take a conveyance in lieu of foreclosure with or without paying a consideration therefor and in connection therewith to revive the obligation on the covenants secured by such security and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies with respect to any such security or guarantee;
- (g) to establish places of business of the Trust;
- (h) to manage the Trust Assets and to, sell, transfer and assign the Trust Assets; however, the Trustees shall not sell all or substantially all of the Trust Assets without the consent of the Unitholders by Extraordinary Resolution;
- (i) to enter into the Administration Agreement;
- (j) to invest, hold shares, trust units, beneficial interests, partnership interests (other than general partnership interests), joint venture interests or other interests in any person necessary or useful to carry out the purpose of the Trust;
- (k) to cause title to any of the Trust assets to be drawn up in the name of such person on behalf of the Trust or, to the extent permitted by applicable law, in the name of the Trust, as the Trustees shall determine;
- (l) to determine conclusively the allocation to capital, income or other appropriate accounts of all receipts, expenses and disbursements;
- (m) to enter into any agreement or instrument to create or provide for the issue of Units or (including any firm or best efforts underwriting agreement), to cause such Units to be issued for such consideration as the Trustees, in their sole Discretion, may deem appropriate and to do such things and prepare and sign such documents, including the prospectus and any registration rights agreement, to qualify such Units for sale in whatever jurisdictions they may be sold or offered for sale;
- (n) to enter into any agreement in connection with, or to facilitate, the issuance of Exchangeable Securities (as that term is defined in the Declaration of Trust);
- (o) to determine conclusively the value of any or all of the Trust Assets from time to time and, in determining such value, to consider such information and advice as the Trustees in their sole judgment, may deem material and reliable;
- (p) to collect, sue for and receive all sums of money or other property or items that are believed due to the Trust;

- (q) to effect payment of distributions to the holders of Units as provided in Article 5 of the Declaration of Trust;
- (r) to invest funds of the Trust as provided in Article 4 of the Declaration of Trust;
- (s) if the Trustees become aware by written notice that the beneficial owners of 49% of the Trust Units or securities exchangeable into Units then outstanding are, or may be, Non-Residents or that such situation is imminent, the Trustee shall obtain such advice as they deem appropriate in order to ascertain the tax and other implications that such level of Non-Resident ownership may have for the Trust and Unitholders and if and to the extent that they determine that such level of Non-Resident ownership would have material adverse tax or other consequences to the Trust or Unitholders, shall ensure that appropriate limitations on Non-Resident ownership as provided in the Declaration of Trust are met;
- (t) to possess and exercise all the rights, powers and privileges pertaining to the ownership of the securities of the Partnership and other securities of the Trust to the same extent that any person might, unless otherwise limited herein, and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more persons, which proxies and powers of attorney may be for meetings or actions generally or for any particular meeting or action and may include the exercise of discretionary power;
- (u) where reasonably required, to engage, employ or contract with or retain on behalf of the Trust any persons as agents, representatives, employees or independent contractors (including, without limitation, investment advisors, registrars, underwriters, accountants, lawyers, appraisers, brokers, consultants, technical advisors, depositories, custodians, transfer agents or otherwise) in one or more capacities;
- (v) except as prohibited by applicable law, to delegate any of the powers and duties of the Trustee to any one or more agents, representatives, officers, employees, independent contractors or other persons the doing of such things and the exercise of such powers hereunder as the Trustee may from time to time reasonably require, so long as any such delegation is not inconsistent with any of the provisions of the Declaration of Trust and the Administration Agreement and subject at all times to the general control and supervision of the Trustee as provided for herein;
- (w) to engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, disputes, claims, demands or other litigation or proceedings, regulatory or judicial, relating to the Trust, the assets of the Trust or the Trust's affairs, to enter into agreements therefor, whether or not any suit or proceeding is commenced or claim asserted and, in advance of any controversy, to enter into agreements regarding the arbitration, adjudication or settlement thereof;
- (x) to arrange for insurance contracts and policies insuring the Trust, its assets, any affiliate of the Trust and/or any or all of the Trustees or the Unitholders, including against any and all claims and liabilities of any nature asserted by any person arising by reason of any action alleged to have been taken or omitted by the Trust or by the Trustees or Unitholders;
- (y) to cause legal title to any of the assets of the Trust to be held by and/or in the name of a trustee, or except as prohibited by law, by and/or in the name of the Trust or any other custodian or person, on such terms, in such manner, with such powers in such person as the Trustees may determine and with or without disclosure that the Trust or the Trustees are interested therein; provided, however, that should legal title to any of the Trust assets be held by and/or in the name of any person or persons other than the Trustee, the Administrator or the Trust, the Trustee shall require such person or persons to execute a trust agreement acknowledging that legal title to such assets is held in trust for the benefit of the Trust;
- (z) to redeem Units (or rights, warrants, convertible securities, options or other securities) for such consideration as the Trustee may deem appropriate in its sole Discretion, such redemption to be subject to the terms and conditions of the Declaration of Trust;
- (aa) to use its reasonable commercial efforts to ensure that the Trust qualifies at all times as a "mutual fund trust" pursuant to Section 132(6) of the Tax Act and not take any action that would result in the Trust, or any entity in which the Trust has invested being considered a "SIFT trust" or a "SIFT partnership" as defined in the Tax Act;
- (bb) in addition to the mandatory indemnification provided for in the Declaration of Trust to the extent permitted by law to indemnify, or enter into agreements with respect to the indemnification of, any person with whom the Trust has dealings including, without limitation, the Trustees, the Administrator, the Transfer Agent, to such extent as the Trustee shall determine and to the extent permitted by law;
- (cc) without the approval or confirmation of Unitholders, enact and from time to time amend or repeal by-laws not inconsistent with the Declaration of Trust containing provisions relating to the Trust, the Trust assets and the conduct of the affairs of the Trust, but not in conflict with any provision of the Declaration of Trust;

- (dd) to pay all taxes or assessments, of whatever kind or nature, whether within or outside Canada, imposed upon or against the Trustees in connection with the Trust assets, undertaking or Income of the Trust, or imposed upon or against the Trust assets, undertaking or Income of the Trust or Net Realized Capital Gains, 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 the Income of the Trust or Net Realized Capital Gains distributed to holders of Units in the year and any other matter as shall be permitted under the Tax Act and analogous provisions of any provincial income tax legislation (provided that to the extent necessary the Trustee will seek the advice of Counsel or the Auditors), and do all such other acts and things as may be deemed by the Trustees in their sole Discretion to be necessary, desirable or convenient;
- (ee) to guarantee the obligations of any subsidiary of the Trust including the Partnership, and granting security interests in the Trust assets as security for such guarantee;
- (ff) to subdivide or consolidate from time to time the issued and outstanding Units;
- (gg) to provide indemnities for the directors and officers of any affiliate of the Trust;
- (hh) to form any subsidiary of the Trust for the purpose of making any Permitted Investment (as that term is defined in the Declaration of Trust) and entering into or amending any agreement on such terms as may be approved by the Trustees;
- (ii) to purchase Units for cancellation in accordance with applicable regulatory requirements; and
- (jj) to do all such other acts and things as are incidental to the foregoing, and to exercise all powers which are necessary or useful to carry on the purpose and activities of the Trust, to promote or advance any of the purposes for which the Trust is formed and to carry out the provisions of the Declaration of Trust whether or not specifically mentioned herein.

The Trustees shall, except as may be prohibited by applicable law, have the right to delegate authority for the above-referenced matters to a manager or administrator (including the Administrator under the Administration Agreement) if the Trustees determine in their sole Discretion that such delegation is desirable to effect the administration of the duties of the Trustees under the Declaration of Trust.

Fees and Expenses

The Trustees shall be entitled to reimbursement from the Trust of any of its expenses incurred in acting as Trustees. The Trustees on behalf of the Trust may pay or cause to be paid reasonable expenses incurred in connection with the administration and management of the Trust, including without limitation fees and expenses of the Administrator pursuant to the Administration Agreement, auditors, lawyers, appraisers and other agents, consultants and professional advisers employed by or on behalf of the Trust and the cost of reporting or giving notices to Unitholders. The Trustees on behalf of the Trust may pay or cause to be paid brokerage commissions at prevailing rates in receipt of the acquisition and disposition of any securities acquired or disposed of by the Trust to brokers.

The Trustees shall be paid for its services as Trustees:

- (a) such reasonable compensation as shall be negotiated between the Administrator on behalf of the Trust and the Trustees;
- (b) reimbursement of the Trustees' reasonable out-of-pocket expenses incurred in acting as the Trustees, either directly or indirectly, including the expenses referred to above; and
- (c) fair and reasonable remuneration for services rendered to the Trust in any other capacity, which services may include, without limitation, services as the Transfer Agent.

The Trustee shall, in respect of amounts payable or reimbursable to the Trustees under the Declaration of Trust, have a priority over distributions to Unitholders in respect of amounts payable or reimbursable to the Trustees under this Section. Further, in the event the Trustees' fees and expenses are not paid within the time set out in the Trustees' invoice, the Trustees shall be entitled to pay the amounts out of the Trust Assets (or direct the Administrator to pay the amounts out of the Trust Assets).

Computation of Cash Flow of the Trust

The "Cash Flow of the Trust", for, or in respect of, any Distribution Period, shall be equal to the sum of:

- (a) all amounts which are received by the Trust for, or in respect of, the Distribution Period, including, without limitation, interest, dividends, distributions, proceeds from the disposition of securities, returns of capital and repayments of indebtedness, or any other payment;
- (b) the proceeds of any issuance of Units or any other securities of the Trust, net of the expenses of distribution, and, if applicable, the use of proceeds of any such issuance for investments; and

- (c) all amounts received by the Trust in any prior Distribution Period to the extent not previously distributed; less the sum of:
 - (d) all amounts used for Permitted Investments (as defined in the Declaration of Trust) during the Distribution Period or set aside by the Administrator for investments;
 - (e) all costs and expenses of the Trust which, in the opinion of the Administrator, may reasonably be considered to have accrued and become owing in respect of, or which relate to, the Distribution Period, or a prior period if not accrued or deducted, in determining the Cash Flow of the Trust in such prior period;
 - (f) all debt repayments and interest costs and expenses, if any, incurred by the Trust in the Distribution Period;
 - (g) all costs and expenses of the Trust relating to capital expenditures which, in the opinion of the Administrator, may reasonably be considered to have accrued and become owing during the Distribution Period, or a prior period if not accrued or deducted in such prior period;
 - (h) all amounts contributed or loaned, or which the Administrator reasonably expect to contribute or loan to an associate or affiliate of the Trust; and
 - (i) any other amounts (including taxes) required by law or hereunder to be deducted, withheld or paid by or in respect of the Trust in the Distribution Period.

Computation of Income and Net Realized Capital Gains

- (a) The “**Income of the Trust**” for any taxation year of the Trust shall be the net income for the year determined pursuant to the provisions of the Tax Act (other than subsection 104(6) and paragraph 82(1)(b)) having regard to the provisions thereof which relate to the calculation of income of a trust, and taking into account such adjustments thereto as are determined by the Administrator in respect of dividends received from taxable Canadian corporations, amounts paid or payable by the Trust to Unitholders and such other amounts as may be determined in the Discretion of the Administrator; provided, however, that capital gains and capital losses shall be excluded from the computation of net income; and
- (b) the “**Net Realized Capital Gains**” of the Trust for any taxation year of the Trust shall be determined as the amount, if any, by which the aggregate of the capital gains of the Trust for the year exceeds:
 - (i) the aggregate of the capital losses of the Trust for the year;
 - (ii) any capital gains which are realized by the Trust as a result of a redemption of Units pursuant to Article 6 of the Declaration of Trust; and
 - (iii) the amount determined by the Administrator in respect of any net capital losses for prior taxation years which the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for the year.

Distribution of Cash Flow of the Trust

The Trustees, with the assistance of the Administrator, may on or before each Distribution Record Date, declare payable to the holders of Units on such Distribution Record Date all or any part of the Cash Flow of the Trust for the Distribution Period which includes such Distribution Record Date. The proportionate share for each Unit of the amount of such Cash Flow of the Trust (or portion thereof declared payable) shall be determined by dividing such amount by the number of issued and outstanding Units on such Distribution Record Date. The share of such Cash Flow of the Trust (or portion thereof declared payable) attributable to each holder of Units shall be an amount equal to the proportionate share for each Unit of the amount of such Cash Flow of the Trust (or portion thereof declared payable) multiplied by the number of Units owned of record by each such holder of Trust Units on such Distribution Record Date. Subject to Sections 5.7 and 5.8 of the Declaration of Trust, Cash Flow of the Trust which has been declared to be payable to holders of Units in respect of a Distribution Period shall be paid in cash on the Distribution Payment Date.

Other Distributions

- (a) In addition to the distributions which are made payable to Unitholders pursuant to Section 5.3 of the Declaration of Trust, the Trustees may declare to be payable and make distributions to Unitholders of record, from time to time, out of Income of the Trust, Net Realized Capital Gains, the capital of the Trust or otherwise, in any year, in such amount or amounts, and on such record dates as the Trustee may determine with the assistance of the Administrator;

- (b) Having regard to the present intention to allocate, distribute and make payable to Unitholders all of the Income of the Trust, Net Realized Capital Gains and any 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, the following amounts shall be due and payable to Unitholders of record on December 31 in each such year:
 - (i) an amount equal to the amount, if any, by which the Income of the Trust for such year exceeds the aggregate of the portions, if any, of each distribution made by the Trust pursuant to Section 5.3 and Subsection 5.4(a) of the Declaration of Trust which have been determined by the Administrator, pursuant to Section 5.5 of the Declaration of Trust, to have been payable by the Trust out of Income of the Trust for such year; and
 - (ii) an amount equal to the amount, if any, by which the Net Realized Capital Gains of the Trust for such year exceeds the aggregate of the portions, if any, of each distribution made by the Trust pursuant to Section 5.3 and Subsection 5.4(a) of the Declaration of Trust which have been determined by the Administrator, pursuant to Section 5.5 of the Declaration of Trust, to have been payable by the Trust out of Net Realized Capital Gains for such year;
- (c) The proportionate share of each Unit of the amount of any distribution made pursuant to either or both of Subsections 5.4(a) and 5.4(b) of the Declaration of Trust shall be determined by dividing such amount by the number of issued and outstanding Units on the applicable record date in respect of a distribution pursuant to Subsection 5.4(a) of the Declaration of Trust and on December 31 in respect of a distribution pursuant to Subsection 5.4(b) of the Declaration of Trust. Each Unitholder's share of the amount of any such distribution shall be an amount equal to the proportionate share of each Unit of such amount multiplied by the number of Units owned of record by each such Unitholder on such applicable record date or December 31 in the year of such distribution, as the case may be. Subject to Section 5.7 and Section 5.8 of the Declaration of Trust, amounts which are payable to Unitholders pursuant to either Subsection 5.4(a) or 5.4(b) of the Declaration of Trust shall be paid in cash on the Distribution Payment Date which immediately follows the applicable record date in respect of a distribution pursuant to Subsection 5.4(a) of the Declaration of Trust or December 31 in the applicable year in respect of a distribution pursuant to Subsection 5.4(b) of the Declaration of Trust.

Character of Distributions and Designations

In accordance with and to the extent permitted by the Tax Act, the Administrator in each year shall make designations in respect of the amounts payable to Unitholders for such amounts that the Administrator considers to be reasonable in all of the circumstances, including, without limitation, designations relating to taxable dividends received by the Trust in the year on shares of taxable Canadian corporations (or designated in respect of the Trust where the Trust is a beneficiary of another trust), net capital gains realized by the Trust in the year (or designated in respect of the Trust where the Trust is a beneficiary of another trust) and foreign source income of the Trust for the year, as well as elect under Subsections 104(13.1) and/or (13.2) of the Tax Act that income be taxed to the Trust, rather than to such Unitholders. Distributions payable to Unitholders pursuant to Article 5 of the Declaration of Trust shall be deemed to be distributions of Income of the Trust, Net Realized Capital Gains, trust capital or other items in such amounts as the Administrator shall, in its absolute Discretion, determine. For greater certainty, it is hereby declared that any distribution of Net Realized Capital Gains shall include the non-taxable portion of the capital gains of the Trust, which are encompassed in such distribution.

Enforceability of Right to Receive Distributions

For greater certainty, it is hereby declared that each Unitholder shall have the legal right to enforce payment of any amount payable to such Unitholder as a result of any distribution, which are payable to such Unitholder pursuant to Article 5 of the Declaration of Trust.

Method of Payment of Distributions

- (a) Where the Administrator determines that the Trust does not have available cash in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable pursuant to Article 5 of the Declaration of Trust on the due date for such payment, the payment may, at the option of the Administrator, include the issuance of additional Units, or fractions of Units, if necessary, having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Administrator to be available for the payment of such distribution; and
- (b) the value of each Unit which is issued pursuant to Subsection 5.7(a) of the Declaration of Trust shall be one dollar (\$1.00) per Unit.

Withholding Taxes

The Trustees may deduct or withhold from distributions payable to any Unitholder all amounts required by law to be withheld from such distribution, whether those distributions are in the form of cash, additional Units or otherwise. In the event of a distribution in the form of additional Units or property other than cash, the Trustee may sell Units or other property of those Unitholders to pay those withholding taxes and to pay all of the Trustees' reasonable expenses with regard thereto and the Trustee shall have the power of attorney of the Unitholder to do so. Any such sale of Units may be made by private sale and upon that sale, the affected Unitholder shall cease to be the holder of those Units. In the event that withholding taxes are exigible on any distribution or redemption amounts distributed under the Declaration of Trust and the Trust was unable to withhold taxes from a particular distribution to a Unitholder or has not otherwise withheld taxes on particular distributions to the Unitholders, the Trust shall be permitted to withhold amounts from other distributions to satisfy the withholding tax obligation. In addition, Non-Resident holders of Units will be required to pay all withholding taxes payable in respect of any distributions in the form of additional Units, or otherwise, under Section 5.7 of the Declaration of Trust.

No Liability for Sales

The Trustees or the Administrator shall have no liability whatsoever to any Unitholders and no resort shall be had to the Trust Assets or the Trustees or the Administrator, as the case may be, for satisfaction of any obligation or claim against the Trustees, the Administrator or the Trust in connection with the Trust's sale of Units under any provision herein to comply with its statutory obligations to withhold and remit an amount otherwise payable to the Unitholders.

REDEMPTION OF UNITS

Right of Redemption

Each holder of Units shall be entitled to require the Trust to redeem at any time, or from time to time at the demand of such holder of Units, all or any part of the Units registered in the name of such holder of Units at the prices determined and payable in accordance with the terms and conditions of the Declaration of Trust.

1. Exercise of Redemption Right

- (a) To exercise a right to require redemption of Trust Units under Article 6 of the Declaration of Trust, a duly completed and properly executed notice (each a "Redemption Notice") requesting the Trust to redeem Trust Units, in a form acceptable to the Trustees, acting reasonably, specifying the identity, capacity or authority of the person giving such notice and number of Trust Units to be so redeemed, along with the Trust Unit Certificate representing the Trust Units to be so redeemed, shall be sent by a holder of Trust Units to the Trust at the offices of the Trustees. The Trustees may request such further information or evidence, as it deems necessary, acting reasonably, to act on such Redemption Notice; and
- (b) upon receipt by the Trustees on behalf of the Trust of the notice to redeem Trust Units, the holder of Trust Units shall thereafter cease to have any rights with respect to the Trust 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 which are declared payable to the holders of Trust Units of record on a date which is subsequent to the day of receipt by the Trust of such notice. Trust Units shall be considered to be tendered for redemption on the date that the Trustee has, to its satisfaction, received the notice and other required documents or evidence as aforesaid.

2. Cash Redemption

- (a) Subject to Section 6.4 and Section 6.5 of the Declaration of Trust, upon receipt by the Trustees on behalf of the Trust of the notice to redeem Trust Units in accordance with Section 6.2 Declaration of Trust, the holder of the Trust Units tendered for redemption shall be entitled to receive the Redemption Price per Trust Unit to be redeemed;
- (b) Subject to Section 6.4 and Section 6.5 of the Declaration of Trust, the Redemption Price payable in respect of the Trust Units surrendered for redemption shall be satisfied by way of a cash payment on the last day of the calendar month following the last month of the Fiscal Quarter in which the Trust Units were tendered for redemption.
- (c) Payments made by the Trust of the Redemption Price are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the former holder of Trust Units unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former holders of Trust Units in respect of the Trust Units so redeemed.

3. No Cash Redemption in Certain Circumstances

The Trust shall not be required to make a payment in cash for the Redemption Price with respect to Units tendered for redemption pursuant to a Redemption Notice if:

- (a) in the sole opinion of the Administrator, the payment of the Redemption Price in cash by the Trust would not be in the best interest of the Trust having regard to the then current cash position of the Trust; or
- (b) the redemption of Trust Units will result in the Trust losing its status as a “mutual fund trust” for the purposes of the Tax Act; or
- (c) the Trust, in the opinion of the Administrator, is able to make a cash payment with respect to the Redemption Price and the total amount payable by the Trust pursuant to Section 6.3 of the Declaration of Trust in respect of such Trust Units tendered for redemption in the same quarter exceeds \$25,000 (the “Quarterly Limit”); provided that the Administrator may, in its sole discretion, waive such limitation in respect of all Trust Units tendered for redemption in any Fiscal Quarter. Trust Units tendered for redemption in any Fiscal Quarter in which the total amount payable by the Trust pursuant to Subsection 6.3(a) of the Declaration of Trust exceeds the Quarterly Limit will be redeemed for cash on a pro-rata basis up to the Quarterly Limit and, unless any applicable regulatory approvals are required, by a distribution under Section 6.5 of the Declaration of Trust, of Redemption Notes, for the balance.

4. Redemption Price Paid by Redemption Notes

If pursuant to Section 6.4 a cash payment requested for is not applicable for the whole of all the Units tendered for redemption by a Trust Unitholder, then the Trustees, as soon as reasonably practicable after receipt of a notice from the Administrator advising of the same, shall advise the Trust Unitholders in writing that the Redemption Price for the Units tendered for redemption pursuant to Section 6.2 of the Declaration of Trust will be paid in whole or in part by Redemption Notes, and such Trust Unitholders have 15 Business Days from the date of the Trustees’ notice hereunder to rescind their redemption. If not rescinded, the Redemption Price shall, subject to all necessary regulatory approvals, be paid and satisfied by the Trust issuing promissory notes (“Redemption Notes”).

Redemption Notes shall be promissory notes issued in series, or otherwise, by the Trust and issued to redeeming Trust Unitholders in principal amounts equal to the Redemption Price per Trust Unit multiplied by the number of Trust Units to be redeemed and having the following terms and conditions:

- (a) unsecured and bearing interest from and including the issue date of each such note at five percent (5%), payable annually in arrears (with interest after as well as before maturity, default and judgment, and interest on overdue interest at such rate);
- (b) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Trustee or the Administrator with holders of senior indebtedness;
- (c) subject to earlier prepayment without penalty, being due and payable on the third anniversary of the date of issuance; and
- (d) subject to the other standard terms and conditions as would be included in a promissory note of this kind, as may be approved by the Administrator.

Purchase for Cancellation

The Trust may from time to time purchase for cancellation some or all of the Units (or other securities of the Trust which may be issued and outstanding from time to time) by private agreement or pursuant to tenders received by the Trust upon request for tenders addressed to all holders of record of Units.

APPOINTMENT, RESIGNATION AND REMOVAL OF THE TRUSTEES

Appointment of Trustee

A person who is appointed as Trustee, other than the Initial Trustees whose consent to act is given by their signatures upon the Declaration of Trust, must, either before or after such election or appointment, consent in writing to do so. Upon the later of a person being appointed a Trustee under the Declaration of Trust and executing and delivering to the Trust a consent substantially as set forth in Section 8.1 of the Declaration of Trust, such person shall become the Trustee hereunder and shall be deemed to be a party (as a Trustee) to the Declaration of Trust, as amended from time to time.

Ceasing to Hold Office

A Trustee ceases to hold office when:

- (a) it resigns or shall be declared bankrupt or insolvent or shall enter into liquidation, whether compulsory or voluntary, to wind up its affairs;
- (b) it is removed by Extraordinary Resolution at a meeting of Unitholders called for that purpose; or
- (c) it ceases to be duly qualified to act as a Trustee as provided for in the Declaration of Trust.

A resignation of a Trustee becomes effective 60 days from the date a written resignation is received by the Trust and the Administrator, or on the date specified in the resignation, whichever is later.

Removal of Trustee

The Unitholders may remove any Trustee from office, by Extraordinary Resolution at a meeting of Unitholders called for that purpose. A vacancy created by the removal of a Trustee may be filled by Ordinary Resolution at the meeting of Unitholders at which the Trustee is removed or, if not so filled, shall be filled as set forth below under "Vacancies".

Vacancies

No vacancy of the office of a Trustee shall operate to annul the Declaration of Trust or affect the continuity of the Trust.

Filling Vacancies

The Administrator may fill a vacancy of a Trustee without the approval of the Unitholders.

Restrictions on Trustee's Powers

In respect of any obligations that the Trust is required to assume, the Administrator and the Trustees will use their commercially reasonable efforts to ensure that these are in writing and contain provisions to exempt the Unitholders from any liability thereunder and to limit any such liability in respect of the Trust Assets.

Audit, Accounting and Reporting

The Trust's fiscal year will be December 31.

On or before the 90th day subsequent to December 31 in each calendar year, the Administrator will provide to Unitholders who received distributions from the Trust in the prior calendar year, such information regarding the Trust required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their Canadian income tax returns in respect of the prior calendar year.

The Administrator will send (or make available if sending is not required under applicable securities laws) to Unitholders at least 21 days prior to the date of each general meeting of Unitholders, or if no general meeting is to be held in that year within six months of the fiscal year end, the annual financial statements of the Trust, together with comparative financial statements for the preceding fiscal year, if any, and the report of the Auditors thereon.

Such financial statements shall be prepared in accordance with GAAP; provided that such statements and the obligations to deliver such statements may vary from such principles to the extent required to comply with applicable securities laws or securities regulatory requirements or to the extent permitted by applicable securities regulatory authorities.

Fiduciary Duty

The Trustees shall exercise its powers and carry out its functions hereunder as Trustees honestly, in good faith and in the best interests of the Trust and the Unitholders and, in connection therewith, shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. Unless otherwise required by law, the Trustees shall not 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 its entire time to the business and affairs of the Trust.

Conflicts of Interest

Without affecting or limiting the duties and responsibilities or the limitations and indemnities provided in the Declaration of Trust or in the Administration Agreement, the Trustees and the Administrator are hereby expressly permitted to:

- (a) be, or be an associate or an affiliate of, a person from or to whom assets of the Trust have been or are to be purchased or sold;
- (b) be, or be an associate or an affiliate of, a person with whom the Trust or the Administrator contracts or deals or which supplies services or extends credit to the Trust or the Administrator or to which the Trust extends credit;
- (c) acquire, hold and dispose of, either for its own account or the accounts of its customers, any assets not constituting part of the Trust Assets, even if such assets are of a character which could be held by the Trust, and exercise all rights of an owner of such assets as if it were not a trustee or the Administrator;
- (d) the A2A Parties may, either presently and/or in the future, be associated with other investment funds, which funds may, either presently and/or in the future, have similar investment objectives as the Trust. The Trust shall not have priority with respect to the allocation of investment opportunities or loans in or to other issuers and other investment funds may participate in such investment and loan opportunities in priority to the Trust;
- (e) the A2A Parties may take actions to resolve a material conflict of interest without the approval of the Unitholders or the Trustees provided that each of the A2A Parties use reasonable best efforts to resolve any such conflict of interest as equitably as possible under the prevailing facts and circumstances; and
- (f) the Unitholders agree that the activities set forth in Section 9.13 of the Declaration of Trust shall not constitute a conflict of interest or breach of fiduciary duty to the Trust or the Unitholders, the Unitholders hereby consent to such activities and the Unitholders waive, relinquish and renounce any right to participate in, and any other claim whatsoever with respect to, any such activities. The Unitholders further agree that no party referred to in Section 9.13 of the Declaration of Trust will be required to account to the Trust or any Unitholders for any benefit or profit derived from any such activities or from such similar or competing activity or any transactions relating thereto by reason of any conflict of interest or the fiduciary relationship created by virtue of the position of any party referred to in Section 9.13 of the Declaration of Trust unless such activity is contrary to the express terms of the Declaration of Trust or applicable laws.

In addition to the above provisions, it is acknowledged that the investments of the Trust will include loans to the Administrator, on terms which contemplate the Administrator investing such funds on its own behalf and retaining a portion of the profit made from such investment. The Administrator shall not be liable to account to the Trust, the Trustees or any Trust Unitholder for such profit. Subject to applicable laws, none of the relationships, matters, contracts, transactions, affiliations or other interests permitted above shall be, or shall be deemed to be or to create, a material conflict of interest with the Trustees' or the Administrator's duties.

Limitations on Liability of Trustees

The Trustees shall not be liable to any Unitholder or any other person, in tort, contract or otherwise, in connection with any matter pertaining to the Trust or the Trust Assets, arising from the exercise by the Trustees of any powers, authorities or discretion conferred under the Declaration of Trust, including, without limitation, any action taken or not taken, in good faith in reliance on any documents that are, prima facie, properly executed, any depreciation of, or loss to, the Trust Assets incurred by reason of the sale of any asset, any inaccuracy in any evaluation provided by any other appropriately qualified person, any reliance on any such evaluation, or any action or failure to act (including failure to compel in any way any former Trustees to redress any breach of trust or any failure by the Administrator to perform its duties under the Declaration of Trust or the Administration Agreement), unless such liabilities arise out of the gross negligence, wilful default or fraud of the Trustees. If the Trustees have retained an appropriate expert, advisor, Counsel or the Auditors with respect to any matter connected with its duties under the Declaration of Trust or any other contract, they may act or refuse to act based on the advice of such expert, advisor, Counsel or the Auditors, and the Trustees shall not be liable for and shall be fully protected from any loss or liability occasioned by any action or refusal to act based on the advice of any such expert, advisor, Counsel or the Auditors.

Subject to the standard of care set out in the Declaration of Trust, neither of the Trustees shall be subject to any liability whatsoever in tort, contract or otherwise, in connection with Trust Assets or the affairs of the Trust, including, without limitation, in respect of any loss or diminution in value of any Trust Assets, to the Trust or to the Unitholders or to any other person for anything done or permitted to be done by the Trustees unless such liabilities arise out of the gross negligence, wilful misconduct or fraud of the Trustees. 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. No property or assets of the Trustees, owned in its personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under the 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. The Trust shall be solely liable therefor and resort shall be had solely to the Trust Assets for payment or performance thereof; and

Any liability of the Trustees for, or in respect of, or that arise out of, or result from the Trustee's breach of this Declaration of Trust shall be limited, in the aggregate, to the amount of remuneration paid by the Trust to the Trustees under the Declaration of Trust in the twelve months immediately before the Trustees first receiving written notice of such liability; provided that the foregoing limitation shall not apply to any liability of the Trustees that arises out of the Trustee's gross negligence, wilful misconduct or fraud.

Subject to the provisions of Section 5 of the *Trustee Act* (Alberta), the Trustees shall have no liability or responsibility for any matters delegated to the Administrator or under the Administration Agreement, and the Trustees, in relying upon the Administrator and in entering into the Administration Agreement, shall be deemed to have complied with its obligations under Article 9 of the Declaration of Trust and shall be entitled to the benefit of the indemnity provided in Article 9 of the Declaration of Trust.

Indemnification of Trustees

The Trustees shall be fully indemnified and saved harmless out of the Trust Assets in respect of:

- (a) any liability and all costs, charges and expenses sustained or incurred in respect of any action, suit or proceeding that is proposed or commenced against the Trustee for or in respect of any act, omission or error in respect of the Trust and the Trustees execution of all duties and responsibilities and exercise of all powers and authorities pertaining thereto;
- (b) any liability and all losses, damages, costs, charges and expenses sustained or incurred in respect of any action, suit or proceeding that is proposed or commenced against the Trustee or against such directors, officers, employees, shareholders or agents, as the case may be, for or in respect of the Administrator providing or omitting to provide services to the Trust or otherwise performing obligations under the Administration Agreement or as delegated or otherwise contemplated under the Declaration of Trust;
- (c) all other costs, charges, taxes, penalties and interest in respect of unpaid taxes; and
- (d) all other expenses and liabilities sustained or incurred by the Trustees in respect of the administration or termination of the Trust;

unless any of the foregoing arise out of the gross negligence, wilful default or fraud of the Trustees. This indemnification shall survive the termination of the Trust and the resignation or removal of the Trustees.

Transfer of Units

- (a) The right to transfer Units is restricted such that no Unitholder shall be entitled to transfer Units to any person unless the transfer has been approved by the Administrator and the Administrator shall have the power to restrict the transfer of the Units on the books of the Trust without liability to Unitholders or others who are thereby restricted from making a transfer;
- (b) Units shall be transferable on the register or one of the branch transfer registers only by the Unitholders 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 Transfer Agent, and no transfer of Units shall be effective or shall be in any way binding upon the Trust until the transfer has been recorded on the register or one of the branch transfer registers maintained by the Transfer Agent. Upon such delivery the transfer shall be recorded on the register or branch transfer registers and a new certificate for the Units shall be issued to the transferee and a new certificate for the balance of Units not transferred shall be issued to the transferor;
- (c) any person becoming entitled to any Units as a consequence of the death, bankruptcy or mental incompetence of any Unitholder, or otherwise by operation of law, shall be recorded as the holder of such Units (and shall receive a new certificate therefor upon submission of the existing certificate for cancellation) only upon production of satisfactory evidence, but until such record is made the Unitholder

of record shall continue to be and be deemed to be the holder of such Units for all purposes whether or not notice of such death or other event has been given; and

- (d) Unit Certificates representing any number or class of Units may be exchanged without charge for Unit Certificates representing an equivalent number and class 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. Any Unit Certificates tendered for exchange shall be surrendered to the Trustees or appropriate Transfer Agent and then shall be cancelled.

Limitation on Non-Resident Ownership

It is in the best interest of Unitholders that the Trust always qualify as a “mutual fund trust” under the Tax Act and in order to ensure the maintenance of such status:

- (a) if determined necessary or desirable by the Trustees or the Administrator, in their sole Discretion, the Trust may from time to time, among other things, take all necessary steps to monitor the activities of the Trust and ownership of the Units. If at any time the Trust or the Administrator become aware that the activities of the Trust and/or ownership of the Units by Non-Residents may threaten the status of the Trust under the Tax Act as a “mutual fund trust”, the Trust, by or through the Administrator on the Trust’s behalf, is authorized to take such action as may be necessary in the opinion of the Administrator to maintain the status of the Trust as a “mutual fund trust” including, without limitation, the imposition of restrictions on the issuance by the Trust of Units or the transfer by any Unitholder of Units to a Non-Resident and/or require the sale of Units by Non-Residents on a basis determined by the Administrator and/or suspend distribution and/or other rights in respect of Units held by Non-Residents transferred contrary to the foregoing provisions or not sold in accordance with the requirements thereof;
- (b) in addition to the foregoing provisions, the Transfer Agent may, if determined appropriate by the Administrator, establish operating procedures for, and maintain, a reservation system which may limit the number of Units that Non-Residents may hold, limit the transfer of the legal or beneficial interest in any Units to Non-Residents unless selected through a process determined appropriate by the Administrator, which may either be a random selection process or a selection process based on the first to register, or such other basis as determined by the Administrator. The operating procedures relating to such reservation system shall be determined by the Administrator. Such operating procedures may, among other things, provide that any transfer of a legal or beneficial interest in any Units contrary to the provisions of such reservation system may not be recognized by the Trust;
- (c) unless and until the Administrator has been required to do so under the terms hereof, the Administrator shall not be bound to do or take any proceeding or action with respect to this Section by virtue of the powers conferred on it hereby. The Administrator shall not be required to actively monitor the foreign holdings of the Trust. The Administrator shall not be liable for any violation of the non-resident ownership restriction, which may occur during the term of the Trust; and
- (d) The Administrator shall have the sole right and authority to make any determination required or contemplated under this Section. The Administrator shall make all determinations necessary for the administration of the provisions of this Section and, without limiting the generality of the foregoing, if the Administrator considers that there are reasonable grounds for believing that a contravention of the non-resident ownership restriction has occurred or will occur, the Administrator 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 Administrator.

General and Special Meetings of Unitholders

- (a) general meetings of the Unitholders shall be called, at a time and at a place in Canada set by the Administrator. A general meeting of the Unitholders shall be called within 36 months of October 8, 2013, and thereafter within 36 months of the previous general meeting. The business transacted at such meetings shall include the presentation of the financial statements of the Trust for the preceding fiscal years, the appointment of Auditors for the ensuing years, and the transaction of such other business as Unitholders may be entitled to vote upon as hereinafter provided in this Article or as the Administrator may determine or as may be properly brought before the meeting;
- (b) special meetings of the Unitholders may be called by either the Administrator or the Trustees at any time and for any purpose;
- (c) Unitholders holding in the aggregate not less than five percent (5%) of all votes entitled to be voted at a meeting of Unitholders may requisition the Trustees to call a special meeting of Unitholders for the purposes stated in the requisition. The requisition shall:
 - (i) be in writing;

- (ii) set forth the name and address of, and number of Units and Exchangeable Securities (and votes attached thereto which, in the aggregate, must not be less than five percent (5%) of all votes entitled to be voted at a meeting of Unitholders) held by each person who is supporting the requisition; and
- (iii) shall state in reasonable detail the business to be transacted at the meeting and shall be sent to the Trustees. Upon receiving a requisition complying with the foregoing, the Trustees shall call a meeting of Unitholders to transact the business referred to in the requisition, unless:
 - (A) a record date for a meeting of Unitholders has been fixed;
 - (B) the Administrator or the Trustees have called a meeting of Unitholders and has given notice thereof pursuant to the terms of the Declaration of Trust; or
 - (C) in connection with the business as stated in the requisition:
 - (1) it clearly appears that a matter covered by the requisition is submitted by the Unitholder primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Trust, the Trustees, the Administrator or the Unitholders, or primarily for the purpose of promoting general economic, political, religious, social or similar causes or primarily for a purpose that does not relate in a significant way to the business or affairs of the Trust;
 - (2) the Trust, at the Unitholder's request, had previously included a matter substantially the same as a matter covered by the requisition in an information circular relating to a meeting of Unitholders held within 36 months preceding the receipt of such requisition and the Unitholder failed to present the matter, in person or by proxy, at the meeting;
 - (3) substantially the same matter covered by the requisition was submitted to Unitholders in an information circular relating to a meeting of Unitholders held within 36 months preceding the receipt of such requisition and the matter covered by the requisition was defeated; or
 - (4) the rights conferred by this Section are being abused to secure publicity;
- (d) if the Trustees do not, within 90 days after receiving the requisition, call a meeting (except where the grounds for not calling the meeting are one or more of those set forth in subsection (C) above), any Unitholder who signed the requisition may call the meeting in accordance with the provisions of this section, *mutatis mutandis*;
- (e) meetings of Unitholders shall be held in Calgary, Alberta, or at such other place in Canada as the Administrator shall designate;
- (f) the chair of any general or special meeting shall be a person designated by the Administrator for the purpose of such meeting;
- (g) the Trustees, the Administrator, the Auditors and any other person approved by the Administrator or the chair of the meeting may attend meetings of the Unitholders;
- (h) any person entitled to attend a meeting of Unitholders may participate in the meeting, subject to and in accordance with applicable securities laws, if any, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Trust makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of the Declaration of Trust to be present at the meeting; and
- (i) if the Administrator, the Trustees or the Unitholders call a meeting of Unitholders pursuant to the Declaration of Trust, the Administrator, the Trustees or Unitholders, as the case may be, may determine that the meeting shall be held, subject to and in accordance with applicable securities laws, if any, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

Resolutions Binding the Trustees

In addition to any other provisions set forth in the Declaration of Trust requiring the approval of Unitholders in respect to certain matters, or as a condition precedent to taking certain actions set forth below, it is agreed that:

- (a) the Trustees shall not, without the approval of the Unitholders by Extraordinary Resolution sell, lease, exchange or transfer all or substantially all of the Trust Assets other than:
 - (i) pursuant to in specie redemptions permitted under the Declaration of Trust; or
 - (ii) in order to acquire in connection with pursuing the purpose of the Trust securities of the Partnership;

- (b) the following matters must be approved by a majority of the directors of the Administrator:
 - (i) a change to the Administration Agreement or any extension thereof; and
 - (ii) the terms of any agreement entered into by the Trust, or any of its affiliates, with the Administrator or any affiliate thereof;
- (c) Unitholders shall also be entitled to pass resolutions that will bind the Trust only with respect to the following matters:
 - (i) the removal of the Trustees;
 - (ii) the removal of the Administrator;
 - (iii) the approval or removal of Auditors;
 - (iv) the termination of the Trust; and
 - (v) the ratification of any Unitholder rights plan, distribution reinvestment plan, Unit purchase plan, Unit option plan, incentive option plan or other compensation plan requiring Unitholder approval.

Except with respect to the above matters set out above, no action taken by the Unitholders or any resolution of the Unitholders at any meeting shall in any way bind the Trustees. Any action taken or resolution passed in respect of any matter on which Unitholder approval is required under the Declaration of Trust shall be by Extraordinary Resolution, unless the contrary is otherwise expressly provided under any specific provision of the Declaration of Trust.

Voting Rights of Unitholders

Only Unitholders of record shall be entitled to vote and each Unit shall entitle the holder or holders of that Unit on a poll vote at any meeting of Unitholders to the voting rights set out in the Declaration of Trust. Every question submitted to a meeting shall, unless a poll vote is demanded, be decided by a show of hands vote, on which every person present and entitled to vote shall be entitled to one vote. At any meeting of Unitholders, any holder of Units entitled to vote thereat may vote by proxy and a proxyholder need not be a Unitholder, provided that no proxy shall be voted at any meeting unless it shall have been received by the Transfer Agent for verification at least 24 hours prior to the commencement of such meeting, or such lesser time as the chairman of the meeting may allow. 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.

Amendments to the Declaration of Trust

The provisions of the Declaration of Trust, except where specifically provided otherwise, may only be amended by Extraordinary Resolution; provided that the provisions of the Declaration of Trust may also be amended by the Trustees with the approval of the Administrator without the consent, approval or ratification of the Unitholders or any other person at any time:

- (a) for the purpose of ensuring continuing compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over the Trustees or the Trust;
- (b) in a manner which, in the opinion of the Administrator, provides additional protection for the Unitholders or to obtain, preserve or clarify the provision of desirable tax treatment to the Unitholders;
- (c) ensuring that the Trust will satisfy the provisions of the Tax Act with respect to retaining its qualification as a "mutual fund trust", pursuant to subsection 132(6) of the Tax Act, as the Tax Act may be amended from time to time;
- (d) to ensure that the Trust is not considered a "SIFT trust" as defined in the Tax Act;
- (e) in a manner which, in the opinion of the Trustees supported by opinion of Counsel, is necessary or desirable as a result of changes in Canadian taxation laws;
- (f) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Administrator, necessary or desirable and not prejudicial to the Unitholders; or
- (g) to change the status of, or the laws governing, the Trust which, in the opinion of the Administrator supported by opinion of Counsel, is desirable in order to provide Unitholders with the benefit of any legislation limiting their liability,

but notwithstanding the foregoing, no such amendment shall modify the voting rights of any Unit or reduce the fractional undivided interest in the Trust assets represented by any Unit without the consent of the holder of such Unit, and no amendment shall reduce the percentage of votes required to be cast at a meeting of the Unitholders for the purpose of this Section without the consent of the holders of all of the Units then outstanding.

Term of Trust

Subject to the other provisions of the Declaration of Trust, the Trust shall continue for a term ending on the earlier of December 31, 2024 and the date which is one day prior to the date, if any, the Trust would otherwise be void by virtue of any applicable rule against perpetuities then in force in Alberta. For the purpose of terminating the Trust by such date, the Trustees shall commence to wind-up the affairs of the Trust on such date as may be determined by the Trustees, being not more than two years prior to the end of the term of the Trust.

Termination with the Approval of Unitholders

The Unitholders may vote by Extraordinary Resolution to terminate the Trust at any meeting of Unitholders duly called for such purpose, following which the Trustees shall commence to wind-up the affairs of the Trust (and shall thereafter be restricted to only such activities). Such Extraordinary Resolution may contain such directions to the Trustees as the Unitholders determine.

2.7.2 The Fossil Creek LP Agreement

The disclosure in this Offering Memorandum concerning this Fossil Creek LP Agreement summarizes only some of its provisions and does not purport to be complete. In the case of any contradiction between this summary and the Fossil Creek LP Agreement, the terms of the Fossil Creek LP Agreement shall be paramount. Any capitalized terms not otherwise defined in this Offering Memorandum shall have the meaning ascribed thereto in the Fossil Creek LP Agreement. Additional terms of the Fossil Creek LP Agreement are referenced in Item 2.1.2 – “The Fossil Creek LP” and in Item 2.2 – “Our Business - The Fossil Creek LP”.

LP Units

Only the holders of the LP Units will be entitled to one vote for each LP Unit on any resolution to be passed by the holders of LP Units. The holders of LP Units are entitled to receive, and the General Partner shall, subject to applicable law and the terms of the Fossil Creek LP Agreement, from time to time pay distributions on the LP Units as the General Partner determines. Such distributions will be paid out of money, assets or property of the Fossil Creek LP, properly applicable to the payment of distributions as applicable.

Issuance of LP Units

The interests of the Limited Partners will be divided into and represented by 50,000 LP Units having the rights, privileges, restrictions and conditions referred to in the Fossil Creek LP Agreement.

The General Partner is authorized to, in its Discretion, cause the Fossil Creek LP to issue at any time and from time to time LP Units, with each LP Unit having a Capital Contribution amount of \$100 per LP Unit or such other amount as the General Partner may authorize, on such terms and conditions of the offering and sale of LP Units as the General Partner, in its Discretion, may determine including accepting payment of consideration therefore in the form of cash, property and/or past services, and may do all things in that regard, including preparing and filing prospectuses, offering memoranda and other documents.

The General Partner may do all things necessary or advisable in connection with the issue of LP Units from time to time including determining the requirements for a satisfactory subscription form, preparing and filing prospectuses, offering memoranda and other documents, paying the expenses of issue and entering into agreements with any Person for a commission or fee.

Upon acceptance by the General Partner of any subscription for LP Units, all Partners are deemed to consent to the admission of the subscriber as a Limited Partner, the General Partner will cause the Register to be amended, and such other documents as may be required by the Partnership Act or under legislation similar to the Partnership Act in other provinces or the territories to be filed or amended, specifying the prescribed information and will cause the foregoing information in respect of the new Limited Partner to be included in Fossil Creek LP books and records.

Limited Liability

- (a) the General Partner is not personally liable for the return of any Capital Contribution made by a Limited Partner to the Fossil Creek LP;

- (b) subject to the terms of the Fossil Creek LP Agreement, the General Partner will not be liable to a Limited Partner for any act, omission or error in judgment taken or made hereunder by the General Partner honestly and in good faith in the conduct of the business of the Fossil Creek LP;
- (c) the General Partner may rely, and is protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;
- (d) the General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted in reliance upon the opinion (including, without limitation, an opinion of counsel) of such Persons as to matters that the General Partner reasonably believes to be within such Person's professional or expert competence will be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion;
- (e) the General Partner may exercise any of the powers or authority granted to it by the Fossil Creek LP Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents (as contemplated in the Fossil Creek LP Agreement), and the General Partner is not responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner in good faith; and
- (f) any standard of care or duty imposed under the Partnership Act or any applicable law shall be modified, waived or limited as required to permit the General Partner to act under the Fossil Creek LP Agreement or any other agreement contemplated by the Fossil Creek LP Agreement and to make any decision pursuant to the power or authority prescribed in the Fossil Creek LP Agreement, so long as such action is reasonably believed by the General Partner to be in, or not opposed to, the best interests of the Fossil Creek LP.

Indemnity of General Partner

To the fullest extent permitted by law, but subject to the limitations expressly provided in the Fossil Creek LP Agreement, each General Partner, any former General Partner (a **"Departing Partner"**), any Person who is or was an Affiliate of the General Partner or any Departing Partner, any Person who is or was an officer, director, employee, partner, agent or trustee of the General Partner or any Departing Partner or any such Affiliate, or any Person who is or was serving at the request of the General Partner or any Departing Partner or any such Affiliate as a director, officer, employee, partner, agent or trustee of another Person (collectively, an **"Indemnitee"**) is indemnified and held harmless by the Partnership from and against any and all losses, claims, damages, liabilities (joint or several), expenses (including, without limitation, legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as: (i) the General Partner, a Departing Partner or any of their Affiliates; (ii) an officer, director, employee, partner, agent or trustee of the General Partner, any Departing Partner or any of their Affiliates; or (iii) a Person serving at the request of the General Partner, any Departing Partner or any of their Affiliates as a director, officer, employee, agent or trustee of another Person; provided, that in each case the Indemnitee acted in good faith, in a manner which such Indemnitee believed to be in, or not opposed to, the best interests of the Fossil Creek LP and, with respect to any criminal proceeding, had no reasonable cause to believe its conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction does not create a presumption that the Indemnitee acted in a manner contrary to that specified above. Any indemnification is to be made only out of the assets of the Fossil Creek LP.

To the fullest extent permitted by law, expenses (including, without limitation, legal fees and expenses) incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding are to be, from time to time, advanced by the Fossil Creek LP prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Fossil Creek LP of an undertaking by or on behalf of the Indemnitee to repay such amount if it is determined that the Indemnitee is not entitled to be indemnified as authorized in this Section.

The indemnification provided by this Section is in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, both as to actions in the Indemnitee's capacity as: (i) the General Partner, a Departing Partner or an Affiliate thereof; (ii) an officer, director, employee, partner, agent or trustee of the General Partner, any Departing Partner or an Affiliate thereof; or (iii) a Person serving at the request of the General Partner, any Departing Partner or any of their Affiliates as a director, officer, employee, agent or trustee of another Person, and shall continue as an Indemnitee who has ceased to serve in such capacity and as to actions in any other capacity.

The Fossil Creek LP may purchase and maintain insurance (or reimburse the General Partner or its Affiliates for the cost of insurance), on behalf of the General Partner and such other Persons as the General Partner determines, against any liability that may be asserted against or expense that may be incurred by such Person in connection with the Fossil Creek LP's activities, whether or not the Fossil Creek LP would have the power to indemnify such Person against such liabilities under the provisions of the Fossil Creek LP Agreement.

Powers, Duties and Obligations of the General Partner

- (a) The General Partner has:
 - (i) unlimited liability for the debts, liabilities and obligations of the Fossil Creek LP;
 - (ii) subject to the terms of the Fossil Creek LP Agreement, and to any applicable limitations set forth in the Act and applicable similar legislation, the full and exclusive right, power and authority to manage, control, administer and operate the business and affairs, and to make decisions regarding the undertaking and business of the Fossil Creek LP; and
 - (iii) the full and exclusive right, power and authority to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying out the business of the Fossil Creek LP.

An action taken by the General Partner on behalf of the Fossil Creek LP is deemed to be the act of the Fossil Creek LP and binds the Fossil Creek LP.

- (b) Notwithstanding any other agreement the Fossil Creek LP or the General Partner may enter into, all material transactions or agreements entered into by the Fossil Creek LP must be approved by the board of directors of the General Partner.

Specific Powers and Duties

Without limiting the generality of the foregoing the General Partner has full power and authority for and on behalf of and in the name of the Fossil Creek LP to:

- (a) negotiate, execute and perform all agreements which require execution by or on behalf of the Fossil Creek LP involving matters or transactions with respect to the Fossil Creek LP's business (and such agreements may limit the liability of the Fossil Creek LP to the assets of the Fossil Creek LP, with the other party to have no recourse to the assets of the General Partner, even if the same results in the terms of the agreement being less favourable to the Fossil Creek LP);
- (b) open and manage bank accounts in the name of the Fossil Creek LP and spend the capital of the Fossil Creek LP in the exercise of any right or power exercisable by the General Partner hereunder;
- (c) borrow funds in the name of the Fossil Creek LP from time to time, from financial institutions or other lenders as the General Partner may determine without limitation with regard to amount, cost or conditions of reimbursement of such loan;
- (d) guarantee the debts, liabilities and obligations of a third party;
- (e) mortgage, charge, assign, hypothecate, pledge or otherwise create a security interest in all or any property of the Fossil Creek LP now owned or hereafter acquired, to secure any present and future borrowings and related expenses of the Fossil Creek LP and to sell all or any of such property pursuant to a foreclosure or other realization upon the foregoing encumbrances;
- (f) see to the sound management of the Fossil Creek LP, and to manage, control and develop all the activities of the Fossil Creek LP and take all measures necessary or appropriate for the business of the Fossil Creek LP or ancillary thereto;
- (g) acquire, maintain, improve, upgrade, expand or dispose of the assets of the Fossil Creek LP from time to time;
- (h) incur all costs and expenses in connection with the Fossil Creek LP;
- (i) employ, retain, engage or dismiss from employment, personnel, agents, representatives or professionals or other investment participants with the powers and duties upon the terms and for the compensation as in the Discretion of the General Partner may be necessary or advisable in the carrying on of the business of the Fossil Creek LP;
- (j) engage agents or subcontract administrative functions, to assist the General Partner to carry out its management obligations to the Fossil Creek LP;
- (k) invest cash assets of the Fossil Creek LP that are not immediately required for the business of the Partnership in investments which the General Partner considers appropriate;
- (l) act as attorney in fact or agent of the Fossil Creek LP in disbursing and collecting moneys for the Fossil Creek LP, paying debts and fulfilling the obligations of the Fossil Creek LP and handling and settling any claims of the Fossil Creek LP;

- (m) commence or defend any action or proceeding in connection with the Fossil Creek LP;
- (n) file returns or other documents required by any governmental or like authority;
- (o) retain legal counsel, experts, advisors or consultants as the General Partner considers appropriate and rely upon the advice of such Persons;
- (p) do anything that is in furtherance of or incidental to the business of the Fossil Creek LP or that is provided for in the Fossil Creek LP Agreement;
- (q) execute, acknowledge and deliver the documents necessary to effectuate any or all of the foregoing or otherwise in connection with the business of the Fossil Creek LP;
- (r) obtain any insurance coverage; and
- (s) generally carry out the objectives, purposes and business of the Fossil Creek LP.

No Person dealing with the Fossil Creek LP is required to enquire into the authority of the General Partner to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Fossil Creek LP. The General Partner may insert, and may cause agents of the Fossil Creek LP to insert, the following clause in any contracts or agreements to which the Fossil Creek LP is a party or by which it is bound:

“Fossil Creek A2A Limited Partnership is a limited partnership formed under the *Partnership Act (Alberta)*, a limited partner of which is only liable for any of its liabilities or any of its losses to the extent of the amount that it has contributed or agreed to contribute to its capital and its pro rata share of any undistributed income.”

Resignation and Removal of the General Partner

The General Partner may not be removed as general partner of the Fossil Creek LP, except as follows:

- (a) the occurrence of any of the following events which has not been cured by the General Partner within thirty (30) days of the occurrence thereof:
 - (i) the passing of any resolution of the directors or shareholders of the General Partner requiring or relating to the bankruptcy or the making of any assignment for the benefit of creditors of the General Partner (or the commencement of any act or proceeding in connection with any of the foregoing which is not contested in good faith by the General Partner); or
 - (ii) the appointment of a receiver of all or substantially all of the assets and undertakings of the General Partner; or
- (b) the occurrence of any gross negligence, wilful misconduct or fraud on the part of the General Partner,

and the passing of a Special Resolution by the Limited Partners for the removal of the General Partner. Upon the occurrence of any of the preceding events and the passing of a Special Resolution by the Limited Partners for the removal of the General Partner, the General Partner shall be removed as the General Partner of the Partnership effective upon the appointment of a new general partner and acceptance of such appointment. Any such action by the Limited Partners for removal of the General Partner must also provide for the election and succession of a new general partner.

Transfer of LP Units

No Limited Partner may transfer any of the LP Units owned by it except to Persons under the manner expressly permitted in the Fossil Creek LP Agreement. Any attempted transfer of LP Units made in violation of the Fossil Creek LP Agreement will be null and void and the General Partner will not approve any transfer of LP Units made in contravention of the Fossil Creek LP Agreement.

Powers Exercisable by Special Resolution

The following powers are only exercisable by Special Resolution passed by the Limited Partners:

- (a) dissolving the Fossil Creek LP, except as otherwise provided for under Section 11.2 (b) of the Fossil Creek LP Agreement;
- (b) removing the General Partner and electing a new general partner as provided in Section 8.12 of the Partnership Agreement;
- (c) the sale of all or substantially all of the assets of the Fossil Creek LP;
- (d) amending, modifying, altering or repealing any Special Resolution previously passed by the Limited Partners;
- (e) amending the Fossil Creek LP Agreement pursuant to Section 12.1 of the Fossil Creek LP Agreement; and

- (f) determining to reconstitute the Fossil Creek LP under Section 11.4 of the Fossil Creek LP Agreement.

AMENDMENT AND APPROVAL

Amendment Procedures

Except as provided for below under the heading “*Amendment by General Partner*”, all amendments to the Fossil Creek LP Agreement are to be made in accordance with the following requirements: To be valid for the purposes hereof, each such proposal must contain the text of the proposed amendment. If an amendment is proposed, the General Partner will seek the approval of the Limited Partners by a Special Resolution.

Amendment Requirements

Notwithstanding the provisions of Article 12 of the Fossil Creek LP Agreement, no amendment to the Fossil Creek LP Agreement may: (i) reduce the term of the Fossil Creek LP; (ii) give any Person the right to dissolve the Fossil Creek LP, other than the General Partner’s right to dissolve the Fossil Creek LP with the approval of the Limited Partners by a Special Resolution; or (iii) modify the amendment provisions in Article 12 of the Fossil Creek LP Agreement, without the express prior written consent of the General Partner, which consent may be unreasonably withheld.

Amendment by General Partner

Each Limited Partner agrees that the General Partner without the approval of any Limited Partner may amend any provision of the Fossil Creek LP Agreement, and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

- (a) a change in the name of the Fossil Creek LP or the location of the principal place of business of the Partnership or the registered office of the Fossil Creek LP;
- (b) admission, substitution, withdrawal or removal of Limited Partners in accordance with the Fossil Creek LP Agreement;
- (c) a change that, in the sole Discretion of the General Partner, is reasonable and necessary or appropriate to qualify or continue the qualification of the Fossil Creek LP as a limited partnership in which the Limited Partners have limited liability under the applicable laws;
- (d) a change that, in the sole Discretion of the General Partner, is reasonable and necessary or appropriate to enable Partners to take advantage of, or not be detrimentally affected by, changes in the Tax Act or other taxation laws; and
- (e) a change that, in the sole Discretion of the General Partner, does not materially adversely affect the Limited Partners in any respect.

Notice of Amendments

The General Partner will notify the Limited Partners in writing of the full details of any amendment to the Fossil Creek LP Agreement within 30 days of the effective date of the amendment.

Meetings of Limited Partners

The General Partner may call a general meeting of Limited Partners at such time and place as it deems appropriate in its absolute Discretion for the purpose of considering any matter set forth in the notice of meeting. In addition, where Limited Partners holding not less than 50% of the outstanding LP Units (the “**Requisitioning Partners**”) give notice signed by each of them to the General Partner, requesting a meeting of the Limited Partners and stating the proposed business to be transacted at the meeting in reasonable detail sufficient to give valid notice, the General Partner will, within 45 days of receipt of such notice, convene such meeting, and if it fails to do so, any Requisitioning Partners may convene such meeting by giving notice in accordance with the Fossil Creek LP Agreement. Every meeting of Limited Partners, however convened, must be conducted in accordance with the Fossil Creek LP Agreement within.

Term

Subject to the terms and conditions of below, the term for which the Fossil Creek LP shall exist until December 31, 2024.

Events of Dissolution

Notwithstanding the above terms, the Fossil Creek LP will be dissolved upon the occurrence of any of the following events:

- (a) the Fossil Creek LP is dissolved or wound-up by the express written mutual agreement of the Partners; or
- (b) upon the occurrence of any of the following events:
 - (i) the election of the General Partner to dissolve the Fossil Creek LP, if approved by a Special Resolution;
 - (ii) the removal or resignation of the General Partner unless the General Partner is replaced as provided in the Fossil Creek LP Agreement; or
 - (iii) except as otherwise provided herein, any event which causes the dissolution of a limited partnership under the laws of the Province of Alberta.

Procedure on Dissolution

Upon an event of dissolution occurring as referenced above, the General Partner or such other Person as may be appointed by Ordinary Resolution of the Limited Partners, will act as receiver and liquidator of the assets of the Fossil Creek LP and is empowered hereby to:

- (a) sell or otherwise dispose of such part of the Fossil Creek LP's assets as the receiver considers appropriate;
- (b) pay or provide for the payment of the debts and liabilities of the Fossil Creek LP and liquidation expenses;
- (c) if there are any assets of the Partners remaining, distribute such remaining assets 100% to the Limited Partners holding LP Units in accordance with their Proportionate Shares
- (d) file the notice of dissolution prescribed by the Act and satisfy all applicable formalities in such circumstances as may be prescribed by the laws of other jurisdictions where the Partnership is registered. In addition, the General Partner will give prior notice of the dissolution of the Partnership by mailing to each Limited Partner such notice at least 21 days prior to the filing of the declaration of dissolution prescribed by the *Partnership Act* (Alberta); and
- (e) file any elections, determinations or designations under the Tax Act or under any similar legislation which may be necessary or desirable.

2.7.3 UFI Purchase Agreement

Purchase and Sale

Fossil Creek LP will enter into the UFI Purchase Agreement with Fossil Creek Developments wherein the latter will agree to sell to Fossil Creek LP up to 250 UFIs at a price of \$7,143 USD per UFI. Following each Closing and sale of Units by the Trust, the Trust will invest the Gross Subscription Proceeds into Fossil Creek LP, and Fossil Creek LP will use such proceeds to buy a corresponding number of UFIs from Fossil Creek Developments as well as make a contribution to the Development Fund of \$2,857 USD per UFI acquired to be used by Fossil Creek Developments, in accordance with the Deed of Covenant, for purposes of defraying the costs and expenses of the development of the Property. See Item 1.2 - "Use of Available Funds" and Item 2.7 - "Material Agreements - Deed of Covenant".

Due Diligence

Fossil Creek 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 UFIs are being sold "as is, where is".

Closing

On each closing of a purchase and sale of UFIs, Fossil Creek Developments shall: (i) affect the legal transfer of the UFIs to Fossil Creek LP; and (ii) in addition to delivering customary closing documentation, deliver a title opinion from a Texas solicitor acceptable to Fossil Creek confirming that Fossil Creek Developments is the owner of the UFIs 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.

2.7.4 Deed of Covenant

As a condition of sale of the UFIs by Fossil Creek Developments to Fossil Creek LP, Fossil Creek Developments requires Fossil Creek LP to provide certain covenants to and for the benefit of Fossil Creek 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 Fossil Creek Developments, on behalf of all of the Co-owners. On the initial Closing Date, Fossil Creek LP and Fossil Creek Developments will enter into the Deed of Covenant.

Appointment of the Facilitator

Under the Deed of Covenant, Fossil Creek Developments is appointed the Facilitator (the “**Facilitator**”) to carry out the instructions and directions of the Co-owners (including Fossil Creek 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 Fossil Creek 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 for and on behalf of the Co-owners:

- (a) in connection with the sale of each UFI, to receive and deposit \$2,857 USD 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 Fossil Creek 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-owners 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 2,100. For the purposes of the Deed of Covenant, “**Net Income**” shall mean the gross receipts (which, for greater certainty, shall excludes 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 for 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 \$2,500 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.

To the extent that pursuant to the Deed of Covenant, the Co-Owners are liable for the payment of any costs relating to the Property each Co-Owner shall be liable for such costs in such Co-Owner's Proportionate Share.

Covenant of Fossil Creek LP

Fossil Creek 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 Fossil Creek Developments of 95% of the UFIs, 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 UFIs 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 Available Funds 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 Fossil Creek 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.

Development of the Property

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.

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 UFI

No Co-owner other than Fossil Creek 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 Fossil Creek 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.

Release, Indemnification and Limitation of Liability

For the purposes of this Section reference to Seller shall be to Fossil Creek Developments.

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 this Agreement including but not limited to the Facilitator’s filing of tax returns or other documents with any taxing authority. To the extent any claims cannot be waived or released by Co-owner such claims are irrevocably assigned to the Seller. To the extent any claims are not either released or assigned, Co-owner hereby agrees that in no event shall the Released Parties be liable to Co-owner or Co-owner’s successors or assigns in an amount in excess of the purchase price paid by the Purchases for the Purchased Property.

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 this Agreement including but not limited to 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.

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 Fossil Creek 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.

2.7.5 Restrictive Covenant

As a condition of sale of the UFI by Fossil Creek Developments to Offshore Investors, Fossil Creek Developments requires each Offshore Investor to provide certain covenants to and for the benefit of Fossil Creek Developments and Fossil Creek LP. These covenants are intended to facilitate, amongst other things, the carrying out of the development of the Property by Fossil Creek Developments, on behalf of all of the Co-owners. The material terms and conditions of the Restrictive Covenant are the same as the Deed of Covenant and as such the summary of the Deed of Covenant above serves as summary of the Restrictive Covenant. The intention between the Deed of Covenant and the Restrictive Covenant is that it be read as one agreement, the terms of which are binding upon the Fossil Creek LP and the Offshore Investors.

2.7.6 Administration Agreement

Administrative Expenses and Administration Fees

Pursuant to the terms of the Administration Agreement, the Administrator will provide administrative and support services to, and be responsible for the general administration of the affairs of the Trust, including without limitation the following:

- (a) keep and maintain at its offices in Toronto, Ontario at all times books, records and accounts which shall contain particulars of operations, receipts, disbursements and investments relating to the Trust assets, and such books, records and accounts shall be kept pursuant to normal commercial practices that will permit the preparation of financial statements in accordance with Canadian generally accepted accounting principles which, shall also be in accordance with those required to be kept by the Trust under the Tax Act and the Income Tax Regulations applicable with respect thereto, all as amended from time to time;
- (b) undertake any matters required by the terms of the Declaration Trust to be performed by the Trustees, which are not otherwise delegated therein and generally provide all other services as may be necessary or as requested by the Trustees for the management and administration of the Trust;
- (c) provide advice and assistance to the Trustees with respect to the performance of the obligations of the Trust and the enforcement of the rights of the Trust under all agreements entered into by the Trust;
- (d) assist the Trustees in making all determinations necessary for the discharge of the Trustees' obligations under the Declaration of Trust;
- (e) retain and monitor, on behalf of the Trustees, a transfer agent and other persons serving the Trust;
- (f) provide or cause to be provided such audit, accounting, engineering, legal, insurance and other professional services as are reasonably required or desirable for the purposes of the Trust, and provide or cause to be provided such legal, engineering, financial and other advice and analysis as the Trustees may require or desire to permit them to make informed decisions in connection with the discharge by it of their responsibilities as Trustees, to the extent such advice and analysis can be reasonably provided or arranged by the Administrator;
- (g) authorize and pay on behalf of the Trust operating expenses incurred on behalf of the Trust and negotiate contracts with third party providers of services (including, but not limited to, transfer agents, legal counsel, auditors and printers);

- (h) provide, for the purposes of performing its services under the Administration Agreement, office space, telephone, office equipment, facilities, supplies and executive, secretarial, bookkeeping, general accounting and clerical services;
- (i) deal with banks and other institutional lenders, including in respect of maintenance of bank records and the negotiation and securing of bank financing or refinancing or one or more credit or debt facilities, hedging or swap facilities or other ancillary facilities in respect of the Trust or any entity in which the Trust holds any direct or indirect interest;
- (j) take all actions reasonably necessary in connection with, or in relation to, directly or indirectly, the borrowing of money from or incurring indebtedness by the Trust to any person and in connection therewith, to cause the Trust to guarantee, indemnify or act as a surety with respect to payment or performance of any indebtedness, liabilities or obligation of any kind of any person, including, without limitation, the Administrator and any subsidiary (as defined in the *Securities Act* (Alberta)) of the Trust; to enter into any other obligations on behalf of the Trust; or enter into any subordination agreement on behalf of the Trust or any other person, and to assign, charge, pledge, hypothecate, convey, transfer, mortgage, subordinate, and grant any security interest, mortgage or encumbrance over or with respect to all or any of the Trust Assets or to subordinate the interests of the Trust in the Trust Assets to any other person;
- (k) take all actions reasonably necessary in connection with, or in relation to, the guarantee by the Trust of obligations of any affiliate of the Trust pursuant to any debt for borrowed money or obligations resulting or arising from hedging instruments incurred by the affiliate and pledging securities issued by the affiliate as security for such guarantee provided that such guarantee is incidental to the Trust's direct or indirect investment in the affiliate or the business and affairs (existing or proposed) of the affiliate, and each such guarantee entered into by the Trustee shall be binding upon, and enforceable in accordance with its terms against the Trust;
- (l) prepare all annual audited financial statements of the Trust, income tax returns and filings in sufficient time prior to the dates upon which they must be delivered to Unitholders and arrange for their delivery to Unitholders and/or filing within the time required by Applicable Laws;
- (m) assist the Trustee in computing distributions to Unitholders pursuant to the Declaration of Trust, including calculating Cash Flow of the Trust (as defined in the Declaration of Trust) and facilitate payment of distributions properly declared payable by the Trust;
- (n) ensure compliance by the Trust with all applicable securities laws, including in relation to the Offering of securities of the Trust;
- (o) prepare on behalf of the Trust any circular or other disclosure document required under applicable securities legislation with respect to an offer to acquire securities of another person or in response to an offer to purchase Units;
- (p) call and hold all annual and/or special meetings of Unitholders pursuant to the Declaration of Trust and prepare and arrange for the distribution of all materials (including notices of meetings, information circulars and instrument of proxy) in respect thereof;
- (q) prepare and provide or cause to be provided to Unitholders on a timely basis all information to which Unitholders are entitled under the Declaration of Trust and under Applicable Laws, including, if required, financial statements and tax information relating to the Trust;
- (r) obtain and pay for the costs of liability insurance for the protection of the Trust and its affiliates, and their respective trustees, directors and officers against such risks, to such limits and with such deductibles and such other terms as are approved by the Trustees from time to time;
- (s) attend to all administrative and other matters arising in connection with any redemptions or retractions of Units;
- (t) in the event that withholding taxes are exigible on any distributions or redemption amounts distributed under the Declaration of Trust or any other agreement, the Administrator shall withhold the withholding taxes required and shall promptly remit such taxes to the appropriate taxing authority. In the event that withholding taxes are exigible on any distributions or redemption amounts distributed under the Declaration of Trust or any other agreement and the Administrator is, or was, unable to withhold taxes from a particular distribution to a Unitholder, or has not otherwise withheld taxes on past distributions to a Unitholder, the Administrator shall be permitted to withhold amounts from other distributions to satisfy the Administrator's withholding tax obligations;
- (u) monitor the tax status of the Trust, including without limitation compliance with Subsection 108(2) and 132(6) of the Tax Act, provide information to the Trustees regarding the taxable portions of distributions, and provide the Trustees with written notice when the Trust ceases or is at risk of ceasing to be such a mutual fund trust;

- (v) ensure that the Trust elects in the prescribed manner and within the prescribed time under subsection 132(6.1) of the Tax Act to be a “mutual fund trust” within the meaning of that Act since inception, assuming the requirements for such election are met and ensure that the Trust elects under the analogous provisions of any applicable provincial tax legislation;
- (w) take all actions reasonably necessary with respect to, in connection with, or in relation to, those matters referred to in the Declaration of Trust in connection with, or in relation to all rights, powers, voting and privileges pertaining to any investments in the Trust Assets;
- (x) provide advice with respect to the timing and terms of future offerings of securities of the Trust, if any;
- (y) recommend, monitor, carry out and provide any services reasonably necessary in connection with any acquisitions or divestitures of any portion of the Trust Assets;
- (z) assist in connection with any offerings of Units, including preparing any prospectus or comparable documents of the Trust to qualify the distribution of securities of the Trust from time to time; and
- (aa) approve the form of certificate representing the Units from time to time and certify such certificates from time to time on behalf of the Trust.

The Administrator must exercise the powers and discharge the duties conferred under the Administration Agreement honestly, in good faith and in the best interests of the Trust and the Fossil Creek LP and exercise the degree of care, diligence and skill that a reasonably prudent trustee in Canada having responsibilities of a similar nature would exercise in comparable circumstances.

Administrative Expenses and Administration Fees

Pursuant to the Administration Agreement, the Administrator will be reimbursed by the Trust, without duplication, for such expenses (including, without limitation, salary, wages and other forms of compensation paid to employees engaged in rendering services under the Administration Agreement, and out-of-pocket expenses (collectively, the “Expenses”)) incurred by the Administrator as are, in the opinion of the Administrator, acting reasonably, reasonably allocable respectively thereto.

The Administrator shall act as the Trust’s agent when incurring the Expenses and shall be reimbursed for all such Expenses, such reimbursement to be made within 15 days of the Trust receiving an invoice therefor from the Administrator. Such invoice shall set out the details of the Expenses and the sales or excise taxes (including GST) incurred by the Administrator in relation thereto.

In addition, the Administrator shall be entitled to the payment of a fee from the Trust for the services provided by the Administrator under the Administration Agreement in the amount of \$500 per year plus applicable GST, commencing in 2014, which fee shall be paid by the Trust on or before December 1 of each year during the term of the Administration Agreement.

Pursuant to the Funding Agreement, the Fossil Creek LP shall pay the Administrator all fees and expenses payable to the Administrator pursuant to the terms of the Administration Agreement.

Banking

The banking business of the Trust, or any part thereof, shall be transacted with such bank, trust company or other firm or corporation carrying on a banking business as the Administrator may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Trust’s behalf by the Administrator and/or other persons as the Trustees may (upon written notice to the Trust’s bankers) designate, appoint or authorize from time to time 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 and orders relating to any property of the Trust; the execution of any agreement relating to any property of the Trust; the execution of any agreement relating to any such banking business and defining the rights and powers of the parties thereto; and the authorizing of any officer of such banker to do any act or thing on the Trust’s behalf to facilitate such banking business.

2.7.7 Summary of The Funding Agreement

This is a summary only and is subject to the complete terms and conditions of the Funding Agreement.

Fossil Creek Developments, Fossil Creek LP and the Trust have entered into the Funding Agreement pursuant to which the Fossil Creek Developments pay all costs incurred by the Trust and the Fossil Creek LP in connection with the transactions described in the Offering Memorandum including without limitation, all Selling Commissions, Service Fees, Marketing Fee, Trustee Fee and offering costs, as well as all legal costs to complete the transfer of the UFs to the Fossil Creek LP.

ITEM 3 - INTERESTS OF TRUSTEES, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

3.1.1 The Trust

The following table sets out information about each of the Trustees and the Initial Unitholder of the Trust, and each person who, directly or indirectly, beneficially owns or controls 10% or more of any Trust Units:

			Number, type and percentage of Units to be held after completion of:	
Name and municipality of principal residence	Positions held and date of obtaining that position ⁽¹⁾	Compensation anticipated to be paid by the Trust in the current financial year ⁽²⁾	Minimum Offering ⁽³⁾	Maximum Offering ⁽³⁾
Rick Unrau Calgary, Alberta	Trustee	\$10,000 ⁽⁴⁾	See Note 3	See Note 3
Grayson Ambrose Calgary, Alberta	Trustee	Nil	See Note 3	See Note 3
Glenn Pickard Calgary, Alberta	Initial Unitholder of the Trust	Nil	See Note 3	See Note 3
Fossil Creek A2A Developments, LLC Texas, USA	Promoter	Nil	Nil	Nil

(1) Each Trustee has held his position since the creation of the Trust on March 17, 2014.

(2) The Trust has not yet completed a financial year.

(3) 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 Fossil Creek Developments may acquire Units pursuant to the Offering at the same price paid by Subscribers.

(4) Represents an annual retainer to act as a Trustee. Fossil Creek Developments will pay this Fee on behalf of the Trust.

3.1.2 The General Partner

The following table sets out information about each of the directors and executive officers of the General Partner, and each person or entity who, directly or indirectly, beneficially owns or controls 10% or more of any voting shares of the General Partner (a "Principal Holder"). Where the Principal Holder is not an individual, the following table provides the name of any person that directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the Principal Holder. The General Partner has not completed its first financial year and no compensation has been paid since its inception:

			Number, type and percentage of Units to be held after completion of:	
Name and municipality of principal residence	Positions held and date of obtaining that position ⁽¹⁾	Compensation anticipated to be paid by the Trust in the current financial year ⁽²⁾	Minimum Offering ⁽³⁾	Maximum Offering ⁽³⁾
Dirk Foo ⁽¹⁾ Singapore	Director and President	Nil	See Note 3	See Note 3
Allan Lind ⁽²⁾ Singapore	Director and Secretary	Nil	See Note 3	See Note 3
Glenn Pickard Calgary, Alberta	Director and Shareholder	Nil	See Note 3	See Note 3
			100 Class A Common Shares (100%)	100 Class A Common Shares (100%)

(1) Dirk Foo is the sole director and shareholder of Fossil Creek Developments.

(2) Allan Lind is the President of the Administrator.

(3) None of the above persons currently hold, or have any intention of holding, any Units. However, directors and/or officers of General Partner may acquire Units pursuant to the Offering at the same price paid by Subscribers.

3.2 Management Experience

The names and principal occupations for the past five years of the directors, senior officers and Trustees of the Trust, the Administrator, the General Partner and Fossil Creek Developments:

Name	Principal Occupation and Related Experience
Dirk Foo	<p>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.</p>
Rick Unrau	<p>Rick brings over 23 years of experience at a Senior Executive level to his role with Pinnacle Wealth Brokers Inc. A strategic thinker with a broad financial and operational background, his experience includes executive positions in both the public and private sectors. Rick has extensive experience in real estate development, contract negotiations, deal structure and business plan analysis. He holds a Bachelor of Management degree from the University of Lethbridge, with a focus on finance and accounting.</p> <p>Prior to joining Pinnacle, Rick co-founded and developed Global Exempt Market Solutions (GEMS); an independent financial services brokerage focused on the distribution of exempt offerings. GEMS became one of the largest competing Exempt Market Dealerships in the Western Canadian marketplace prior to its acquisition by Pinnacle. In addition, Rick was the Chief Operating Officer of the public telecommunications company Shift Networks, which focused on the delivery of emerging VoIP technology into the small business market. Other roles included Director of Real Estate and Corporate Services for Bell West and the Director of Client Services for Jawz Canada.</p> <p>Rick is a competitive sports enthusiast and is still active in the local sports community.</p> <p>Rick resides in Calgary with his wife Tanya, and their two sons Kyle and Luke.</p>
Warren Soo	<p>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.</p>

Name	Principal Occupation and Related Experience
Allan Lind	Allan is the Executive Vice President-Corporate Affairs and Services for A2A Capital Management Pte. Ltd. Allan is also an executive director of all the operating companies and affiliates of the Management Company. He is a shareholder of A2A Capital Management, Inc. He holds a Bachelor's Degree in Business and Marketing from Edith Cowan University and brings over 30 years of experience in corporate fiscal planning and policy, accounting, auditing and marketing practice with global organizations such as BHP and Gillette Industries. In Australia, he had the opportunity to be involved with Wesfarmers and Rheem. He was the major shareholder and Operations Officer of Solahart International Ltd until it was acquired by Shell Oil Company. From 2008-2009, he was the Chief Financial Officer for Priority Wealth International Group, an international land banking corporation.
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.
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 Fossil Creek 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.
Grayson Ambrose	Grayson is the Vice President of Operations for A2A Capital Services Canada Inc. and oversees their Canadian operations. A native of Calgary, Alberta, he completed his post-secondary education at the University of Calgary in 2002, majoring in Economics and minoring in Biology, where he obtained a degree in Economics. His entire career has been spent within the Alberta residential construction and development industry. He has worked for numerous suppliers, builders, and developers within Calgary and its surrounding areas. Most recently, beginning in June 2007 he started a position at Beattie Homes where he quickly became the Project Manager for the Expressions Custom Homes Division. There he oversaw all pre-construction and construction operations for various different new home and development projects, ranging from \$80,000 to \$25 million. In 2011 he took at position as Senior Estimator and Operations Manager at The Unity Builders Group of Companies where he oversaw the preconstruction operations of all its divisions in Alberta. His experience, education and personality have landed him in 2012 with A2A. His professionalism, dedication, and vast product knowledge, will continue to prove invaluable to A2A, as we expand throughout Canada.

3.3 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 Fossil Creek 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.

ITEM 4 - CAPITAL STRUCTURE

4.1 Trust's 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 ⁽¹⁾	Number outstanding after:	
			Minimum Offering ⁽²⁾	Maximum Offering ⁽²⁾
Units	Unlimited	1	16,500	27,500

Notes:

(1) See Item 4.3 - "Prior Sales".

(2) The Trust is offering as a minimum an equivalent number of Units equal to gross proceeds of \$1,500,000 USD, and as a maximum an equivalent number of Units equal to gross proceeds of \$2,500,000 USD at a price of \$100 per Unit. The above assumes an exchange rate between the Canadian dollar to USD of \$1.10 (the "Exchange Rate"). In the event the Exchange Rate increases, the Trust intends to sell additional Units and as a result the maximum amount of Unit issued by the Trust will increase.

4.2 Long Term Debt

(a) The Trust

As of the date of this Offering Memorandum, the Trust has no debt.

(b) The Fossil Creek LP

As of the date of this Offering Memorandum, the Fossil Creek LP has no debt.

4.3 Prior Sales

(a) The Trust

Except for the issuance of the one (1) Unit (for \$100) to the Initial Unitholder on the formation of the Trust, the Trust has not issued any Units during the last twelve (12) months.

(b) The Fossil Creek LP

Except for the issuance of the initial limited partnership unit to the initial LP Unit holder on the formation of the Fossil Creek LP, the Fossil Creek LP has not issued any LP Units during the last twelve (12) months.

ITEM 5 - DESCRIPTION OF THE SECURITIES OFFERED

5.1 Terms of Securities

An unlimited number of Units may be created and issued pursuant to the Declaration of Trust. Each Unit shall entitle the holder thereof to one vote at any meeting of the Unitholders or in respect of any written resolution of Unitholders and represents an equal undivided beneficial interest in any distribution from the Trust (whether of income, net realized capital gains or other amounts) and in any net assets of the Trust in the event of termination or winding-up of the Trust. All Units shall rank among themselves equally and rateably without discrimination, preference or priority, whatever may be the actual date or terms of issue thereof. Each Unit is transferable (subject to the terms of the Declaration of Trust and applicable securities laws) and is not subject to any conversion or pre-emptive rights and entitles the holder thereof to require the Trust to redeem any or all of the Units held by such holder. See Item 2.7 - "Material Agreements - Summary of Declaration of Trust - Redemption of Units".

The Units do not represent a traditional investment and should not be viewed by investors as “shares” in the Trust. The Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions. The price per Unit will not be a function of anticipated distributable income from the Trust and the ability of the Trust to effect long-term growth in the value of the Trust. Instead, the value of the Units will be a function of the Trust’s ability to generate income and effect long-term growth in the value of the Partnership and other entities now or hereinafter owned, directly or indirectly, by the Trust. See Item 8 – “Risk Factors”.

The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that act or any other legislation. Furthermore, the Trust is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Limited Liability

The Declaration of Trust provides that no Unitholder, in its capacity as such, shall incur or be subject to any liability, direct or indirect, absolute or contingent, in contract or in tort or of any other kind to any person, and no resort will be had to, nor will recourse or satisfaction be sought from, the private property of any Unitholder for any liability whatsoever in connection with the Trust’s assets, the obligations or the activities or affairs of the Trust, any actual or alleged act or omission of the Trustees, any transaction entered into by the Trustees or any taxes, levies, imposts or charges or fines, penalties or interest in respect thereof payable by the Trust. In the event that a court determines Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of, the Unitholder’s share of the Trust’s assets represented by its Units.

The Declaration of Trust provides that the Trustees, the Administrator, on behalf of the Trust, and the Trust must make all reasonable efforts to include as a specific term of any obligations or liabilities being incurred by the Trust or the Trustees or the Administrator on behalf of the Trust, a contractual provision to the effect that none of the Unitholders, the Trustees or the Administrator shall have any personal liability or obligations in respect thereof. The omission of any such statement shall not render any of such parties liable to any person for such omission.

Notwithstanding the terms of the Declaration of Trust, Unitholders may not be protected from liabilities of the Trust to the same extent a shareholder is protected from the liabilities of a corporation. Personal liability may also arise in respect of claims against the Trust (to the extent that claims are not satisfied by the Trust) that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities. See Item 8 – “Risk Factors”.

The activities of the Trust and the Partnership, will be conducted, upon the advice of counsel, in such a way and in such jurisdictions as to avoid as far as possible any material risk of liability to the Unitholders for claims against the Trust, including by obtaining appropriate insurance, where available and to the extent commercially feasible, for the operations of the Partnership and having contracts signed by or on behalf of the Trust include a provision that such obligations are not binding upon Unitholders personally.

Distributions

The Administrator shall, on or before each Distribution Record Date, declare payable to the Unitholders on such Distribution Record Date all or any part of the Cash Flow of the Trust for the Distribution Period.

The Declaration of Trust provides that December 31 of each year, the Trust’s income that has not otherwise been distributed will be payable for such amount that the Trust will not be liable for ordinary income taxes for such year. The Trustees, on behalf of the Trust, will review the Trust’s distribution policy from time to time. The actual amount of cash, if any, distributed will be dependent on various economic factors and is at the Discretion of the Trustees.

It is currently intended that the Trust will make Distributions to Unitholders in the form of additional Units or cash or a combination of Units and cash, as determined by the Trustees, in their sole Discretion, from time to time. Any Units issued to Unitholders pursuant to a distribution *in specie* will be subject to resale and transfer restrictions and cannot be resold or transferred except as permitted by applicable securities law. The Trustees may, in their sole and unfettered Discretion, consolidate the Units outstanding immediately after any such distribution of additional Units.

Factors Affecting Distributions

The ability of the Trust to make cash distributions and the actual amount distributed will depend on the success of the development of the Project. Although the Trust intends to distribute its available cash to the Unitholders, such cash distributions may be reduced or suspended.

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 Item 8 - "Risk Factors" for a more complete discussion of these risks and their potential consequences.

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.

Rights of Redemption

Unitholders may redeem Units, subject to certain restrictions, by providing a duly executed Redemption Notice to the Trustee. See Item 2.7 - "Material Agreements - Summary of the Declaration of Trust - Redemption of Units". The Redemption Price for Units paid by the Trust may not be paid in cash in certain circumstances, but instead may be paid through the issue of Redemption Notes by the Trust. Where in the sole Discretion of the Administrator the Trust chooses to pay the Redemption Price in cash, the maximum aggregate redemption proceeds shall not exceed \$25,000 per calendar quarter in cash; provided that, in the Administrator's sole Discretion the Trust may pay in excess of \$25,000 of cash in a calendar quarter. See Item 2.7 - "Material Agreements - Summary of the Declaration of Trust - Redemption of Units".

The redemption right is not intended to be the primary mechanism for Trust Unitholders to liquidate their investment. Each holder of Trust Units shall be entitled to require the Trust, on the demand of such holder of Trust Units, to redeem all or any part of the Trust Units registered in the name of such holder of Trust Units at the Redemption Price.

5.2 Subscription Procedure

A Subscriber may subscribe for Units by delivering the following to: (i) the Trust at 744 - 4 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 bank draft payable to "Fossil Creek 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.

5.3 Offering Jurisdictions

The Offering is being made pursuant to the following exemptions from the prospectus requirements contained in the applicable securities laws:

- (a) in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Yukon, Prince Edward Island, Quebec or Saskatchewan pursuant to the exemptions from the prospectus requirements afforded by Section 2.9 of NI 45-106 (the "Offering Memorandum Exemption"); and
- (b) in Ontario pursuant to the exemption from the prospectus requirements afforded by Section 2.3 of NI 45-106 (the "Accredited Investor Exemption") or Section 2.10 of NI 45-106 (the "Minimum Investment Amount Exemption").

The Offering Memorandum Exemption is available for distributions to Subscribers who are resident in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Yukon, Prince Edward Island, Quebec or Saskatchewan who are purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a Risk Acknowledgment Form (provided that, with respect to Quebec, the Offering Memorandum is available in both the French and English languages).

The Accredited Investor Exemption is available for distributions to Subscribers resident in Ontario who are purchasing as principal and who are "accredited investors" as defined in NI 45-106.

The Minimum Investment Amount Exemption is available for distributions to Subscribers resident in Ontario who are purchasing Units with an acquisition cost of not less than \$150,000.

The foregoing exemptions relieve the Trust from the provisions of the applicable Canadian securities laws of each of the Offering Jurisdictions which otherwise would require the Trust to file and obtain a receipt for a prospectus. Accordingly, prospective Subscribers will not receive the benefits associated with subscription for securities issued pursuant to a filed prospectus, including the review of material by any securities regulatory authority.

The initial closing is expected to be held on October 1, 2014 and subsequent closings may occur from time to time and at any time on such other dates as the Trustees determine. If subscriptions for \$1,650,000 are not received and accepted and certain other conditions have not been satisfied or waived on or before November 1, 2014, subscriptions and subscription funds will be returned to subscribers without interest or deduction. If the Closing of the Minimum Offering occurs by November 1, 2014, but the Maximum Offering has not yet been reached, additional Closings may be held through February, 2015.

The Trust undertakes to hold all subscription funds in trust for at least two business days prior to investing such funds in accordance with the disclosure set out in Item 1.1 "Use of Available Funds" and will return subscription funds to you without interest or deduction if: (a) you give notice to the Trust of cancellation of your subscription no later than midnight on the second business day after you sign the Subscription Agreement; or (b) if the Subscription Agreement is not accepted.

All Subscription Agreements are subject to acceptance by the Trust and satisfaction of the conditions set forth in the Subscription Agreement provided with this Offering Memorandum. The Trust may, in its sole discretion, reject any Subscription Agreement in whole or in part. No Unit shall be deemed to have been issued until the Trust accepts the Subscriber's Subscription Agreement in writing. No Subscriber shall have any recourse against the Trust if a Subscription Agreement is rejected in whole or in part.

The Trust will not accept any Subscription Agreement unless the sale of Units to the Subscriber would qualify for an exemption from the prospectus and/or registration requirements under applicable Canadian securities legislation.

In the event that a Subscriber provides the Trust with a cancellation notice prior to midnight of the second (2nd) 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 Item 11 - "Purchasers' Rights - Two Day Cancellation Right For all Subscribers".

A Subscriber should carefully review the terms of the Subscription Agreement attached hereto for more detailed information concerning the rights and obligations of the Subscriber and the Trust. The Subscription Agreement contains representations and warranties of the Subscriber, which the Trust will be relying upon in order to determine the eligibility of the Subscriber. The Subscriber must read the Subscription Agreement in full prior to execution of the Subscription Agreement, and is hereby advised to obtain independent legal advice. Execution

and delivery of the Subscription Agreement will bind the Subscriber to the terms thereof, whether executed by the Subscriber or by an agent on the Subscriber's behalf.

Neither the Trust, the Trustees, the Administrator nor any affiliate or associate of the foregoing is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Units having regard to any such investment needs and objectives of the potential investor.

ITEM 6 - INCOME TAX CONSIDERATIONS AND DEFERRED PLAN ELIGIBILITY

6.1 *Certain Canadian Income Tax Considerations*

INTRODUCTION

The following summary fairly describes the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Unitholder who acquires the Units pursuant this Offering and who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length with, and is not affiliated with, the Trust, and where the Unitholder is a trust governed by a registered retirement savings plan, a registered retirement income fund or a tax-free savings account (together the "Restricted Plans"), the controlling individual of the Registered Plan does not have a "significant interest" in the Trust (as defined in subsection 207.01(4) of the Tax Act) and holds the Units as capital property. Generally, an individual has a significant interest in the Trust if at any time, the individual, together with other individuals, corporations, trusts, and partnerships that do not deal at arm's length with the individual, hold at any time Units that have a fair market value of 10% or more of the fair market value of all the outstanding Units of the Trust. Generally, Units will be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business of trading or deal in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

This summary is not applicable to holders who are (i) "financial institutions" which are subject to the mark-to-market provisions of the Tax Act, (ii) "specified financial institutions", (iii) partnerships, (iv) persons an interest in which would be a "tax shelter investment", or (v) persons that have elected to determine their Canadian tax results in a foreign currency pursuant to the "functional currency" reporting rules, all within the meaning of the Tax Act. Such holders should consult their own tax advisors. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Trust Units under the Offering.

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 (the "**Proposed Amendments**"), existing case law and the understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing by it. 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 tax legislation or considerations which may differ significantly from the Canadian federal income tax considerations discussed herein. There can be no assurance that the Proposed Amendments will be enacted in the form publicly announced or at all.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Trust Units. The income and other tax consequences of acquiring, holding or disposing of Trust 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 intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in Trust Units, based on their particular circumstances.

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Trust Units must be expressed in Canadian dollars. Amounts denominated in another currency must be converted into Canadian dollars based on exchange rates as determined in accordance with the Tax Act.

STATUS OF THE TRUST

This summary assumes that the Trust will qualify at all times as a "mutual fund trust" within the meaning of the Tax Act and that the Trust will validly elect under the Tax Act to be a mutual fund trust from the date it was established. To qualify as a mutual fund trust, the sole undertaking of the Trust must be the investing of its funds in property (other than certain real property or interests in real property), the Trust must comply on a continuous basis with certain requirements relating to maintaining a diversity of investments, the qualification of the Units for distribution to the public, the number of Unitholders and dispersal of ownership of Units and the Trust must not be

reasonably considered to have been established or maintained primarily for the benefit of non-residents of Canada.

This summary assumes the “investments”, within the meaning of the Tax Act, in the Trust are not, and will not be, listed or traded on a stock exchange or other public market. If investments in the Trust are listed or traded on a stock exchange or other public market the Trust may be taxable as a “SIFT trust” under the Tax Act.

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.

TAXATION OF THE TRUST

The taxation year of the Trust is the calendar year. The Trust is subject to tax in each taxation year on its income for the year, including net realized taxable capital gains. The Trust is required to include in computing its income its *pro rata* share of the income of the Partnership, as more fully described below. Costs incurred in the issuance of Trust Units generally may be deducted by the Trust on a five year, straight line basis. The Trust also will be entitled to deduct reasonable current administrative and other expenses that are incurred to earn income.

The Tax Act requires the Trust to compute its income or loss for a taxation year as though it were an individual resident in Canada. If the Trust has any taxable income for a taxation year, taking into account, among other things, the inclusions and deductions outlined above, the existing provisions of the Tax Act permit the Trust to deduct all amounts which are paid or become payable by it to Unitholders in such year. An amount will be considered to be payable in a taxation year if it is paid to the Unitholder in the year by the Trust or if the Unitholder is entitled in the year to enforce payment of the amount. Where the Trust does not have sufficient cash to distribute such amounts in a particular taxation year, the Trust will make one or more in-kind distributions in the form of additional Trust Units. Income of the Trust payable to Unitholders in the form of additional Trust Units generally will be deductible to the Trust in computing its income. It is the current intention of the Trustees to make payable to Unitholders each year sufficient amounts such that the Trust is not liable to pay tax under Part I of the Tax Act; however, no assurances can be made in this regard.

A distribution by the Trust of its property upon a redemption of Trust Units will be treated as a disposition by the Trust of such property for proceeds of disposition equal to the fair market value thereof. The Trust will realize a capital gain (or a capital loss) to the extent that the proceeds from the disposition of the property exceed (or are less than) the adjusted cost base of the relevant property and any reasonable costs of disposition.

In the event the Trust would otherwise be liable for tax on its net realized taxable capital gains for a taxation year, it would be entitled for such taxation year to reduce (or receive a refund in respect of) its liability for such tax by an amount determined under the Tax Act based on the redemption of Trust Units of the Trust during the year (the “**capital gains refund**”). 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 Trust Units. The Trust Declaration 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 holder. Such income or the taxable portion of the capital gain so designated must be included in the income of the redeeming holder (as income or taxable capital gains) and will be deductible by the Trust in computing its income.

In computing its income, the Trust is required to include its share of the income of the Partnership ending in the taxation year. The adjusted cost base of the Class A LP Units held by the Trust will be increased at a particular time by the Trust’s share of the amount of income of Partnership for a fiscal year of the Partnership ended before that time, and will be reduced by all distributions of cash or other property made by the Partnership to the Trust before that time. If at the end of any fiscal year of the Partnership, the adjusted cost base of the Class A LP Units held by the Trust would otherwise be less than zero, the Trust will be deemed to have realized a capital gain equal to the negative amount and the adjusted cost base of the Class A LP Units will be increased by the amount of such deemed capital gain.

Taxation of the Partnership

This summary assumes that the Fossil Creek LP (the “Partnership”) is not a “SIFT partnership” (as defined in the Tax Act). Provided that the Partnership does not hold any non-portfolio property, it will not be a SIFT partnership.

If the Partnership were to become a SIFT partnership, the income tax considerations described below would, in some respects, be materially and adversely different.

The Partnership is not subject to tax under the Tax Act. Each partner of the Partnership is required to include in computing its income for a particular taxation year, the partner's share of the income or loss of the Partnership (subject, in the case of a loss, to the application of the "at risk" rules described below) for its fiscal year ending in, or coincidentally with, the partner's taxation year, whether or not any of that income is distributed to the partner in the year. For this purpose, the income or loss of the Partnership will be computed for each fiscal year as if the Partnership were a separate person resident in Canada. In computing the income or loss of the Partnership, the Partnership is entitled to deduct their reasonable administrative and other expenses incurred by them to earn income. The income or loss of the Partnership for a fiscal year will be computed according to Canadian tax principles and allocated to the partners of the Partnership in the manner set out in the limited partnership agreement of each Partnership, subject to the detailed rules in the Tax Act.

If a Partnership incurs a loss for tax purposes, the partner will be entitled to deduct in computing its income its share of such loss to the extent that the partner's investment is considered to be "at risk" within the meaning of the Tax Act. In general, the amount considered to be "at risk" for an investor in a limited partnership for any taxation year will be the adjusted cost base of the investor's partnership interest at the end of the year, plus any undistributed income allocated to the limited partner for the year and minus the amount of any guarantee or indemnity provided to a limited partner against the loss of the limited partner's investment.

TAXATION OF UNITHOLDERS

Trust Distributions

A Unitholder generally will be required to include in computing its income for a particular taxation year of the Unitholder, as income from property, the portion of the net income of the Trust, including net realized taxable capital gains, that is paid or payable to the Unitholder in that taxation year, whether or not those amounts are received in cash, additional Trust Units or otherwise. Any loss of the Trust for purposes of the Tax Act cannot be allocated to, or treated as a loss of, a Unitholder.

Provided that the appropriate designations are made by the Trust, such portion of its net taxable capital gains and foreign source income, as the case may be, shall be treated as such in the hands of the Unitholder for purposes of the Tax Act. Foreign taxes paid by the Partnership will be allocated pursuant to its limited partnership 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.

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

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 which becomes payable to a Unitholder will reduce the adjusted cost base of the Trust 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 and the holder's adjusted cost base of the Trust Units will be increased by the amount of such deemed capital gain.

Disposition of Trust Units

Upon the disposition or deemed disposition of Trust Units by a Unitholder, whether on a redemption or otherwise, the Unitholder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (excluding any amount payable by the Trust which represents an amount that must otherwise be included in the Unitholder's income as described herein) are greater (or less) than the aggregate of the

Unitholder's adjusted cost base of the Trust Units immediately before such disposition and any reasonable costs of disposition.

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

Redemption of Units

A redemption of Trust Units in consideration for cash or other assets of the Trust, as the case may be, will be a disposition of such Trust Units for proceeds of disposition equal to such cash or the fair market value of such other assets, as the case may be, less any income or capital gain realized by the Trust in connection with the redemption of those Trust Units to the extent that such income or capital gain is designated by the Trust to the redeeming holder. 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 Trust Units redeemed. Where income or capital gain realized by the Trust in connection with the distribution of property *in specie* on the redemption of Trust Units has been designated by the Trust to a redeeming holder, the holder 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 holder upon a redemption of Trust Units will be equal to the fair market value of that property at the time of the distribution. The holder will thereafter be required to include in its income interest or other income derived from the property, in accordance with the provisions of the Tax Act.

Capital Gains and Losses

One-half of any capital gain realized by a holder from a disposition of Trust Units and the amount of any net taxable capital gains designated by the Trust in respect of the holder will be included in the holder's income under the Tax Act as a taxable capital gain. One-half of any capital loss (an "**allowable capital loss**") realized on the disposition of a Trust Unit will be deducted against any taxable capital gains realized by the holder in the year of disposition, and any excess of allowable capital losses over taxable capital gains may be carried back to the three preceding taxation years or forward to any subsequent taxation year and applied against net taxable capital gains in those years, subject to the detailed rules contained in the Tax Act.

Alternative Minimum Tax

A Unitholder may have an increased liability for alternative minimum tax as a result of capital gains realized on a disposition of Trust Units and net income of the Trust, paid or payable, or deemed to be paid or payable, to the holder and that is designated as net taxable capital gains.

Qualified Investments for Deferred Plans

The Trust Units will be qualified investments for trusts governed by Deferred Plans at a particular time, provided that the Trust qualifies as a "mutual fund trust" for purposes of the Tax Act at such time. If the Trust ceases to qualify as a mutual fund trust, the Trust Units will no longer be qualified investments under the Tax Act for such Deferred Plans. Where a trust governed by a Restricted Plan holds Trust Units or other properties that are not qualified investments, the "controlling individual" of a Restricted Plan will be required to pay a tax equal to 50% of the fair market value of the Trust Units or other properties at the time the Trust Units or other properties were acquired by the Restricted Plan or when the Trust Units or other properties ceased to be qualified investments. This tax is potentially refundable if the Restricted Plan disposes of the property before the end of the calendar year following the calendar year in which the tax was imposed. In addition, where a Restricted Plan holds or acquires Trust Units or other properties that are not qualified investments, the trust will become taxable on the income attributable to the Trust Units or other properties while they are not qualified investments.

Where a trust governed by a registered education savings plan ("RESP") acquires or holds Trust Units or other properties that are not qualified investments, the RESP becomes revocable and its registration may be revoked by the Canada Revenue Agency ("CRA"). If the RESP is not revoked, the RESP will be subject to taxes on the fair market value of the Trust Units or other properties held.

If a Deferred Plan requests the redemption of Trust Units, property including Redemption Notes received in payment may not be qualified investments, with the result that the Deferred Plan may be taxable in the manner described above. **Deferred Plans that own Trust Units should consult their own tax advisors before deciding to exercise their right to redeem Trust Units.**

There are additional requirements for a Restricted Plan in order for the Trust Units not to be a “prohibited investment” which would be subject to a special tax of 50% of the fair market value of the investment. If any investment is a prohibited investment and is not a qualified investment also, it is only treated as a prohibited investment. The Trust Units will be a “prohibited investment” if the account holder does not deal at “arm’s length” with the Trust or holds, together with persons or partnerships with which the holder does not deal at arm’s length, Trust Units of the Trust with a fair market value of 10% or more of the value of the total Trust Units of the Trust.

There can also be additional special taxes for a Restricted Plan on certain tax “advantages” that unduly exploit the attributes of a Restricted Plan, including “advantages” on “prohibited investments” and on “non-qualified investments”. The rules in the Tax Act that constitute an “advantage” are quite broad, therefore, Subscribers should seek independent professional advice as to the applicability of these rules to their particular circumstances.

The income tax information contained herein was provided by Grant Thornton LLP, and it is based on the current provisions of the Income Tax Act, the Regulations there under and published administrative practices of the CRA. The comments do not take into account or anticipate changes in the law, whether by judicial, regulatory, governmental or legislative action after the date of this document. The comments offered do not address the possibility of any challenge to the structure by the CRA under the specific and/or general anti-avoidance rules. No assurance can be given that the Tax Act will not be amended in a manner which will fundamentally alter the income tax consequences to a Subscriber for securities.

This summary is of a general nature only and is not intended to be and should not be taken as legal, tax or business advice to any particular Subscriber to these securities. Consequently, Subscribers should seek independent professional advice regarding the income tax consequences of investing in the securities, based upon their own particular circumstances.

6.2 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 summary, prepared by Moodys Gartner Tax Law LLP, special counsel to the Trust, addresses certain U.S. federal income tax considerations applicable to the Trust and Fossil Creek LP. 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 Unit holders and the value of the Units.

This summary is not an exhaustive discussion of all possible U.S. federal income tax considerations applicable to the Trust and Fossil Creek 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: a citizen or individual resident of 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 a net basis at the regular United States federal graduated rates of tax applicable to U.S. corporations, 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. 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 Fossil Creek 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.

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 Item 2.7- "Material Agreements- Declaration of Trust- 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 apply 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 Fossil Creek 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 Fossil Creek LP should be the same if such amounts were derived directly by the Trust.

U.S. Federal Income Taxation of Fossil Creek LP

Generally

Fossil Creek 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. Fossil Creek LP will directly own and acquire between and percent of the UFI's in the Property by purchase from Fossil Creek Developments.

Based on independent advice provided by its accounting advisors, Fossil Creek Developments intends to treat the ownership of the UFI's as creating, for U.S. tax purposes and only for U.S. tax purposes, a constructive U.S. partnership (the "**Deemed Partnership**") in which Fossil Creek Developments and the other owners of UFI's will be the partners. Fossil Creek Developments will cause the Deemed Partnership to file a partnership tax return with the IRS, including issuing Forms K-1 to all partners in the Deemed Partnership. Fossil Creek Developments will obtain the written consent of each partner in the Deemed Partnership to act as the "Tax Matters Partner" of the Deemed Partnership.

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 Fossil Creek LP by its accounting advisors, Fossil Creek LP intends to make a protective election with the IRS to **insure** such treatment; the election allows real estate income to be treated as ECI even if the real estate activities would not otherwise amount to a trade or business as a matter of fact or law, aside from the election. As a result, Fossil Creek LP will be deemed to be engaged in a U.S. trade or business as a result of owning such UFI's and being a partner of the Deemed Partnership that operates a U.S. trade or business, and Fossil Creek LP's income generally will be treated as ECI of Fossil Creek LP. Pursuant to the discussion under "U.S. Federal Income Taxation of Foreign Corporations" above, Fossil Creek LP generally will be subject to U.S. federal income tax on its net taxable income which is ECI. Fossil Creek 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. Fossil Creek 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 Fossil Creek 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 Fossil Creek 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 Fossil Creek 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 Fossil Creek LP will, in general, be entitled to a refund of the excess tax withheld when Fossil Creek 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, Fossil Creek LP expects to deduct deductible expenses incurred by Fossil Creek 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 Fossil Creek 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, Fossil Creek 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 generally 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 by its accounting advisors, Fossil Creek Developments does not intend to treat the Deemed Partnership as a PTP. However, Fossil Creek 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 Fossil Creek 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 Fossil Creek LP and its effect on investment in the Units.

Risk of FIRPTA Withholding

Fossil Creek LP will be purchasing the UFI's from Fossil Creek Developments. At the time of purchase, Fossil Creek Developments will have in effect a timely filed election to be treated as a U.S. corporation for U.S. federal income tax purposes. Fossil Creek 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 Fossil Creek 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 Fossil Creek Developments is a non-US person. If Fossil Creek Developments did not make an election to be treated as a corporation at the time it sold the UFI's to Fossil Creek LP, Fossil Creek 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 Fossil Creek 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 Fossil Creek LP is liable for taxes it would have been required to withhold if it purchased the UFI's when Fossil Creek 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 Fossil Creek Developments to be treated as a corporation for U.S. federal income tax purposes, which, if successfully asserted, would adversely affect Fossil Creek 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.

Budget Proposal and Proposed Legislation

In computing its United States federal taxable income, Fossil Creek LP expects to deduct certain items. Substantive changes to existing U.S. federal income tax law have been proposed that, if adopted, may affect the ability to take certain 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), Fossil Creek 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 Cdn. \$500,000 or its equivalent in U.S. dollars, as adjusted for certain items. Under these rules, reductions in Fossil Creek LP's "U.S. net equity" in its U.S. trade or business conducted through Fossil Creek LP (e.g., as a result of Fossil Creek 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.

Application of Foreign Account Tax Compliance Act

In general, beginning on January 1, 2014 (and delayed for certain purposes until July 1, 2014), the Foreign Account Tax Compliance Act {"**FATCA**"}) imposes a new 30 percent U.S. withholding tax on "U.S. persons" who fail to comply with its requirements for (a) certain U.S. source payments (including interest and dividends) and gross proceeds from the sale or other disposition of property that produces U.S. source interest or dividends ("withholdable payments"), and (b) "foreign passthru payments" made by certain non-U.S. entities (collectively referred to as "passthru payments"). Unitholders that fail to comply with information requests or otherwise comply with the requirements of FATCA may be subject to a 30% withholding tax on passthru payments made by the Trust. Additionally, the Trust may be required to withhold tax on passthru payments made by the Trust to certain non-U.S. entities that are not in compliance with FATCA, including certain non-U.S. financial institutions holding Units on behalf of others (such as investment advisors). It is difficult to accurately estimate the impact of FATCA on the Trust.

The imposition of the 30% withholding tax under FATCA could result in materially reduced investment returns for the Unitholders. The administrative costs arising from compliance with FATCA may also cause an increase in the operating expenses of the Trust, thereby further reducing returns to Unitholders. Prospective investors should consult their own tax advisors regarding the application of FATCA and its effect an investment in the Units.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

All Selling Commissions, Service Fees and Marketing Fees will be paid for by Fossil Creek Developments from the proceeds of the sales of the UFI to Fossil Creek LP. The total Selling Commissions, Service Fees and Marketing Fees payable by Fossil Creek 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 Fossil Creek Developments, it is expected that the breakdown of the amount payable will be as follows:

	<u>% of Gross Subscription Proceeds</u>
Exempt Market Dealer Selling Commission	≈ 8.0%
Exempt Market Dealer Service Fee	≈ 1.2%
Marketing Fee	Not more than 1.3%
Total	<u>Not more than 10.5%</u>

Based on the above assumption, maximum amount of Selling Commissions and Service Fees payable by Fossil Creek Developments under the Minimum Offering will be \$151,800 (based on a minimum raise of \$1,650,000 in Gross Proceeds) and under the Maximum Offering will be \$253,000 (based on a maximum raise of \$2,750,000 in Gross Proceeds) assuming an exchange rate between the Canadian to USD of \$1.10 (the "Exchange Rate"). In the event the Exchange Rate increases, the Trust intends to sell additional Units, and as a result the maximum amount of the Selling Commission and Service Fees paid by the Trust will increase.

The Trust and Fossil Creek 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. The compensation terms of such agreements may differ from the illustration above however the maximum Selling Commissions and Service Fees payable with respect to Units sold under this Offering will not exceed 10.5% of the Gross Proceeds.

In addition, Fossil Creek 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 Fossil Creek Developments without resort to the funds contributed to Development Fund under the Funding Agreement.

Rick Unrau, a Trustee of the Trust, is an officer, director and shareholder of Pinnacle Wealth Brokers Inc. ("PWB"). PWB is an exempt market dealer registered in the province of Alberta and elsewhere in Canada. The Trust expects that PWB will be engaged to sell the Units under this Offering on behalf of the Trust and will be compensated through the payment of Selling Commissions on the basis disclosed herein. Mr. Unrau will not be compensated by the Trust for any Units sold by PWB pursuant to this Offering.

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.

A2A Capital Services will receive up to 1.3% of the Gross Subscription Proceeds 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 Fossil Creek Developments under the Minimum Offering will be \$21,450 (based on a minimum raise of \$1,650,000 in Gross Proceeds) and under the Maximum Offering will be \$35,750 (based on a maximum raise of \$2,750,000 in Gross Proceeds) assuming an exchange rate between the US and Canadian dollar of \$1.10 (the “Exchange Rate”). In the event the Exchange Rate increases, the Trust intends to sell additional Units and as a result the maximum amount of the Marketing Fee will increase.

ITEM 8 - 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:

No Review by Regulator

Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any securities regulatory authority or regulator.

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 Trustees 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 Fossil Creek LP and will not be entitled to vote in Fossil Creek LP under the Fossil Creek 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 Fossil Creek 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 Fossil Creek 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 Fossil Creek LP. The Trust as a limited partner of Fossil Creek LP will have limited rights in Fossil Creek LP, and must rely solely on the General Partner and the Administrator for the day to day management of the activities of Fossil Creek LP. As a limited partner, the Trust only has the rights afforded to it in the Fossil Creek LP 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 Fossil Creek LP and be held liable as a general partner of Fossil Creek LP. Also, the Trust may be considered a general partner of Fossil Creek 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 Fossil Creek 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 Fossil Creek LP in the record or in public filings made pursuant to the *Limited Partnerships Act* (Alberta) 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 Fossil Creek 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 Fossil Creek 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 Fossil Creek LP Agreement does not provide for an indemnity from the General Partner to limited partners of Fossil Creek 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. Subscribers 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 Fossil Creek LP will be successful or that Fossil Creek 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 Fossil Creek Developments, the Trust, Fossil Creek 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 Fossil Creek LP

The Trust has been formed for the purpose of investing in Fossil Creek 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 Fossil Creek 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 Fossil Creek LP Units. Fossil Creek 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.

U.S. Dollar Currency Conversion

The investment by Fossil Creek LP and Fossil Creek Developments in the Property will be denominated in U.S. dollars. An increase in the value of the Canadian dollar relative to the U.S. dollar will reduce the value of the investment of Fossil Creek LP's investment in the Property from a Canadian dollar perspective.

Potential Conflicts of Interest

Certain of the Trustee(s) of the Trust may also be directors and/or officers of Fossil Creek LP, the General Partner, Fossil Creek 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 Fossil Creek LP and/or Fossil Creek 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, Fossil Creek LP, the General Partner, Fossil Creek Developments and the affiliates thereof. The Trust does not have any employees. It will rely on the employees of its affiliates (including the Administrator) for the day-to-day management of its affairs.

Limited Control Over Fossil Creek Developments

Even in the case of a Maximum Offering, the Trust will only indirectly hold 11.9% of the UFI's. As such, it will have limited control over the activities and decisions of Fossil Creek LP and Fossil Creek 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 Fossil Creek Developments to properly develop the Property under the terms of the Deed of Covenant. There can be no assurances that Fossil Creek 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 Fossil Creek 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 Fossil Creek Developments, Fossil Creek LP, or the Property, but an investment in the Trust that will acquire LP Units.

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 Fossil Creek 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.

Release by Fossil Creek LP

Pursuant to the Deed of Covenant Fossil Creek LP will release Fossil Creek Developments and all individuals and parties associated with Fossil Creek Developments and any other party that becomes the Facilitator under the Deed of Covenant (collectively the "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

Deed of Covenant. To the extent any claims cannot be waived or released by Fossil Creek LP such claims are irrevocably assigned to the Fossil Creek Developments. To the extent any claims are not either released or assigned, Fossil Creek LP will agree that in no event shall the Released Parties be liable to Fossil Creek LP or its successors or assigns in an amount in excess of the purchase price paid by the Fossil Creek LP for the UFI's acquired by it.

Indemnity by Fossil Creek LP

Pursuant to the Deed of Covenant Fossil Creek LP will indemnify and pay, and hold forever harmless Fossil Creek Developments and all individuals and parties associated with Fossil Creek Developments and any other party that becomes the Facilitator under the Deed of Covenant (collectively the "Indemnified 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 Deed of Covenant. 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.

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 Fossil Creek 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.

Fossil Creek 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 Fossil Creek Developments in the development can fluctuate significantly as a result of changing economic or real estate market conditions in the DFW area. Fossil Creek 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. Fossil Creek 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 Fossil Creek Developments faces and may affect the value of the Units. Fossil Creek 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 Fossil Creek 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, Fossil Creek 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 Fossil Creek 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 Fossil Creek 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 Fossil Creek Development. Any claim of this nature would negatively affect anticipated profits.

Government Regulations

Fossil Creek Developments must comply with extensive and complex regulations affecting the development of land and homebuilding process. These regulations could impose on Fossil Creek Developments additional costs and delays, which will adversely affect the value of the UFLs and consequently the Units. Fossil Creek 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 Fossil Creek 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, liquified 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 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 Fossil Creek 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 Item 2.3 – “Our Business - The Property - Project Economics”. The distributions to Fossil Creek LP from Fossil Creek Developments will be subject to taxation and; therefore, the amounts received from the Trust from Fossil Creek 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 Item 6 - “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 which will reflect a reduction of all commissions and referral and marketing fees paid by or on behalf of the Trust at the time the Unit was acquired.
- 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.
- d) *Payment of Redemption Price by Redemption Notes* – The redemption of Units may be paid and satisfied by way of Redemption Notes issued by the Trust to a Unitholder,. Redemption Notes generally will not be a qualified investment for Deferred Plans and may be a prohibited investment for RRSPs, RRIFs 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 Item 2.7 – “Material Agreements - 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 C\$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 Fossil Creek LP under the Fossil Creek LP Agreement, the Trust and the Fossil Creek 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, Fossil Creek LP and Unitholders.

- c) *Distribution of Additional Units* – 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 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 Fossil Creek LP will be allocated pursuant to Fossil Creek 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.

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

- 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 Fossil Creek LP) or by disposing of UFIs in the Property directly. In these circumstances, Fossil Creek 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) *Fossil Creek LP is subject to U.S. Federal Income Tax* – Fossil Creek 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. Fossil Creek LP hopes to benefit from certain deductions under U.S. federal income tax rules in order to reduce its overall tax burden, , but such deductions may be restricted depending upon a variety of factors, as discussed in “Certain U.S. Federal Income Tax Considerations”. If Fossil Creek LP’s deductions were limited, the IRS were to successfully challenge a U.S. tax position Fossil Creek LP were to take, the Trust or the Fossil Creek 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 Fossil Creek 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.
- 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.

ITEM 9 - 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.

ITEM 10 - RESALE RESTRICTIONS

10.1 General Statement

The Units will be subject to a number of resale restrictions, including restrictions on trading. Until the restriction on trading expires, you will not be able to trade the Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation. Additionally, Unitholders will not be permitted to transfer their Units without the consent of the Trustees. See Item 2.7 - “Material Agreements - Summary of the Declaration of Trust - Transfer of Units and Restrictions on Non-Resident Ownership”.

10.2 Restricted Period

Unless permitted under securities legislation, a Unitholder cannot trade the securities before the date that is four months and a day after the date the Trust becomes a reporting issuer in any province or territory in Canada. Since the Trust is not a reporting issuer in any province or territory, the applicable hold period for subscribers may never expire, and if no further exemption may be relied upon, and if no discretionary order is obtained, this could result in a subscriber having to hold the Units acquired under the Offering for an indefinite period of time.

10.3 Manitoba Resale Restrictions

In addition to the above, for subscribers resident in Manitoba, unless permitted under securities legislation, a Unitholder must not trade the Units without the prior written consent of the regulator in Manitoba, unless the Trust 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 Unitholder has held the Units for at least 12 months. The regulator in Manitoba will consent to such a trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

The Trustees must approve of any proposed disposition. It is the responsibility of each individual subscriber to ensure that all forms required by the applicable securities legislation are filed as required upon disposition of the Units acquired pursuant to this Offering.

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.

The foregoing is a summary only of resale restrictions relevant to a purchaser of the securities offered hereunder. It is not intended to be exhaustive. All Subscribers under this Offering should consult with their legal advisors to determine the applicable restrictions governing resale of the securities purchased hereunder including the extent of the applicable hold period and the possibilities of utilizing any further statutory exemptions or obtaining a discretionary order.

ITEM 11 - 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 (2nd) 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 British Columbia

If there is a misrepresentation in this Offering Memorandum, you have the following statutory rights:

- (a) a right to sue for damages against the Trust, every person who was a trustee of the Trust at the date of the Offering Memorandum, and every other person who signed this Offering Memorandum; and
- (b) a right to apply for rescission to cancel your agreement to buy Units, in which case you have no right of action for damages against the Trust.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Trust Units. If you

intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to rescind the agreement within 180 days after you signed the agreement to purchase the Trust Units. You must commence your action for damages within the earlier of:

- (a) 180 days after learning of the misrepresentation; or
- (b) three years after you signed the agreement to purchase the Trust Units.

Rights for Subscribers in Alberta

If there is a misrepresentation in this Offering Memorandum, you have the following statutory rights:

- (a) a right to sue for damages against the Trust, every person who was a trustee of the Trust at the date of the Offering Memorandum, and every other person who signed this Offering Memorandum; or
- (b) a right to apply for rescission to cancel your agreement to buy Trust Units, in which case you have no right of action for damages against the Trust or any other person mentioned in (a) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Trust Units. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to rescind the agreement within 180 days after you signed the agreement to purchase the Trust Units. You must commence your action for damages within the earlier of:

- (a) 180 days after learning of the misrepresentation; or
- (b) three years after you signed the agreement to purchase the Trust Units.

Rights for Subscribers in Saskatchewan

If there is a misrepresentation in this Offering Memorandum, you have the following statutory rights:

- (a) a right to sue for damages against:
 - (i) the Trust;
 - (ii) a trustee of the Trust, or promoter of the Trust at the date of the Offering Memorandum;
 - (iii) 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;
 - (iv) every person who, or company that, in addition to the persons or companies mentioned in clauses (i) and (ii), signed the Offering Memorandum; and
 - (v) every person who or company that sells Trust Units on behalf of the Trust under the Offering Memorandum; and
- (b) a right to apply for rescission to cancel your agreement to buy Trust Units, in which case you have no right of action for damages against the Trust.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Trust Units. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the Trust Units.

You must commence your action for damages within the earlier of:

- (a) one year after learning of the misrepresentation; or
- (b) six years after you signed the agreement to purchase the Trust Units.

Rights for Subscribers in Manitoba

If there is a misrepresentation in this Offering Memorandum, you have the following statutory rights:

- (a) a right to sue for damages against the Trust, every person who was a trustee of the Trust at the date of the Offering Memorandum, and every other person who signed this Offering Memorandum; or
- (b) a right to apply for rescission to cancel your agreement to buy Trust Units, in which case you have no right of action for damages against the Trust or any other person mentioned in (a) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Trust Units. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the Trust Units. You must commence your action for damages within the earlier of:

- (a) 180 days after learning of the misrepresentation; or
- (b) two years after you signed the agreement to purchase the Trust Units.

Rights for Subscribers in Ontario

Section 6.2 of Ontario Securities Commission Rule 45-501 ("**Rule 45-501**") provides that when an offering memorandum is delivered to a prospective purchaser resident in the Province of Ontario to whom securities are sold in reliance upon the prospectus exemption contained in section 2.3 [*accredited investor*] of National Instrument 45-106, the right of action referred to in Section 130.1 of the *Securities Act* (Ontario) (the "**Act**") shall be described in the offering memorandum.

Section 130.1 of the Act and Rule 45-501 provide that in the event that this Offering Memorandum, together with any amendments hereto, is delivered to a prospective purchaser in the Province of Ontario and contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made, a purchaser in Ontario who purchases securities offered by this Offering Memorandum (other than a purchaser purchasing under the accredited investor exemption that is a Canadian financial institution or a Schedule III Bank, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada) or a subsidiary of any such entity if the such entity owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) will have a right of action against the Trust for damages or rescission as follows:

- (a) the right of action for rescission or damages will be exercisable by an investor resident in Ontario, only if the investor gives written notice to the Trust, not later than 180 days after the date on which payment was made for the securities (or after the initial payment was made for the securities, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to or concurrently with the initial payment), that the investor is exercising this right, or alternatively, in an action for damages, the right of action will be exercisable by an investor only if the investor gives notice to the Trust not later than the earlier of:
 - (i) 180 days after the investor had knowledge of the facts giving rise to the course of action; or
 - (ii) three years after the date of the transaction giving rise to the cause of action;
- (b) neither the Trust, its Trustees nor anyone signing this Offering Memorandum will be liable if the Trust or such person or company proves that the Subscriber purchased the Trust Units with knowledge of the misrepresentation;
- (c) in the case of an action for damages, neither the Trust, its Trustees nor anyone signing this Offering Memorandum will be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation that the investor relied upon;

- (d) in no case will the amount recoverable in any action exceed the price at which the securities were sold to the investor; and
- (e) the rights of action for rescission or damages are in addition to and without derogation from any other right the investor may have at law.

Reference is made to the *Securities Act* (Ontario) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act* (Ontario).

Rights for Subscribers 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 Newfoundland and Labrador

In the event that this Offering Memorandum and any amendment thereto contains a misrepresentation, an investor to whom this Offering Memorandum was delivered and who purchases the Trust Units offered under it will be considered to have relied on the misrepresentation, if it was a misrepresentation on the date of investment, and will have, subject as hereinafter provided, a right of action for rescission or damages against the Trust, every Trustee of the Trust at the date of the Offering Memorandum, and every person or company who signed the Offering Memorandum, provided that:

- (a) neither the Trust, its Trustees nor anyone signing this Offering Memorandum will be liable if the Trust or such person or company proves that the Subscriber purchased the Trust Units with

- knowledge of the misrepresentation;
- (b) no director or person or company signing this Offering Memorandum will be liable with respect to any part of the Offering Memorandum 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 such person or company
 - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or
 - (ii) believed there had been a misrepresentation;
 - (c) in an action for damages, neither the Trust, its Trustees nor anyone signing this Offering Memorandum will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Trust Units as a result of the misrepresentation relied upon;
 - (d) in no case shall the amount recoverable under the right of action described herein exceed the price at which Trust Units were offered; and
 - (e) the rights of action for rescission or damages are in addition to any other right or remedy available at law to the Subscriber.

No action shall be commenced to enforce a contractual right of action unless the Subscriber gives notice to the Trust of the Subscriber's intention to exercise such right not more than 90 days subsequent to the date on which the Subscriber paid for the Trust Units, and an action is commenced to enforce such right:

- (a) in the case of an action for rescission, not later than 180 days from the date the Subscriber purchased the Trust Units; or
- (b) in the case of an action for damages, not later than 180 days after the person had knowledge of the facts giving rise to the cause of action or in any other case not later than three (3) years from the date the Subscriber purchased the Trust Units.

Rights for Subscribers in New Brunswick

If this Offering Memorandum or any information relating to the offering provided to the Subscriber of the securities thereto or any advertising or sales literature used in connection therewith contains a misrepresentation, every Subscriber of Trust Units resident in New Brunswick purchasing Trust Units pursuant to this Offering Memorandum shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and will have a right of action, in addition to any other rights they may have at law, for damages against the Trust. Alternatively, where the Subscriber purchased the Trust Units from the Trust, the Subscriber may elect to exercise a right of rescission against the Trust, in which case the Subscriber shall have no right of action for damages against the Trust.

In addition, if advertising or sales literature is relied upon by a Subscriber in connection with a purchase of Trust Units, the Subscriber shall also have a right of action for damages or rescission against every promoter or Trustee of the Trust.

In addition, where an individual makes a verbal statement to a prospective Subscriber that contains a misrepresentation relating to the Trust Units and the verbal statement is made either before or contemporaneously with the purchase of the Trust Units, the Subscriber has a right of action for damages against the individual who made the verbal statement. No such individual will be liable if:

- (a) that individual can establish that he or she cannot reasonably be expected to have known that his or her statement contained a misrepresentation; or
- (b) no individual is liable if, prior to the purchase of the securities by the Subscriber, that individual notified the Subscriber that the individual's statement contained a misrepresentation.

Neither the Trust nor any promoter, person or company referred to above will be liable, whether for misrepresentations in the Offering Memorandum, any advertising or sales literature or in a verbal statement:

- (a) if the Trust or such promoter, person or company proves that the Subscriber purchased the Trust Units with knowledge of the misrepresentation;
- (b) in an action for damages, for all or any portion of the damages that the Trust or such promoter, person or company proves do not represent the depreciation in value of the Trust Units as a result of the misrepresentation relied on.

No person, other than Trust, is liable for misrepresentations in any advertising or sales literature if the person proves:

- (a) that the advertising or sales literature was disseminated without the person's knowledge or consent and that, on becoming aware of its dissemination, the person gave reasonable general notice that it was so disseminated,
- (b) that, after the dissemination of the advertising or sales literature and before the purchase of the securities by the Subscriber, on becoming aware of any misrepresentation in the advertising or sales literature the person withdrew the person's consent to it and gave reasonable general notice of the withdrawal and the reason for the withdrawal, or
- (c) that, with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of, or an extract from, a public official document, it was a correct and fair representation of the statement or copy of, or extract from, the document, and the person had reasonable grounds to believe and did believe that the statement was true.

No person, other than the Trust, is liable with respect to any part of the advertising or sales literature 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:

- (a) failed to conduct such reasonable investigation as to provide reasonable grounds for a belief that there had been no misrepresentation, or
- (b) believed there had been a misrepresentation.

Any person who at the time the advertising or sales literature was disseminated, sells securities on behalf of the Trust with respect to which the advertising or sales literature was disseminated is not liable if that person can establish that the person cannot reasonably be expected to have had knowledge that the advertising or sales literature was disseminated or contained a misrepresentation.

In no case will the amount recoverable by a Subscriber exceed the price at which Trust Units were sold to the Subscriber.

In New Brunswick, no action may be commenced to enforce such right of action unless the right is exercised:

- (a) in the case of an action for rescission, 180 days after the date the Subscriber purchased the Units; and
- (b) in the case of any action, other than an action for rescission, the earlier of (i) one (1) year after the Subscriber first had knowledge of the facts giving rise to the cause of action or (ii) six (6) years after the date the Subscriber purchased the Trust Units.

Rights for Subscribers in Nova Scotia

If this Offering Memorandum or any amendment thereto or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) used in connection therewith contains a misrepresentation, every Subscriber resident in Nova Scotia of Trust Units in reliance on an exemption under the *Securities Act* (Nova Scotia), the regulations thereunder or a decision of the Nova Scotia Securities Commission pursuant to this Offering Memorandum shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and has a right of action, in addition to any other rights they may have at law, for damages against the Trust, every Trustee of the Trust at the date of the Offering Memorandum, and every person who signed this Offering Memorandum, but may elect (while still the owner of any of the Units that they purchased) to exercise a right of rescission against the Trust, in which case he or she shall have no right of action for damages, provided that:

- (a) neither the Trust, its Trustees nor anyone signing this Offering Memorandum will be liable if the Trust or such person or company proves that the Subscriber purchased the Trust Units with knowledge of the misrepresentation;
- (b) no Trustee or person or company signing this Offering Memorandum will be liable with respect to any part of the Offering Memorandum 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 such person or company
 - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief

- that there had been no misrepresentation, or
- (ii) believed there had been a misrepresentation;
- (c) in an action for damages, neither the Trust, its Trustees nor anyone signing this Offering Memorandum 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;
- (d) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Units were sold to the Subscriber.

No action shall be commenced to enforce these rights more than 180 days after the date on which payment was made for the Units.

Rights for Subscribers in Prince Edward Island

If this Offering Memorandum contains a misrepresentation when a Subscriber resident in Prince Edward Island buys Trust Units, securities legislation in Prince Edward Island provides that every such Subscriber has, without regard to whether the Subscriber relied on the misrepresentation, a right of action for damages against the Trust, every Trustee of the Trust at the date of the Offering Memorandum, and every person or company who signed this Offering Memorandum, but may elect (while still the owner of any of the Trust Units that they purchased) to exercise a right of rescission against the Trust in which case the Subscriber shall have no right of action for damages, provided that:

- (a) neither the Trust, its Trustees nor anyone signing this Offering Memorandum will be liable if the Trust or such person or company proves that the Subscriber purchased the Trust Units with knowledge of the misrepresentation;
- (b) in an action for damages, neither the Trust, its Trustees nor anyone signing this Offering Memorandum will be liable for all or any portion of such damages if the Trust or such person or company proves that they do not represent the depreciation in value of the Trust Units as a result of the misrepresentation relied on; and
- (c) the amount recoverable under this right of action must not exceed the price at which the Units purchased by the Subscriber were offered.

In Prince Edward Island, no action may be commenced to enforce such right of action described above unless the right is exercised:

- (a) in the case of action for rescission, no later than 180 days from the date the Subscriber purchased the Notes; or
- (b) in the case of any action, other than an action for rescission, not later than the earlier of: (i) 180 days from the day that the Subscriber first had knowledge of the facts giving rise to the cause of action, or (ii) three (3) years from the day the Subscriber purchased the Units.

Rights for Subscribers in Northwest Territories

If an Offering Memorandum contains a misrepresentation, a Subscriber who purchases a security offered by the Offering Memorandum during the period of distribution has, without regard to whether the Subscriber relied on the misrepresentation, a right of action for damages against the Trust, the selling holder of a Trust Unit on whose behalf the distribution is made, every Trustee of the Trust at the date of the Offering Memorandum, and every person who signed the Offering Memorandum. If an Offering Memorandum contains a misrepresentation, a Subscriber who purchases a security offered by the Offering Memorandum during the period of distribution has a right of action for rescission against the Trust or the selling security holder on whose behalf the distribution is made. If the Subscriber elects to exercise a right of action for rescission, the Subscriber shall have no right of action for damages.

A defendant is not liable if he or she proves that the Subscriber purchased the securities with knowledge of the misrepresentation. A person, other than the Trust and selling security holder, is not liable if he or she proves that:

- (a) the Offering Memorandum was sent to the Subscriber without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the knowledge and consent of the person;

- (b) the person, on becoming aware of the misrepresentation in the Offering Memorandum, had withdrawn their consent to the Offering Memorandum and given reasonable notice to the Trust of the withdrawal and the reason for it;
- (c) 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:
 - (i) there had been a misrepresentation, or
 - (ii) the relevant part of the Offering Memorandum:
 - (1) there had been a misrepresentation, or
 - (2) the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert, or was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

A defendant, other than the Trust and selling holder of a Trust Unit, is not liable with respect to any part of an Offering Memorandum 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, statement or opinion of an expert, unless the person:

- (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
- (b) believed that there had been a misrepresentation.

A defendant is not liable with respect to a misrepresentation in forward-looking information if,

- (a) the offering memorandum containing the forward-looking information also contains, proximate to the forward-looking information,
 - (i) reasonable cautionary language identifying the forward-looking information as such forecast or projection in the forward-looking information; and
 - (ii) a statement of the 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
 - (iii) reasonable cautionary language identifying the forward-looking information as such forecast or projection in the forward-looking information; and
 - (iv) a statement of the 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
 - (v) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

In an action for damages, the defendant is not liable for any damages that the defendant proves do not represent the depreciation in value of the Trust Units resulting from the misrepresentation. The amount recoverable by a plaintiff must not exceed the price at which the Trust Units purchased by the plaintiff were offered. The right of action for rescission or damages is in addition to and without derogation from any other right the Subscriber may have at law. If a misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, the misrepresentation is deemed to be contained in the Offering Memorandum.

Rights for Subscribers in Yukon Territory

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, then you have a statutory right to sue in Yukon:

- (a) for the Trust to cancel your agreement to buy these securities; or
- (b) for damages against the Trust, every person who was a Trustee of the Trust at the date of this Offering Memorandum and any other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the

defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the Trust proves that:

- (a) this Offering Memorandum contains 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
- (b) the Trust has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

However, in Yukon, the above defence does not relieve a person of liability respecting forward-looking information in a financial statement required to be filed under Yukon securities laws.

If you intend to rely on the statutory right to sue described above, you must do so within strict time limitations.

In Yukon, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after the transaction.

Statutory Rights for Failure to Deliver the Offering Memorandum in Yukon

If you reside in Yukon and you did not receive a copy of this Offering Memorandum before you signed your Subscription Agreement, you have a right to sue for damages, or if you still own your securities, you can choose to cancel your agreement instead of suing for damages.

Rights for Subscribers in Nunavut Territory

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue in Nunavut:

- (a) the Trust to cancel your agreement to buy these Trust Units; or
- (b) for damages against the Trust, any selling security holder on whose behalf the distribution is made, any Trustee of the Trust (who was a Trustee at the date of this Offering Memorandum), and any person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the Trust proves that:

- (a) this Offering Memorandum contained, 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 set out in the forward-looking information; and
- (b) the Trust has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

If you intend to rely on the statutory rights to sue described above, you must do so within strict time limitations.

In Nunavut, you must commence your action to cancel the agreement to purchase securities within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after the transaction.

General

The securities laws of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories are complex. Reference should be made to the full text of the provisions summarized above relating to rights of action.

Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them. The rights discussed above are in addition to and without derogation from any other rights or remedies, which subscribers may have at law.

THE FOREGOING IS A SUMMARY ONLY AND SUBJECT TO INTERPRETATION. REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE REGULATIONS AND THE RULES THEREUNDER FOR THE COMPLETE TEXT OF THE PROVISIONS UNDER WHICH THE FOREGOING RIGHTS ARE CONFERRED. THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS THEREOF.

ITEM 12 - FINANCIAL STATEMENTS

The audited financial statements of the Trust, Fossil Creek LP and the General Partner for the period ended March 21, 2014 commence on the next page.

Consent of Rice & Company LLP

To the Trustees of Fossil Creek A2A Trust, to Fossil Creek A2A GP Inc., as General Partner of Fossil Creek A2A Limited Partnership, and to the Directors of Fossil Creek A2A GP Inc.

We have read the offering memorandum of Fossil Creek A2A Trust (the "Fund"), dated May 7, 2014, for the offer of units (the "Units"), with up to an aggregate maximum of 55,000 Units at a price of \$100 per Unit for total gross proceeds of \$5,500,000 and a minimum offering of 16,500 Units at a price of \$100 per Unit for total gross proceeds of \$1,650,000. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the abovementioned offering memorandum of our report to the Unitholder of Fossil Creek A2A Trust on the statement of financial position as at March 21, 2014, and the statements of comprehensive income, changes in equity and cash flows for the period from settlement on March 17, 2014 to March 21, 2014. Our report is dated May 7, 2014.

We consent to the use in the abovementioned offering memorandum of our report to the General Partner of Fossil Creek A2A Limited Partnership on the statement of financial position as at March 21, 2014, and the statements of comprehensive income, changes in equity and cash flows for the period from establishment on March 17, 2014 to March 21, 2014. Our report is dated May 7, 2014.

We consent to the use in the abovementioned offering memorandum of our report to the Shareholders of Fossil Creek A2A GP Inc. on the statement of financial position as at March 21, 2014, and the statements of comprehensive income, changes in equity and cash flows for the period from incorporation on March 17, 2014 to March 21, 2014. Our report is dated May 7, 2014.

This letter is provided solely for the purposes of assisting the Board of Directors, or equivalent, to which it is addressed in discharging their responsibilities and should not be used for any other purposes. Any use that a third party makes of this letter, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this letter.

Rice & Company LLP.

CHARTERED ACCOUNTANTS
Calgary, Canada
May 7, 2014

Fossil Creek A2A Trust
Financial Statements
March 21, 2014

Independent Auditors' Report

To the Unitholder of
Fossil Creek A2A Trust

We have audited the accompanying financial statements of Fossil Creek A2A Trust, which comprise the statement of financial position as at March 21, 2014, and the statements of comprehensive income, changes in equity and cash flows for the period from settlement on March 17, 2014 to March 21, 2014, 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 Fossil Creek A2A Trust as at March 21, 2014, and its financial performance, changes in equity and cash flows for the period from settlement on March 17, 2014 to March 21, 2014 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 Fossil Creek 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.

Rice & Company L.L.P.

CHARTERED ACCOUNTANTS

Calgary, Canada
May 7, 2014

Fossil Creek A2A Trust
Statement of Financial Position
March 21, 2014

Assets	Notes
Current asset	
Cash	\$ <u>100</u>
Total assets	\$ <u><u>100</u></u>
Unitholders Equity	
Unitholders capital	6 \$ <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

See accompanying notes to the financial statements.

These financial statements were approved by the Trustee's of the Fund on May 7, 2014.

_____, (signed) "Rick Unrau", Trustee _____, (signed) "Dirk Foo", Trustee

Fossil Creek A2A Trust
Statement of Comprehensive Income
For the Period from Settlement on March 17, 2014 to March 21, 2014

Notes

Total comprehensive income for the period

7 \$ -

See accompanying notes to the financial statements.

Fossil Creek A2A Trust
Statement of Changes in Unitholders Equity
For the Period from Settlement on March 17, 2014 to March 21, 2014

	Notes	Number of Trust Units	Trust Capital	Accumulated Gain	Unitholders Equity
Issuance of initial trust unit	6.2	1	\$ 100	\$ -	\$ 100
Income for the period		-	-	-	-
Balance at March 21, 2014		1	\$ 100	\$ -	\$ 100

See accompanying notes to the financial statements.

Fossil Creek A2A Trust
Statement of Cash Flows
For the Period from Settlement on March 17, 2014 to March 21, 2014

Cash provided by (used in):

Cash flows from operating activities

Net income	\$ -
------------	------

Net cash provided by operating activities	-
--	----------

Cash flows from financing activities

Proceeds on issue of initial trust unit	100
---	-----

Net cash provided by financing activities	100
--	------------

Change in cash, beginning cash, end of period cash	\$ 100
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See accompanying notes to the financial statements.

Fossil Creek A2A Trust
Notes to the Financial Statements
Period from Settlement on March 17, 2014 to March 21, 2014

1. General business description

Fossil Creek A2A Trust (the "Trust") is an unincorporated open-ended trust established by the Trust's Declaration of Trust dated March 17, 2014. The Trust intends to be a "mutual fund trust" for the purposes of the Income Tax Act (Canada).

The Trust was formed to raise funds pursuant to an offering (note 8) for the purposes of acquiring units in Fossil Creek A2A Limited Partnership (the "Partnership"), a Canadian limited partnership. The Partnership is considered a related party due to common officers and directors of the Trust. The Partnership intends to acquire up to a 11.9% undivided fractional interest ("UFI") in 93 acres of land located in Tarrant County within the Fort Worth area in State of Texas, United States of America, and participate, in the multi-phase, 467 home residential community development to be built by Fossil Creek A2A Developments, LLC ("Fossil Creek Developments") on such land and which will form part of a residential community known as "The Trails of Fossil Creek" (the "Project Lands").

The Trustees of the Trust are Dirk Foo, Rick Unrau and Grayson Ambrose (the "Trustee"). 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 8.

The address of the Trust is Suite 900, 744 - 4 Avenue SW, Calgary, Alberta, T2P 3T4.

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 Trustee of the Trust on May 7, 2014.

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.

Fossil Creek A2A Trust
Notes to the Financial Statements
Period from Settlement on March 17, 2014 to March 21, 2014

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).

There were no critical estimates and assumptions in determining the value of assets, liabilities and equity as at March 21, 2014.

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.

Fossil Creek A2A Trust
Notes to the Financial Statements
Period from Settlement on March 17, 2014 to March 21, 2014

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 did not have any accounts receivable at March 21, 2014 and, as a result, has not designated any financial assets as loans and receivables as at March 21, 2014.

Fossil Creek A2A Trust
Notes to the Financial Statements
Period from Settlement on March 17, 2014 to March 21, 2014

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 not designated any financial assets 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.

Fossil Creek A2A Trust
Notes to the Financial Statements
Period from Settlement on March 17, 2014 to March 21, 2014

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.

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.

Fossil Creek A2A Trust
Notes to the Financial Statements
Period from Settlement on March 17, 2014 to March 21, 2014

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 Revenue and expense recognition

Revenue and 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.

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.

Fossil Creek A2A Trust
Notes to the Financial Statements
Period from Settlement on March 17, 2014 to March 21, 2014

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.

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.

Fossil Creek A2A Trust
Notes to the Financial Statements
Period from Settlement on March 17, 2014 to March 21, 2014

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 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 21, 2014 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 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 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 the short term to maturity.

Fossil Creek A2A Trust
Notes to the Financial Statements
Period from Settlement on March 17, 2014 to March 21, 2014

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.

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.

Fossil Creek A2A Trust
Notes to the Financial Statements
Period from Settlement on March 17, 2014 to March 21, 2014

The maximum exposure to credit risk at March 21, 2014 is as follows:

	Carrying amount
	March 21, 2014
Cash	\$ 100

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 21, 2014.

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.

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 21, 2014.

Fossil Creek A2A Trust
Notes to the Financial Statements
Period from Settlement on March 17, 2014 to March 21, 2014

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. Trust units

- 6.1 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 Administrator in its sole discretion, using reasonable methods of determining fair market value. The Trust may be required to redeem up to \$25,000 of Units in any given fiscal quarter, in the form of cash (the "Quarterly Limit"). Subject to regulatory approval, the Trust may redeem Units in excess of the Quarterly Limit by distributing notes (the "Note") having an interest rate equal to 5% simple interest payable annually in arrears, subject to earlier prepayment without penalty, being due and payable on the third anniversary of the date of issuance.

Fossil Creek A2A Trust
Notes to the Financial Statements
Period from Settlement on March 17, 2014 to March 21, 2014

6.2 Issued and outstanding

	2014	
	Number	Amount
Initial Trust Unit	1	\$ 100

6.3 The Trust was formed on March 17, 2014 and currently has 1 initial trust unit issued at \$100 per Unit.

7. Comprehensive income

No revenue, personnel or general and administrative expenses were incurred during the period ended March 21, 2014.

8. Subsequent events

Offering memorandum

The Trust has prepared an offering memorandum (the "offering"), for the offer of Units with up to an aggregate maximum of 55,000 Units at a price of \$100 per Unit for total gross proceeds of \$5,500,000 and a minimum of 16,500 Units at a price of \$100 per Unit for total gross proceeds of \$1,650,000. The above assumes an exchange rate between the Canadian dollar to the United States Dollar of \$1.10 (the "Exchange Rate"). In the event the Exchange Rate increases, the Trust intends to sell addition Units and as a result the maximum amount of Unit issued by the Trust will increase.

All selling commissions, service fees and marketing fees (collectively, the "Fees") will be paid for by Fossil Creek Developments from the proceeds of the sales of the UFI's to the Partnership. The Fees payable by Fossil Creek 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. The Fees may be paid to entities related to the Trust by virtue of common directors or ownership.

The Trust intends to complete the initial closing on or about October 1, 2014 (or such earlier or later date as may be approved by the Trust in its sole discretion). In the event the minimum offering has not been reached by October 1, 2014, all subscription funds will be returned to subscribers without interest or deduction. If the closing of the minimum offering occurs by October 1, 2014, but the maximum offering has not yet been reached, additional closings may be held through February, 2015.

Fossil Creek A2A Trust
Notes to the Financial Statements
Period from Settlement on March 17, 2014 to March 21, 2014

The net proceeds of the offering will be used to purchase units of the Partnership. The Partnership intends to acquire up to a 11.9% UFI in the Project Lands from Fossil Creek Developments and participate in the development of the Project Lands.

Funding agreement

Fossil Creek Developments, the Partnership and the Trust have entered into the funding agreement ("Funding Agreement") pursuant to which the Fossil Creek Developments shall pay all costs incurred by the Trust and the Partnership in connection with the transactions described in the offering including without limitation, all selling commissions, service fees, marketing fee, trustee fee and offering costs, as well as all legal costs to complete the transfer of the UFIs to the Partnership.

Administration agreement

The Trust and the Administrator entered into an agreement whereby the Administrator will perform management and administrative services on behalf of the Trust. The fee paid to the Administrator will be \$500 per annum, and the Trust will be required to reimburse the expenses incurred by the Administrator in performing its functions. All amounts will be paid by Fossil Creek Developments under the Funding Agreement.

Annual retainer

The Trust will pay a fee of \$10,000 per annum to Rick Unrau to act as a Trustee of the Trust. The fee will be paid by Fossil Creek Developments as part of the Funding Agreement.

Fossil Creek A2A Limited Partnership
Financial Statements
March 21, 2014

Independent Auditors' Report

To Fossil Creek A2A GP Inc., as General Partner of
Fossil Creek A2A Limited Partnership

We have audited the accompanying financial statements of Fossil Creek A2A Limited Partnership, which comprise the statement of financial position as at March 21, 2014, and the statements of comprehensive income, changes in partners' equity and cash flows for the period from establishment on March 17, 2014 to March 21, 2014, 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 Fossil Creek A2A Limited Partnership as at March 21, 2014, and its financial performance, changes in partners' equity and cash flows for the period from establishment on March 17, 2014 to March 21, 2014 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 Fossil Creek 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.

Rice & Company L.L.P.

CHARTERED ACCOUNTANTS

Calgary, Canada
May 7, 2014

Fossil Creek A2A Limited Partnership
Statement of Financial Position
March 21, 2014

Assets	Notes
Current asset	
Cash	\$ <u>100</u>
Total assets	\$ <u><u>100</u></u>
Liabilities and Partners' Equity	
Partners' equity	6 <u>100</u>
Total equity attributable to partners of the Partnership	<u>100</u>
Total liabilities and equity	\$ <u><u>100</u></u>

See accompanying notes to the financial statements.

These financial statements were approved by the General Partner of the Partnership on May 7, 2014.

(signed) "Allan Lind" , Director

(signed) "Dirk Foo" , Director

Fossil Creek A2A Limited Partnership
Statement of Comprehensive Income
For the Period from Establishment on March 17, 2014 to March 21, 2014

Notes

Total comprehensive Income for the period	7	\$ <u><u>-</u></u>
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See accompanying notes to the financial statements.

Fossil Creek A2A Limited Partnership
Statement of Changes in Partners' Equity
For the Period from Establishment on March 17, 2014 to March 21, 2014

	Notes	Number of Partnership Units	Limited Partner	General Partner	Total Partners' Equity
Issuance of Partnership units	6	1 \$	100 \$	- \$	100
Income for the period		-	-	-	-
Balance at March 21, 2014		1 \$	100 \$	- \$	100

See accompanying notes to the financial statements.

Fossil Creek A2A Limited Partnership

Statement of Cash Flows

For the Period from Establishment on March 17, 2014 to March 21, 2014

Cash provided by (used in):

Cash flows from operating activities

Net Income	\$	-
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Net cash provided by operating activities		<u>-</u>
--	--	----------

Cash flows from financing activities

Issuance of partnership units		<u>100</u>
-------------------------------	--	------------

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

Change in cash, beginning cash, end of period cash	\$	<u><u>100</u></u>
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See accompanying notes to the financial statements.

Fossil Creek A2A Limited Partnership
Notes to the Financial Statements
Period from Establishment on March 17, 2014 to March 21, 2014

1. General business description

Fossil Creek A2A Limited Partnership (the “Partnership”) is a limited partnership formed under the laws of the Province of Alberta, established by the Limited Partnership Agreement on March 17, 2014. 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 up to a 11.9% undivided fractional interest (“UFI”) in 93 acres of land located in Tarrant County within the Fort Worth area in State of Texas, United States of America, and participating, in the multi-phase, 467 home residential community development to be built by Fossil Creek A2A Developments, LLC (“Fossil Creek Developments”) on such land and which will form part of a residential community known as “The Trails of Fossil Creek” (the “Project Lands”).

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 Suite 900, 744 - 4 Avenue SW, Calgary, Alberta.

The general partner of the Partnership is Fossil Creek 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 7, 2014.

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.

Fossil Creek A2A Limited Partnership
Notes to the Financial Statements
Period from Establishment on March 17, 2014 to March 21, 2014

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 21, 2014.

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:

Fossil Creek A2A Limited Partnership
Notes to the Financial Statements
Period from Establishment on March 17, 2014 to March 21, 2014

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 did not have any accounts receivable at March 21, 2014 and, as a result, has not designated any financial assets as loans and receivables as at March 21, 2014.

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.

Fossil Creek A2A Limited Partnership
Notes to the Financial Statements
Period from Establishment on March 17, 2014 to March 21, 2014

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.

Fossil Creek A2A Limited Partnership
Notes to the Financial Statements
Period from Establishment on March 17, 2014 to March 21, 2014

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.

Fossil Creek A2A Limited Partnership
Notes to the Financial Statements
Period from Establishment on March 17, 2014 to March 21, 2014

3.2 Revenue and expense recognition

Revenue and 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.

Fossil Creek A2A Limited Partnership
Notes to the Financial Statements
Period from Establishment on March 17, 2014 to March 21, 2014

3.6 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 21, 2014 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.
- iii. IFRS 10, Consolidation, effective for annual periods beginning on or after January 1, 2014.
- iv. 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 the 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.

Fossil Creek A2A Limited Partnership
Notes to the Financial Statements
Period from Establishment on March 17, 2014 to March 21, 2014

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.

The maximum exposure to credit risk at March 21, 2014 is as follows:

	Carrying amount
	March 21, 2014
Cash	\$ 100

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.

Fossil Creek A2A Limited Partnership
Notes to the Financial Statements
Period from Establishment on March 17, 2014 to March 21, 2014

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 21, 2014.

The Partnership 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, as well as future equity securities (note 8).

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 21, 2014.

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.

Fossil Creek A2A Limited Partnership
Notes to the Financial Statements
Period from Establishment on March 17, 2014 to March 21, 2014

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 21, 2014, the Partnership was authorized to issue the following:

Unlimited number of limited partnership units
(Units)

The initial limited partner acquired 1 Unit for \$100 during the period ended March 21, 2014. 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, secondly 99.99% to the limited partners.

Each unitholder shall be entitled to require the Partnership 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 General Partner in its sole discretion, using reasonable methods of determining fair market value. The Partnership may be required to redeem up to \$25,000 of Units in any given fiscal quarter, in the form of cash (the "Quarterly Limit"). Subject to regulatory approval, the Partnership may redeem Units in excess of the Quarterly Limit by distributing notes (the "Note") having an interest rate equal to 5% simple interest payable annually in arrears, subject to earlier prepayment without penalty, being due and payable on the third anniversary of the date of issuance.

Fossil Creek A2A Limited Partnership
Notes to the Financial Statements
Period from Establishment on March 17, 2014 to March 21, 2014

7. Comprehensive income

No revenue, personnel or general and administrative expenses were incurred during the period ended March 21, 2014.

8. Subsequent events

Offering

Fossil Creek A2A Trust (the "Trust"), has prepared 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 Fossil Creek Developments, whereby Fossil Creek Developments has agreed to sell up to 500 UFI's in the Project Lands to the Partnership at a price of \$7,143 USD per UFI. The Partnership will use the proceeds of the offering to acquire UFI's and to contribute \$2,857 USD per UFI acquired to a development fund for the purposes of developing the Project Lands. As a condition of sale of UFI's, Fossil Creek Developments will require the purchasers to provide certain covenants to and for the benefits of the Fossil Creek Developments and for all others who may become owners of a UFI.

Funding agreement

Fossil Creek Developments, the Partnership and the Trust have entered into the funding agreement pursuant to which the Fossil Creek Developments shall pay all costs incurred by the Trust and the Partnership in connection with the transactions described in the offering including without limitation, all selling commissions, service fees, marketing fee, trustee fee and offering costs, as well as all legal costs to complete the transfer of the UFIs to the Partnership.

Fossil Creek A2A GP Inc.
Financial Statements
March 21, 2014

Independent Auditors' Report

To the Shareholder of
Fossil Creek A2A GP Inc.

We have audited the accompanying financial statements of Fossil Creek A2A GP Inc., which comprise the statement of financial position as at March 21, 2014, and the statements of comprehensive income, changes in equity and cash flows for the period from incorporation on March 17, 2014 to March 21, 2014, 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 Fossil Creek A2A GP Inc. as at March 21, 2014, and its financial performance, changes in equity and cash flows for the period from incorporation on March 17, 2014 to March 21, 2014 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 Fossil Creek 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.

Rice & Company L.L.P.

CHARTERED ACCOUNTANTS

Calgary, Canada
May 7, 2014

Fossil Creek A2A GP Inc.*(Incorporated under the laws of Alberta)***Statement of Financial Position****March 21, 2014**

Assets	Notes
Current asset	
Cash	\$ <u>100</u>
Total assets	\$ <u><u>100</u></u>
Liabilities and Equity	
Share capital	6.3 \$ 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>

See accompanying notes to the financial statements.

These financial statements were approved by the Director of the Corporation on May 7, 2014.

(signed) "Allan Lind" , Director (signed) "Dirk Foo" , Director

Fossil Creek A2A GP Inc.

Statement of Comprehensive Income

For the Period from Incorporation on March 17, 2014 to March 21, 2014

Notes

Total comprehensive income for the period

7 \$ -

See accompanying notes to the financial statements.

Fossil Creek A2A GP Inc.

Statement of Changes in Equity

For the Period from Incorporation on March 17, 2014 to March 21, 2014

	Notes	Number of Common Shares	Common Share Capital Stated Value	Retained Earnings	Total Equity
Common shares issued on incorporation	6.2	100	\$ 100	\$ -	\$ 100
Income for the period		-	-	-	-
Balance at March 21, 2014		100	\$ 100	\$ -	\$ 100

See accompanying notes to the financial statements.

Fossil Creek A2A GP Inc.

Statement of Cash Flows

For the Period from Incorporation on March 17, 2014 to March 21, 2014

Cash provided by (used in):

Cash flows from operating activities

Net income	\$ <u>-</u>
------------	-------------

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

Cash flows from financing activities

Proceeds on issuance of share capital	<u>100</u>
---------------------------------------	------------

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

Change in cash, beginning cash, end of period cash	\$ <u><u>100</u></u>
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See accompanying notes to the financial statements.

Fossil Creek A2A GP Inc.

Notes to the Financial Statements

Period from Incorporation on March 17, 2014 to March 21, 2014

1. General business description

Fossil Creek A2A GP Inc. (the "Corporation") was incorporated pursuant to the Business Corporations Act (Alberta) on March 17, 2014. The Corporation was formed to operate as the general partner for Fossil Creek A2A Limited Partnership (the "Partnership").

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

The address of the Corporation is Suite 900, 744 - 4 Avenue SW, Calgary, Alberta.

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 7, 2014.

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.

Fossil Creek A2A GP Inc.

Notes to the Financial Statements

Period from Incorporation on March 17, 2014 to March 21, 2014

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 21, 2014.

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.

Fossil Creek A2A GP Inc.

Notes to the Financial Statements

Period from Incorporation on March 17, 2014 to March 21, 2014

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 Corporation did not have any loans and receivables as at March 21, 2014 and, as a result, has not designated any financial assets as loans and receivables as at March 21, 2014.

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 not designated any financial assets as available-for-sale.

Fossil Creek A2A GP Inc.

Notes to the Financial Statements

Period from Incorporation on March 17, 2014 to March 21, 2014

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 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.

Fossil Creek A2A GP Inc.

Notes to the Financial Statements

Period from Incorporation on March 17, 2014 to March 21, 2014

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.

3.2 Income taxes

Income tax expense or recovery is comprised of current and deferred tax. Income tax expense or recovery in 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.

Fossil Creek A2A GP Inc.

Notes to the Financial Statements

Period from Incorporation on March 17, 2014 to March 21, 2014

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.

3.3 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.

Fossil Creek A2A GP Inc.

Notes to the Financial Statements

Period from Incorporation on March 17, 2014 to March 21, 2014

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.

3.6 Revenue and expense recognition

Revenue and expenses 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 January 0, 1900 and which have not yet been adopted by the Corporation. 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 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 Corporation's financial statements.

Fossil Creek A2A GP Inc.

Notes to the Financial Statements

Period from Incorporation on March 17, 2014 to March 21, 2014

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 value due to the 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 Corporation'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 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.

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.

Fossil Creek A2A GP Inc.

Notes to the Financial Statements

Period from Incorporation on March 17, 2014 to March 21, 2014

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.

The maximum exposure to credit risk at March 21, 2014 is as follows:

	Carrying amount	
	March 21, 2014	
Cash	\$	100

Cash

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 did not have any financial liabilities at March 21, 2014.

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, as well as future equity securities (note 8).

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.

Fossil Creek A2A GP Inc.

Notes to the Financial Statements

Period from Incorporation on March 17, 2014 to March 21, 2014

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 21, 2014.

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 the 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. Share capital

6.1 Authorized

As at March 21, 2014, the Corporation was authorized to issue the following:

Unlimited number of Class A voting common shares
(Class A common shares)

Fossil Creek A2A GP Inc.

Notes to the Financial Statements

Period from Incorporation on March 17, 2014 to March 21, 2014

Unlimited number of Class B non-voting common shares
(Class B common shares)

Unlimited first preferred shares
(First preferred shares)

6.2 Issued and outstanding

	2014	
	Number	Amount
Class A common shares	100	\$ 100

6.3 The Corporation was formed on March 17, 2014 with 100 Class A common shares issued at \$1 per share.

7. General and administrative

No personnel expenses or general and administrative expenses were incurred during the period ended March 21, 2014.

8. Subsequent events

Fossil Creek A2A Trust (the "Trust"), will conduct an offering (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, 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.

ITEM 13 - DATE AND CERTIFICATE

Dated: May 7, 2014

This Offering Memorandum does not contain a misrepresentation.

**FOSSIL CREEK A2A TRUST
by its Administrator**

A2A CAPITAL MANAGEMENT INC.

"ALLAN LIND"

ALLAN LIND, Director

"GLENN PICKARD"

GLENN PICKARD, Director

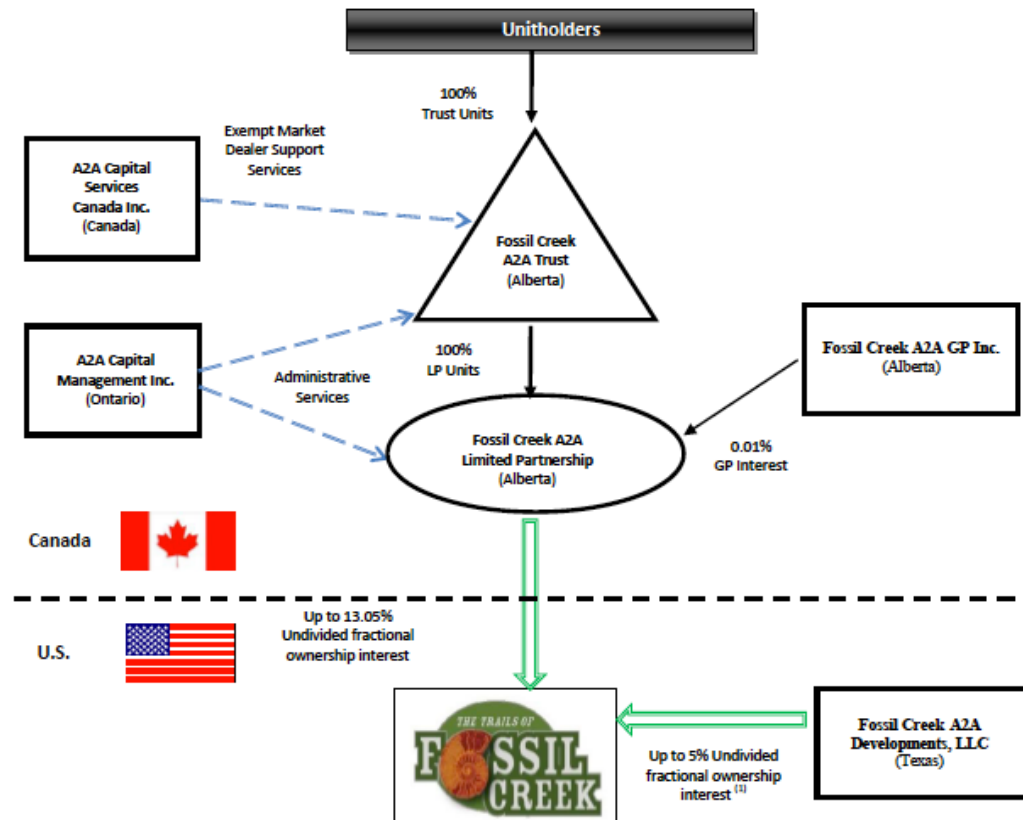
**This is Exhibit "B" referred to in the
Affidavit of Paul Lauzon sworn before me
this 12th day of November, 2024**



**Commissioner for Oaths
In and for British Columbia**

HARMAN SIDHU
Barrister & Solicitor
Gordon & Company
207 - 1433 St. Paul Street
Kelowna, BC Canada V1Y 2E4

FOSSIL CREEK OWNERSHIP STRUCTURE



Extracted from the Fossil Creek Offering Memorandum dated May 7, 2014 and amended on November 18, 2014.

**This is Exhibit "C" referred to in the
Affidavit of Paul Lauzon sworn before me
this 12th day of November, 2024**



**Commissioner for Oaths
In and for British Columbia**

HARMAN SIDHU
Barrister & Solicitor
Gordon & Company
207 - 1433 St. Paul Street
Kelowna, BC Canada V1Y 2E4

Paul Lauzon

From: Pinnacle Wealth Brokers <admin@pinnaclewealth.ca>
Sent: March 18, 2024 7:29 AM
To: Paul Lauzon
Subject: Hills of Windridge A2A Trust : Pinnacle Message to Investors

S'il vous plaît voir la traduction ci-dessous



March 18, 2024

Hills of Windridge A2A Trust Message to Investors

Pinnacle Wealth Brokers has been advised that Olympia Trust Company ("Olympia") is taking steps to mark the value of Hills of Windridge A2A Trust security to zero and remove it from client records due to a lack of communication from the issuer.

Pinnacle Wealth Brokers ("Pinnacle") wishes to advise investors of Hills of Windridge A2A Trust that we also have received no updates from the issuer. While Pinnacle does continuously seek to provide updates on investments made by our clients, Pinnacle has not been able to get responses from management of the issuer, all attempts at communication have gone unanswered.

Given the ongoing lack of response from management, Pinnacle has consulted legal counsel on the viability of removing the management and have subsequently been advised that we cannot do so.

Therefore, beyond our ongoing requests for information there is no further action that Pinnacle can take at this time and Pinnacle must follow regulations for client statements, which requires Pinnacle to continue to report the Hills of Windridge A2A Trust security on our client position summaries.

Please note that while Pinnacle is required to report the Hills of Windridge A2A Trust security on our statements, Pinnacle is not the custodian or trustee of the investment, and that such reporting is only as required under our registration as an Exempt Market Dealer. Pinnacle will continue to regularly request information and will advise investors when the situation changes.

Sincerely,
Pinnacle Wealth Brokers Inc.
