

COURT FILE NUMBER 1903 04121  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON

IN THE MATTER OF THE TRUSTEE ACT, R.S.A. 2000, c. T-7, s. 8, SECTIONS 43 AND 46



APPLICANTS WESTPOINT INVESTMENT TRUST BY ITS TRUSTEES MUNIR VIRANI AND MARNIE KIEL

RESPONDENTS WESTPOINT CAPITAL CORPORATION, WESTPOINT CAPITAL MANAGEMENT CORPORATION, WESTPOINT CAPITAL SERVICES CORPORATION, WESTPOINT SYNDICATED MORTGAGE CORPORATION, CANDIAN PROPERTY DIRECT CORPORATION, WESTPOINT MATER LIMITED PARTNERSHIP, RIVER'S CROSSING LTD., 1897869 ALBERTA LTD., 1780384 ALBERTA LTD. AND 1897837 ALBERTA LTD.

DOCUMENT AFFIDAVIT OF ROBERT (ALLAN) ROBERTS

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
**OGILVIE LLP**  
1400, 10303 Jasper Avenue  
Edmonton, AB T5J 3N6  
Telephone (780) 429-6236  
Facsimile (780) 429-4453  
File No. 66102.1  
**Attention: Kentigern A. Rowan, KC**

**Service will be accepted by delivery or fax. No other form of service will be accepted.**


**AFFIDAVIT OF ROBERT (ALLAN) ROBERTS**  
**Sworn on August 8, 2023**

I, Robert (Allan) Roberts, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. I am the holder of a Redemption Note issued by Westpoint Investment Trust (the "Trust") and as such, have a personal knowledge of the facts and matters hereinafter deposed to, except where otherwise stated.
2. Prior to January 22, 2014, I had purchased shares in Westpoint Capital High Yield Mortgage Investment Corporation ("WCHY") for a total purchase price of \$1,000,000.00.

3. On January 22, 2014, I signed and submitted a request for redemption of those shares.
4. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a true copy of a request to redeem all of the shares that I held in WCHY.
5. Subsequent to my request to redeem shares, a Plan of Arrangement pursuant to the provisions of the *Business Corporations Act* of the Province of Alberta was proposed, which Plan of Arrangement included WCHY.
6. In furtherance of the Plan of Arrangement, management of WCHY forwarded to me a Management Circular, explaining the arrangement and the consequences of the arrangement on my request for redemption of shares.
7. Attached hereto and marked as **Exhibit "B"** to this my Affidavit is a true copy of the Management Circular I received.
8. Notwithstanding that I had purchased shares of WCHY for \$1,000,000.00, upon redemption, the value of my shares was set at \$750,001.00.
9. Pursuant to the Plan of Arrangement, I was issued a Redemption Note with an issue date of July 1, 2015 for the amount of the value of the redeemed shares in the amount of \$750,001.00.
10. Attached hereto and marked as **Exhibit "C"** to this my Affidavit is a true copy of the Redemption Note.
11. I have not received any payment on account of the redemption of my shares in WCHY or on account of the Redemption Note.
12. On October 9, 2018, I caused Court of Queen's Bench (now King's Bench) Action No. 1803 19884 to be commenced against the Trust and the Trustees of the Trust to recover the amounts due to me pursuant to the Redemption Note.
13. Attached hereto and marked as **Exhibit "D"** to this my Affidavit is a true copy of the Statement of Claim issued in the Court of Queen's Bench (now King's Bench) of Alberta aforesaid.
14. I make this Affidavit in support of an Application for an Order for distribution of the available funds of the Trust.

SWORN BEFORE ME at the City of Edmonton, )  
 in the Province of, this 3 day of August, 2023. )

  
 (Commissioner for Oaths in and for the Province  
 of Alberta)

  
 \_\_\_\_\_  
**ROBERT (ALLAN) ROBERTS**

**KENTIGERN A. ROWAN, K.C.**  
 Barrister & Solicitor  
 A Commissioner for Oaths  
 in and for Alberta

JAN 29, 10:00  
E-T



**WESTPOINT**  
CAPITAL

INVESTORS PAID FIRST!

REQUEST TO REDEEM SHARES

Name(s) on Subscription: Robert Roberts

Share Certificate Number: 1830

Mortgage Investment Corporation: High Yield MIC or Performance MIC  
(circle one)

Amount of Subscription: \$ \$1,000,000

Redemption Amount Requested:  All or Partial \$ All  
(circle one)

Maturity Date of Subscription: Nov. 30, 2013

Requested Redemption Date: 90 days or less  
(please note that 90 days notice is required)

Address to Send Payment: 1920 10104-103rd Ave  
Edmonton AB T5J 0H8

Alan Rowan  
Signed - Subscriber #1

JANUARY 22/14  
Date

\_\_\_\_\_  
Signed - Subscriber #2

\_\_\_\_\_  
Date

This is Exhibit "A" referred to in the affidavit / statutory declaration of Robert Callen Roberts sworn before me this 3 day of August A.D. 20 23.  
Commissioner for Oaths in and for the Province of Alberta

Note: All redemption requests will be processed in accordance with the terms specified in the original Subscription Agreement and Offering Memorandum.

**KENTIGERN A. ROWAN, K.C.**  
Barrister & Solicitor  
Commissioner for Oaths  
in and for Alberta



# WESTPOINT CAPITAL

## NOTICE OF SPECIAL MEETING OF THE SHAREHOLDERS OF WESTPOINT CAPITAL HIGH YIELD MORTGAGE INVESTMENT CORPORATION to be held on July 9, 2015

and

### MANAGEMENT INFORMATION CIRCULAR

June 12, 2015

These materials are important and require your immediate attention. They require holders of shares of Westpoint Capital High Yield Mortgage Investment Corporation to make important decisions. If you are in doubt as to how to make such decisions, please contact your legal, tax or other professional advisors. If you have any questions or require more information with regard to voting your shares, please contact Marnie Kiel, Chief Operations Officer, at Westpoint Capital Corporation, 201, 1230 - 91 Street SW, Edmonton, Alberta, T6X 0P2, Attention: Chief Operations Officer, or via email at [coo@westpointcapital.ca](mailto:coo@westpointcapital.ca).

The deadline for receipt of proxies for the Meeting is 11:59 p.m. (Edmonton time) on Wednesday, July 8, 2015.

TOTAL TODAY 70,000,000

INVESTED NOV - 2012 NOT AN AUTO PAYOUT  
NOV - 2013

MARNIE COO

This is Exhibit " B " referred to in the affidavit / statutory declaration of Robert Allen Roberts Sworn before me this 3 day of August A.D. 20 13 Commissioner for Oaths in and for the Province of Alberta.

FROM JULY 1/15 NO MORE INTEREST  
ALL PMTS WILL BE REDUCTION OF CAPITAL  
KENTIGERN A. ROWAN, K.C.  
Barrister & Solicitor  
Commissioner for Oaths  
in and for Alberta

RECEIVED MY REDEMPTION CERT. JAN 29, 2014  
AMOUNT OF REDEMPTION IN FRONT OF ME 680,000  
BEHIND ME 2,000,000

4,687  
AUG. 15 PMT.



To the holders of shares of Westpoint Capital High Yield Mortgage Investment Corporation

June 12, 2015

Dear Shareholders:

On behalf of the management team (“**Management**”) of Westpoint Capital High Yield Mortgage Investment Corporation (the “**Corporation**”), I would like to invite you to the special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of Class “A” Principal Preferred Shares (“**Class A Shares**”) and Class “C” Common Shares (“**Common Shares**”) of the Corporation (the Class “A” Shares and Common Shares herein collectively referred to as the “**Shares**”) to be held on July 9, 2015 at 7:00 p.m. (Edmonton time) at the Sandman Signature, 10111 Ellerslie Road SW, Edmonton, Alberta, T6X 0J3. Enclosed with this letter is a Notice of Special Meeting, a Management Information Circular (the “**Information Circular**”) and a form of proxy for use by Shareholders. The purpose of the Meeting is to consider and vote upon a proposed reorganization of the Corporation and Westpoint Capital Performance Mortgage Investment Corporation (“**PMIC**”), a similarly-organized mortgage investment corporation administered by Westpoint Capital Corporation, into a single mutual fund trust (as such term is defined in the *Income Tax Act* (Canada) named “**Westpoint Investment Trust**”) (the “**Trust**”), pursuant to a plan of arrangement (the “**Arrangement**”). I urge you to review these materials carefully and, if you require assistance, to consult your legal, tax or other professional advisors.

Management believes that a number of benefits will result from the implementation of the Arrangement, including, among others, the expectation that the Arrangement will:

1. provide for greater efficiency in the operation, management, and governance of the business by consolidation of the two mortgage investment corporations into a single trust, thereby eliminating certain structural complexities and redundancies;
2. reduce a range of operating expenses;
3. reduce accounting complexity and costs;
4. eliminate investment restrictions associated with the current MIC structure thereby allowing the Trust to expand its investment mandate to include other lending products and direct real estate investment;
5. create competitive advantages for the Trust over other lending companies by offering a mortgage/real estate hybrid products to our borrowers not widely available in the market;
6. reduce enforcement risk in respect of the mortgage/real estate hybrid products by reducing the necessity of foreclosure through transfer of control of ownership of the underlying real estate in the event of default by borrowers;
7. introduce greater portfolio diversity through future development of additional lending products and acquisition of real estate and real estate products directly by the Trust;
8. allow for greater capitalization of synergies between mortgage investment and direct property investment;
9. benefit investors, especially those who hold their investments in registered retirement income funds, by producing more reliable cash flow;

10. remove certain restrictions for qualification of deferred tax planning for investors relying on tax deferred investment plans; and
11. establish a more viable compensation model for Westpoint Capital Corporation and Westpoint Capital Services Corporation by moving from a residual income basis to a fixed cost plus profit share basis which is both more sustainable and more equitable in both positive and negative economic climates.

If approved, the Arrangement will result in the reorganization of the Corporation's and PMIC's corporate structures into a single unit trust structure and holders of Class A Shares and/or Class "B" Bonus Preferred Shares ("**Class B Shares**") of the Corporation (hereinafter, "**Preferred Shareholders**") will sell their Class A Shares and Class B Shares to the Trust in exchange for units of the Trust.

Pursuant to the Arrangement, Preferred Shareholders will receive, as consideration for the sale of their Class A Shares and, as applicable, Class B Shares (collectively, the "**Preferred Shares**"), Class A Trust Units and Class B Trust Units of the Trust (respectively, "**Class A Units**" and "**Class B Units**") calculated on the basis of (i) 0.80 Class A Units and (ii) 0.2 Class B Units being issued to a Shareholder for each Class A Share sold.

The rights and entitlements attached to the Class A Units and Class B Units are set forth in the Schedule of Unit Rights attached to the Information Circular as Appendix E.

The Arrangement will result in the consolidation of the assets of the Corporation and PMIC into a single unit trust. Upon completion of the Arrangement, the Trust will own, directly or indirectly, the same assets that the Corporation and PMIC collectively owned immediately prior to the effective time of the Arrangement and the Trust will, directly or indirectly, assume all of the obligations of the Corporation and PMIC, which will be amalgamated and wound up, respectively. The Arrangement will not result in any payment being made to any director, officer or employee of the Corporation or of PMIC or to any trustee, officer or employee of the Trust, regarding change of control, termination or otherwise.

The special resolution approving the Arrangement (the "**Arrangement Resolution**") must be approved by not less than 66 2/3% of the votes cast by Shareholders voting in person or by proxy at the Meeting. In addition, in order for the Arrangement to proceed, a special resolution approving the Arrangement (the "**PMIC Arrangement Resolution**") must be approved by not less than 66 2/3% of the votes cast by PMIC Shareholders voting in person or by proxy at the special meeting of holders of PMIC shares. The Arrangement is also subject to the satisfaction or waiver of certain conditions set out in an arrangement agreement entered into in connection with the Arrangement (a copy of which is attached as Appendix A to the Information Circular), the approval of the Court of Queen's Bench of Alberta and receipt of all necessary regulatory and third party approvals. Subject to obtaining the necessary approvals, it is anticipated that closing of the Arrangement will occur on or about July 14, 2015, with certain transactions taking place with a retroactive effective date of July 1, 2015.

Management has carefully considered the transactions comprising the Arrangement and has used its best efforts, in consultation with the Corporation's legal counsel and tax advisors, to structure the Arrangement in a manner that is fair to the Shareholders and that provides the maximum number of options to Shareholders. Shareholders will have the option of tendering Redemption Notices to the Corporation, in the ordinary course, at any time prior to the date of the Meeting and thereafter have such Shares redeemed in the manner contemplated by the Arrangement and as more fully described in the Information Circular. Shareholders will also be entitled to rights of dissent in respect of the Arrangement.

### **Recommendation of the Board of Directors**

The board of directors of the Corporation ("**Board of Directors**") has unanimously approved the conversion of the Corporation from a corporate structure into a unit trust structure and the Arrangement as it relates thereto.

The Board of Directors, based on their own investigations, in consultation with Management and on the advice of legal counsel and tax advisors, has unanimously determined that the Arrangement is fair to Shareholders and in the

best interests of the Corporation and its Shareholders. **The Board of Directors unanimously recommends that Shareholders vote FOR the Arrangement Resolution.**

**The accompanying Information Circular contains a detailed description of the Arrangement, as well as information regarding the Corporation, PMIC and the Trust. Please give this material your careful consideration.** If you are a registered holder of Shares and are unable to attend the Meeting in person, please complete, sign and return the applicable enclosed form of proxy prior to 11:59 p.m. (Edmonton time) on Wednesday, July 8, 2015 in order to ensure your representation at the Meeting. If you hold your shares within a tax free savings account, registered retirement savings plan, registered education savings plan, registered retirement income fund or other registered plan permitted under the *Income Tax Act* (Canada) (a “**Non-registered Shareholder**”), you are permitted to vote your Shares in the same manner as a registered holder of Shares as each of Canadian Western Trust Company and Olympia Trust Company, the trust companies holding Shares in trust for beneficial Shareholders, have signed blanket proxies that authorize each Non-registered Shareholder to vote the Shares beneficially owned by each such Non-registered Shareholder as proxy for the applicable registered holder. Accordingly, if you are a Non-registered Shareholder and are unable to attend the Meeting in person, please complete, sign and return the enclosed form of proxy prior to 11:59 p.m. (Edmonton time) on Wednesday, July 8, 2015 in order to ensure your representation at the Meeting.

On behalf of Management, I would like to express our gratitude for the support our Shareholders and employees have demonstrated with respect to our decision to take the proposed Arrangement forward. We believe that the Arrangement will allow us to continue to develop our business for the benefit of our Shareholders, our employees and the communities that we serve.

We look forward to seeing you at the Meeting.

Yours very truly,

**BY ORDER OF the board of directors of  
WESTPOINT CAPITAL HIGH YIELD MORTGAGE INVESTMENT CORPORATION**

(Signed) “*Munir Virani*”  
**Director and Chief Executive Officer**

**WESTPOINT CAPITAL HIGH YIELD MORTGAGE INVESTMENT CORPORATION**  
**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**  
**to be on held July 9, 2015**

**NOTICE IS HEREBY GIVEN** that, pursuant to an order (the “**Interim Order**”) of the Court of Queen’s Bench of Alberta dated June 12, 2015, a special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of Class “A” Principal Preferred Shares (“**Class A Shares**”) and Class “C” Common Shares (“**Common Shares**”) (the Class A Shares and Common Shares hereinafter collectively referred to as “**Shares**”) of Westpoint Capital High Yield Mortgage Investment Corporation (the “**Corporation**”) will be held on Thursday, July 9, 2015 at 7:00 p.m. (Edmonton time) at the Sandman Signature, 10111 Ellerslie Road SW, Edmonton, Alberta, T6X 0J3 for the following purposes:

- (a) to consider, pursuant to the Interim Order, and, if thought advisable, to approve, with or without variation, a special resolution (the “**Arrangement Resolution**”) of the Shareholders, the full text of which is set forth in Appendix B to the information circular of the Corporation dated June 12, 2015 (the “**Information Circular**”), to approve a plan of arrangement under section 193 of the *Business Corporations Act* (Alberta) and all transactions contemplated thereby, as more particularly described in the Information Circular; and
- (b) to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters to be put before the Meeting are set forth in the Information Circular accompanying and forming part of this Notice. A copy of the Plan of Arrangement in respect of the Arrangement is attached as Schedule One to the Arrangement Agreement, which is attached as Appendix A to the Information Circular.

The Arrangement Resolution will be considered and voted on by the holders of Class A Shares and the holders of Common Shares, each voting separately as a class. Shareholders are entitled to one vote for each Share held on each resolution considered at the Meeting on which they are entitled to vote.

In addition, in order for the Arrangement to proceed, a special resolution approving the Arrangement must be passed by at least 66 2/3% of the votes cast by shareholders of Westpoint Capital Performance Mortgage Investment Corporation (“**PMIC**”) at a special meeting of the holders of PMIC shares.

The record date (the “**Record Date**”) for determination of Shareholders entitled to receive notice of and to vote at the Meeting was 5:00 p.m. on June 1, 2015. Only Shareholders whose names have been entered in the applicable register of Shares, at the close of business on the Record Date, will be entitled to receive notice of and to vote at the Meeting, unless any such Shareholder transfers Shares after the Record Date and the transferee of those Shares establishes that the transferee owns the Shares and demands, not later than 10 days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Shares at the Meeting.

**Both registered and non-registered Shareholders of the Corporation who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and to mail it to or deposit it with the Corporation, c/o Westpoint Capital Corporation, 201, 1230 - 91 Street SW, Edmonton, Alberta, T6X 0P2, Attention: Chief Operations Officer, or via email in PDF at [coo@westpointcapital.ca](mailto:coo@westpointcapital.ca), subject line: PROXY. In order to be valid and acted upon at the Meeting, proxies must be returned to the aforesaid address or email address prior to 11:59 p.m. (Edmonton time) on July 8, 2015, or 24 hours before the time set for the holding of any adjournment or postponement thereof, or with the Chairman of the Meeting on the day of the Meeting but prior to the commencement of the Meeting. If a Shareholder receives more than one proxy form because such Shareholder owns Shares registered in different names or addresses, each such proxy should be completed, signed and returned. Shareholders are cautioned that the use of the mail to transmit proxies is at each Shareholder’s risk.**

**A proxyholder has discretion under the applicable accompanying form of proxy to consider such further and other business as may properly be brought before the Meeting or any adjournment thereof. Shareholders**



who are planning to return a form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

DATED at the City of Edmonton, in the Province of Alberta, this 12<sup>th</sup> day of June, 2015.

**BY ORDER OF the board of directors of  
WESTPOINT CAPITAL HIGH YIELD  
MORTGAGE INVESTMENT CORPORATION**

(Signed) "*Munir Virani*"

**Director and Chief Executive Officer**

IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA), R.S.A.  
2000, c. B-9, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING  
WESTPOINT CAPITAL HIGH YIELD MORTGAGE INVESTMENT CORPORATION, ITS  
SHAREHOLDERS, WESTPOINT CAPITAL HIGH YIELD GP LTD., WESTPOINT CAPITAL HIGH  
YIELD LIMITED PARTNERSHIP, WESTPOINT CAPITAL PERFORMANCE MORTGAGE  
INVESTMENT CORPORATION, ITS SHAREHOLDERS, WESTPOINT CAPITAL PERFORMANCE GP  
LTD., WESTPOINT CAPITAL PERFORMANCE LIMITED PARTNERSHIP, WESTPOINT CAPITAL  
CORPORATION AND WESTPOINT INVESTMENT TRUST

NOTICE OF ORIGINATING APPLICATION

NOTICE IS HEREBY GIVEN that an originating application (the "**Originating Application**") has been filed with the Court of Queen's Bench of Alberta, Judicial Centre of Edmonton (the "**Court**"), on behalf of Westpoint Capital High Yield Mortgage Investment Corporation (the "**Corporation**"), Westpoint Capital High Yield GP Ltd. ("**HMIC GP**"), Westpoint Capital High Yield Limited Partnership ("**HMIC LP**"), Westpoint Capital Performance Mortgage Investment Corporation ("**PMIC**"), Westpoint Capital Performance GP Ltd. ("**PMIC GP**"), Westpoint Capital Performance Limited Partnership ("**PMIC LP**"), Westpoint Capital Corporation ("**WCC**") and Westpoint Investment Trust (the "**Trust**") with respect to a proposed arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended (the "**ABCA**"), involving the Corporation, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC, the Trust and the holders of common shares and preferred shares of the Corporation (collectively, the "**Shareholders**") and the holders of common shares and preferred shares of PMIC (collectively, the "**PMIC Shareholders**"), which Arrangement is described in greater detail in the information circular of the Corporation dated June 12, 2015 (the "**Information Circular**") accompanying this Notice of Originating Application. At the hearing of the Originating Application, the Corporation, in conjunction with HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and the Trust intend to seek:

- (a) a declaration that the terms and conditions of the Arrangement, and the procedures relating thereto, are fair to the persons affected;
- (b) an order approving the Arrangement pursuant to the provisions of section 193 of the ABCA;
- (c) a declaration that the Arrangement will, upon the filing of the Articles of Arrangement pursuant to the provisions of section 193 of the ABCA, become effective in accordance with its terms and will be binding on and after the Effective Date as defined in the arrangement agreement made effective June 4, 2015 among the Corporation, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and the Trust, pursuant to which such parties have proposed to implement the Arrangement, which agreement is attached as Appendix A to the Information Circular, and any amendment thereto; and
- (d) such other and further orders, declarations and directions as the Court may deem just.

AND NOTICE IS FURTHER GIVEN that the said Originating Application was directed to be heard before a Justice of the Court, 1A Sir Winston Churchill Square, Edmonton, Alberta, T5J 0R2, Edmonton, Alberta, on June 12, 2015 at 12:30 p.m. (Edmonton time).

AND NOTICE IS FURTHER GIVEN that the Court, by an Interim Order dated June 12, 2015, has given directions as to the calling and holding of a meeting of the Shareholders ("**Meeting**") for the purpose of the Shareholders voting upon a special resolution to approve the Arrangement. If the Arrangement is approved at the Meeting, the Corporation, in conjunction with HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and the Trust, intends to apply to the Court for a Final Order on July 14, 2015 at 10:00 a.m. (Edmonton time).

Any Shareholder or any other interested party desiring to support or oppose the hearing of the Final Order may appear at the time of the hearing in person or by counsel for that purpose. Any Shareholder or any other interested party desiring to appear at the hearing is required to file with the Court and serve upon the Corporation on or before 12:00 p.m. (noon) (Edmonton time) on July 10, 2015, a Notice of Intention to Appear, including an address for service in the Province of Alberta, together with any evidence or materials which are to be presented to the Court. Service on the Corporation is to be effected by delivery to the solicitors for the Corporation at their address set forth below. If any Shareholder or any other such interested party does not attend, either in person or by counsel, at that time, the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, without any further notice.

**AND NOTICE IS FURTHER GIVEN** that a copy of the said Originating Application and other documents in the proceedings will be furnished to any Shareholder or any other interested party requesting the same by the under mentioned solicitors for the Corporation upon written request delivered to such solicitors as follows:

**BRYAN & COMPANY LLP  
2600 MANULIFE PLACE  
10180 - 101 STREET  
EDMONTON, ALBERTA, T5J 3Y2**

**ATTENTION: JENNIFER R. YOUNG**

**DATED at Edmonton, Alberta on June 12, 2015.**

**BY ORDER OF the board of directors of  
WESTPOINT CAPITAL HIGH YIELD MORTGAGE INVESTMENT CORPORATION**

(Signed) "*Munir Virani*"

**Munir Virani  
Director and Chief Executive Officer**

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**WESTPOINT**  
CAPITAL

**WESTPOINT CAPITAL HIGH YIELD MORTGAGE INVESTMENT CORPORATION**

**MANAGEMENT INFORMATION CIRCULAR**

Accompanying the Notice of Special Meeting of Shareholders  
to be held on  
Thursday, July 9, 2015

**INTRODUCTION**

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of management of Westpoint Capital High Yield Mortgage Investment Corporation (the “Corporation”) for use at the Meeting to be held at the Sandman Signature, 10111 Ellerslie Road SW, Edmonton, Alberta, T6X 0J3 on Thursday, July 9, 2015 at 7:00 p.m. (Edmonton time), or at any adjournment thereof, for the purposes set forth in the Notice of Meeting.

All capitalized terms used in this Information Circular but not otherwise defined herein have the meanings set forth under “Glossary of Terms” or elsewhere in this Information Circular, including in the Appendices attached hereto. Unless otherwise specified, the information contained herein is given as of June 12, 2015.

There is enclosed a form of proxy for use at the Meeting. Each holder of Shares is urged to participate in the Meeting and to vote in person or by proxy on the matters to be considered.

This solicitation of proxies is made by the management of the Corporation. The costs incurred in connection with the solicitation of proxies and the preparation and mailing of this Information Circular will be borne solely by the Corporation. In addition to the use of the mail, proxies may be solicited in person or by telephone, fax or other electronic communication by the directors, officers and/or employees of the Corporation.

All summaries of, and references to, the Arrangement in this Information Circular are qualified in their entirety by reference to the complete text of the Arrangement Agreement, which agreement is attached as Appendix A to this Information Circular. You are urged to carefully read the full text of this Information Circular, the Arrangement Agreement and the Plan of Arrangement.

Shareholders are encouraged to obtain independent legal, tax, financial and investment advice in their jurisdiction of residence with respect to this Information Circular, the consequences of the Arrangement and the holding and disposing of Shares and Units

**Forward-Looking Statements**

Certain statements in this Information Circular, are “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect”, and similar expressions, are intended to identify forward-looking statements. Forward-looking statements contained in this Information Circular relate to, among other things, statements regarding business strategy, plans and other expectations, beliefs, goals, objectives, information and statements about possible future events. Specific forward-looking statements contained in this Information Circular include statements regarding the completion of the Arrangement; the Trust’s business strategy; the effective date of the Arrangement; the timing of the Final Order; the anticipated benefits of the Arrangement; and the ability to obtain required consents, permits or approvals required to complete the Arrangement, including, but not limited to, Shareholder and Court approvals of the Arrangement and creditor consents, if any.

Readers are cautioned not to place undue reliance on such forward-looking statements. Such statements reflect the Corporation's current views with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause the results of the Corporation and/or the Trust to differ materially from those expressed in the forward-looking statements. Factors that could cause actual results to vary from forward-looking information or may affect the operations, performance, development and results of the Corporation's and/or the Trust's business include, among other things, the failure of Shareholders to approve the Arrangement Resolution; the failure of shareholders of Westpoint Capital Performance Mortgage Investment Corporation ("PMIC") to approve the Arrangement; the failure of the Corporation, PMIC and/or the Trust to obtain all third party and regulatory consents, approvals and authorizations required to complete the Arrangement; the failure of the Court to approve the Arrangement or the approval of the Arrangement by the Court on terms unacceptable to the Corporation and/or PMIC; the failure of the Trust to realize the anticipated benefits of the Arrangement; changes in industry conditions; the credit risk to which the Corporation is exposed in the conduct of its business; fluctuations in currency and interest rates; the competitive environment to which the Corporation's business is or may be, exposed in all aspects of its business; the ability of the Corporation and Westpoint Capital Corporation to maintain relationships with key industry players; the ability of the Corporation, PMIC, the Trust and Westpoint Capital Corporation to attract and maintain key personnel and other qualified employees; inherent risks associated with the conduct of the business in the industry within which the Corporation operates; the availability of financial resources or third-party financing; general economic conditions in Canada; changes in government regulation of the mortgage lending industry; changes in tax laws applicable to mortgage investment corporations and mutual fund trusts; market valuations; and the impact of new laws or changes in administrative practices on the part of regulatory authorities. Many of these risks will also be applicable to the Trust following the completion of the Arrangement.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Information Circular are made as of the date of this Information Circular and the Corporation does not undertake any obligation to update such forward-looking statements to reflect new information, subsequent events or otherwise, except as required by applicable securities laws.

The information contained in this Information Circular identifies additional factors that could affect the operating results and performance of the Corporation and the Trust. **We urge you to carefully consider these factors.**

Although the forward-looking statements contained in this Information Circular are based upon what the Corporation currently believes to be reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements.

#### **Information Contained in this Information Circular**

Unless otherwise specified, the information contained herein is given as of June 12, 2015.

If any matters which are not now known should properly come before the Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person voting upon them.

No person has been authorized to give any information or to make any representations in connection with the Arrangement and other matters described herein other than those contained in this Information Circular and, if given or made, any such information or representations should be considered not to have been authorized by the Corporation.

#### **Currency**

All dollar amounts set forth in this Information Circular are in Canadian dollars, except where otherwise indicated.

## GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Information Circular, including the Appendices hereto, though additional terms may be defined throughout this Information Circular.

“**ABCA**” means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, including the regulations thereunder, as amended;

“**Amalco**” means the corporation resulting from the amalgamation of the Corporation and WCMC pursuant to the Amalgamation Agreement;

“**Amalgamation Agreement**” means the amalgamation agreement to be entered into between the Corporation and WCMC following completion of the Arrangement;

“**Arrangement**” means the arrangement, pursuant to section 193 of the ABCA, on the terms and conditions set forth in the Plan of Arrangement and includes any supplement, modification or amendment thereto;

“**Arrangement Agreement**” means the arrangement agreement made effective June 4, 2015 among the Corporation, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and the Trust, pursuant to which such parties have proposed to implement the Arrangement, which agreement is attached as Appendix A to this Information Circular, and any amendment thereto;

“**Arrangement Resolution**” means the special resolutions of the Shareholders approving the Arrangement, substantially in the form attached as Appendix B to this Information Circular, to be voted upon by the Shareholders at the Meeting;

“**Amended Articles**” means the articles of amendment of the Corporation dated March 31, 2014, including the schedule of share structure therein;

“**Articles of Arrangement**” means the articles of arrangement in respect of the Arrangement required by subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been granted to give effect to the Arrangement;

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

“**Business Day**” means a day, which is not a Saturday, Sunday or statutory holiday in the Province of Alberta;

“**Certificate**” means the certificate or proof of filing to be issued by the Registrar on the Effective Date pursuant to subsection 193(11) or subsection 193(12) of the ABCA giving effect to the Arrangement;

“**Class A PMIC Shares**” means the Class “A” Preferred Shares in the share capital of PMIC;

“**Class A Shares**” means the Class “A” Principal Preferred Shares in the share capital of the Corporation;

“**Class A Units**” means the Class A Trust Units in the unit capital of the Trust;

“**Class B PMIC Shares**” means the Class “B” Common Shares in the share capital of PMIC;

“**Class B Shares**” means the Class “B” Bonus Preferred Shares in the share capital of Corporation;

“**Class B Units**” means the Class B Trust Units in the unit capital of the Trust;

“**Class C Units**” means the Class C Trust Units in the unit capital of the Trust;

“**Common Shareholder**” means a holder of Common Shares;



“Common Shares” means the Class “C” Common Shares in the share capital of the Corporation;

“Corporation” means Westpoint Capital High Yield Mortgage Investment Corporation;

“Court” means the Court of Queen's Bench of Alberta;

“Declaration of Trust” means the declaration of trust dated as of June 1, 2015 establishing and governing the activities and affairs of the Trust, including the Schedule of Unit Rights thereto, as amended, supplemented or restated from time to time;

“Directors” or “Board of Directors” means those persons duly elected as directors of the Corporation;

“Dividend Reinvestment Plan” means the dividend reinvestment plan maintained by the Corporation, pursuant to which additional Shares are issued to Shareholders in satisfaction of the payment of dividends;

“Effective Date” means the date shown on the Certificate issued by the Registrar, if any, and in the absence of a certificate, the date upon which the Final Order is granted;

“Effective Times” means, notwithstanding the Effective Date, the retroactive effective times of the various transactions contemplated by the Plan;

“Final Order” means the final order of the Court approving the Arrangement pursuant to subsection 193(9)(a) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

“Form of Proxy” or “Proxy” means the form of proxy delivered to Shareholders in connection with this Information Circular;

“HMIC GP” means Westpoint Capital High Yield GP Ltd., the general partner of HMIC LP;

“HMIC LP” means Westpoint Capital High Yield Limited Partnership;

“including” means including but without limiting the generality of the foregoing unless the context otherwise requires, such as “including only”, and “includes” shall have a corresponding meaning;

“Information Circular” means this management information circular prepared by management of the Corporation and forwarded to Shareholders as part of the proxy solicitation materials in respect of the Meeting;

“Interim Order” means the interim order of the Court pursuant to subsection 193(4) of the ABCA containing declarations and directions with respect to the Arrangement, a copy of which order is attached as Appendix C to this Information Circular, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

“Manager” means either or both of WCC and WCSC, as the context requires;

“Master LP” means Westpoint Master Limited Partnership, a limited partnership to be established pursuant to the Partnership Act;

“Meeting” means the special meeting of Shareholders to be held on Thursday, July 9, 2015 to consider, among other things, the Arrangement, and any adjournment(s) thereof;

“Meeting Date” means Thursday, July 9, 2015 or such other date upon which the special meeting of Shareholders contemplated by this Information Circular shall be held, and any adjournments thereof;

“**Mortgage LP**” means Westpoint Mortgage Limited Partnership, a limited partnership to be established pursuant to the Partnership Act;

“**Non-Resident**” means: (i) a person who is not a resident of Canada for purposes of the Tax Act; or (ii) a partnership that is not a “Canadian partnership for the purposes of the Tax Act”;

“**Notice of Meeting**” means the Notice of Special Meeting of Shareholders which accompanies this Information Circular;

“**Partnership Act**” means the *Partnership Act* (Alberta), R.S.A. 2000, c. P-3, including the regulations thereunder, as amended;

“**Per Unit Value**” means, with respect to each Class A Unit, the sum of \$1.00 and, with respect to each Class B Unit, a nominal amount determined by the Trustees from time to time;

“**PMIC GP**” means Westpoint Capital Performance GP Ltd., the general partner of PMIC LP;

“**PMIC LP**” means Westpoint Capital Performance Limited Partnership;

“**person**” means an individual, partnership, association, body corporate, trust, unincorporated organization, government, regulatory authority or other entity, howsoever constituted;

“**Plan of Arrangement**” or “**Plan**” means the plan of arrangement attached as Schedule One to the Arrangement Agreement which is attached as Appendix A to this Information Circular, as amended, modified or supplemented from time to time;

“**PMIC**” means Westpoint Capital Performance Mortgage Investment Corporation;

“**PMIC Arrangement Resolution**” means the special resolutions of the PMIC Shareholders approving the Arrangement to be voted upon by the PMIC Shareholders at the PMIC Meeting;

“**PMIC Common Shareholder**” means a holder of Class B PMIC Shares;

“**PMIC Meeting**” means the special meeting of PMIC Shareholders to be held on July 9, 2015 to consider, among other things, the Arrangement, and any adjournment(s) thereof;

“**PMIC Preferred Shareholder**” means a holder of Class A PMIC Shares;

“**PMIC Shareholder**” means a holder of PMIC Shares;

“**PMIC Shares**” means the Class A PMIC Shares and/or the Class B PMIC Shares;

“**Preferred Share**” means a Class A Share or a Class B Share, as the context requires;

“**Preferred Shareholder**” means a holder of Class A Shares and, as applicable, Class B Shares;

“**Record Date**” means 5:00 p.m. (Edmonton time) on June 1, 2015;

“**Redemption Note**” means a non-interest bearing, unsecured, subordinated promissory note issued by the Trust (i) pursuant to the Plan of Arrangement in satisfaction of the redemption price for Shares tendered for redemption prior to the Meeting Date; or (ii) following the Effective Date, to a Redeeming Unitholder (as such term is defined in the Schedule of Unit Rights);

“**Redemption Notice**” means a notice in writing signed by a Shareholder or his, her or its duly authorized attorney requiring the Corporation to redeem all or a specified number of such Shareholder’s Class A Shares and, as applicable, Class B Shares pursuant to the terms of the Amended Articles;

“**Registrar**” means the Registrar of Corporations appointed under section 263 of the ABCA;

“**Resident**” means a Person who is not a Non-Resident;

“**Schedule of Unit Rights**” means the schedule of unit rights to the Declaration of Trust, as amended from time to time, a copy of which is attached hereto as Appendix E;

“**Shareholder**” means a holder of Shares;

“**Shares**” means all or any of the Class A Shares, Class B Shares and/or Common Shares, as the context requires;

“**subsidiary**” includes, with respect to any person, any other person controlled, directly or indirectly, by such Person;

“**Tax Act**” means the *Income Tax Act*, R.S.C. 1985, c. 1. (5th Supp), and the *Income Tax Regulations* applicable with respect thereto, as amended;

“**Trust**” means Westpoint Investment Trust;

“**Trust Units**” means the trust units of the Trust authorized for issuance by the Trust pursuant to the Declaration of Trust;

“**Trustee**” means a duly elected trustee of the Trust;

“**Unitholder**” means a holder of Trust Units;

“**WCMC**” means Westpoint Capital Management Corporation; and

“**WCSC**” means Westpoint Capital Services Corporation.

## GENERAL PROXY AND VOTING MATTERS

### Persons Making the Solicitation

**This solicitation is made on behalf of the management of the Corporation.** The costs incurred in the preparation and mailing of the Form of Proxy, Notice of Special Meeting and this Information Circular will be borne solely by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, none of whom will be specifically remunerated therefor.

### Instructions

Those Shareholders who wish to be represented by proxy at the Meeting must deposit the applicable Form of Proxy with the Corporation, c/o Westpoint Capital Corporation, 201, 1230 - 91 Street SW, Edmonton, Alberta, T6X 0P2, Attention: Chief Operations Officer, or via email in PDF at [coo@westpointcapital.ca](mailto:coo@westpointcapital.ca), subject line: PROXY, prior to 11:59 p.m. (Edmonton time) on Wednesday, July 8, 2015, or with the chairman of the Meeting on the day of the Meeting, prior to commencement of the Meeting, in order to ensure your representation at the Meeting (or, in the event that the Meeting is adjourned or postponed, then not less than 24 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time the adjourned or postponed meeting is convened). A Form of Proxy must be executed by the Shareholder or his or her attorney authorized in writing, or, if the Shareholder is a corporation, its corporate seal or affidavit verifying corporate signing authority must be affixed and the Proxy must be executed by an officer or attorney thereof duly authorized in writing. A Proxy is valid only at the Meeting in respect of which it is given or any adjournment of that meeting.

### Appointment of Proxies

Mr. Munir Virani and Ms. Marnie Kiel (the designees named in the accompanying Form of Proxy) are, respectively, the Chief Executive Officer and Chief Operations Officer of the Corporation and Trustees of the Trust. **Each Shareholder submitting a Proxy has the right to appoint a person other than Mr. Munir Virani or Ms. Marnie Kiel to represent him, her or it at the Meeting, and such person does not need to be a Shareholder. The Shareholder may exercise this right by striking out the names of Mr. Munir Virani and Ms. Marnie Kiel in the accompanying Form of Proxy and inserting the name of their desired representative in the blank space provided, or by completing another acceptable form of proxy and in either case depositing the Proxy at the place and within the time specified above for the deposit of Proxies.**

### Revocation of Proxies

A Proxy may be revoked by an instrument in writing executed by the Shareholder or his or her attorney authorized in writing, or if the Shareholder is a corporation, its corporate seal or affidavit verifying corporate signing authority must be affixed and the instrument in writing must be executed by an officer or attorney thereof duly authorized in writing, and deposited either at the place for the delivery of Proxies, at any time up to and including 4:00 p.m. (Edmonton time) on the last Business Day preceding the day of the Meeting, or any adjournment thereof, at which the Proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment thereof, prior to commencement of the Meeting, and upon the occurrence of either of such events, the Proxy is revoked. If a person who has given a Proxy attends personally at the Meeting at which such Proxy is to be voted, such person may revoke the Proxy and vote in person. A Proxy may also be revoked by the Person giving it in any other manner permitted by law.

### Voting of Proxies

**The Shares represented by the enclosed Form of Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder. The persons appointed under the enclosed Form of Proxy are conferred with discretionary authority to act in accordance with their best judgment with respect to amendments or variations of those matters specified in the Form of Proxy and Notice of Meeting and with**

respect to any other matters which may properly be brought before the Meeting or any adjournments thereof. At the time of printing this Information Circular, neither the Directors nor the management of the Corporation knew of any such amendment, variation or other matter.

**UNLESS OTHERWISE SPECIFIED, PROXIES WILL BE VOTED IN FAVOUR OF THE ARRANGEMENT RESOLUTION.**

### **Voting Rights**

Only the Common Shares carry the right to receive notice of and to vote at any meeting of Shareholders; however, pursuant to section 176(1) of the ABCA, the holders of Class A Shares are entitled to vote, separately as a class, to approve the Arrangement Resolution.

As the outstanding Class B Shares were issued solely as a means of providing an increased dividend entitlement to holders of Class A Shares, and given that Class B Shares are non-voting and that any holder of Class B Shares is entitled to vote on the Arrangement Resolution in its capacity as a holder of Class A Shares, the Board of Directors has determined that only those Shareholders holding Class A Shares and/or Common Shares are entitled to receive notice of and vote at the Meeting.

### **Voting of Shares**

Only persons who were registered as holders of Class A Shares or Common Shares as of the close of business on the Record Date are entitled to receive notice of the Meeting. The Corporation will prepare a list of the registered holders of Shares (the “**Register of Shareholders**”) as of the close of business on the Record Date. At the Meeting, holders of Class A Shares and Common Shares named in the Register of Shareholders will be entitled to vote the Shares set out opposite the holder's name on the list, except to the extent that the Shareholder has transferred any of his, her or its Shares after the Record Date and the transferee of those Shares produces properly endorsed share certificates or otherwise establishes ownership of such Shares and demands, at least 10 days before the Meeting, that the transferee's name be included on the Register of Shareholders, in which case the transferee will be entitled to vote such Shares at the Meeting. **For greater certainty, notwithstanding anything to the contrary contained in the Amended Articles, a Shareholder who has tendered a Redemption Notice prior to the Meeting Date shall be entitled to vote the Shares tendered for redemption pursuant to such Redemption Notice to the extent that such Shares have not been redeemed by the Corporation as of the Meeting Date.**

### **Non-registered Shareholders**

Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as “**Non-registered Shareholders**”), and who instead hold their Shares within a tax free savings account, registered retirement savings plan, registered education savings plan, registered retirement income fund or other registered plan permitted under the Tax Act, will be permitted to vote their Shares at the Meeting in the same manner as a registered holder of Shares as each of Canadian Western Trust Company and Olympia Trust Company, the trust companies holding Shares in trust for Non-registered Shareholders, have agreed to sign blanket proxies that authorize each Non-registered Shareholder to vote the Shares beneficially owned by each such Non-registered Shareholder as proxy for the applicable registered holder (the “**Blanket Proxies**”).

### **Procedure and Votes Required**

The Interim Order provides that each registered holder of Shares as of the close of business on the Record Date will be entitled to receive notice of, to attend and to vote at the Meeting.

Pursuant to the Interim Order:

- (a) each Class A Share and Common Share will be entitled to one vote at the Meeting;

- (b) to be effective, the Arrangement Resolution must be approved by not less than 66 2/3% of the votes cast by Shareholders, represented in person or represented by proxy, at the Meeting and the PMIC Arrangement Resolution must be approved by not less than 66 2/3% of the votes cast by PMIC Shareholders, represented in person or represented by proxy, at the PMIC Meeting; and
- (c) the quorum required for the Meeting shall consist of any one or more holders of Shares either present in person or represented by Proxy and representing in the aggregate not less than a majority of the votes attached to the outstanding Shares entitled to vote at the Meeting. If a quorum is not present at the Meeting within 30 minutes after the time fixed for the holding of the Meeting, such Meeting shall stand adjourned to such day being not less than 14 days later and to such place and time as may be appointed by the chairman of the Meeting. If at such adjourned meeting a quorum as described above is not present, the Shareholders present either personally or represented by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the Meeting in accordance with the notice calling the same.

Each registered holder of Class A Shares and Common Shares and, pursuant to the Blanket Proxies, each beneficial holder of such Shares as of the close of business on the Record Date will be entitled to receive notice of, to attend and to vote at the Meeting.

### Shares and Principal Holders

As at the Record Date, there were 25,276,333 Class A Shares, 8,724,014,202 Class B Shares and 100 Common Shares issued and outstanding.

Except as set forth below, to the knowledge of the Directors and senior officers of the Corporation, as at the Record Date, no person beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation.

Name	Type of Ownership	Number of Common Shares	Percentage of Common Shares
Munir Virani	Of record	25	25
Marnie Lee Kiel	Of record	25	25
Matthew Edwin Oberle	Of record	25	25
Miguel Angel Schraeder	Of record	25	25

\*Munir Virani, Marnie Lee Kiel, Matthew Edwin Oberle and Miguel Angel Schraeder are each currently either Directors and/or senior officers of the Corporation.

## SUMMARY INFORMATION

*The following is a summary of certain information contained elsewhere in this Information Circular, including the Appendices hereto, and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Information Circular or in the Appendices hereto. Capitalized terms not otherwise defined herein are defined in the "Glossary of Terms" to this Information Circular.*

### The Meeting

The Meeting will be held at the Sandman Signature, 10111 Ellerslie Road SW, Edmonton, Alberta, T6X 0J3 on Thursday, July 9, 2015 at 7:00 p.m. (Edmonton time), for the purposes set forth in the accompanying Notice of Meeting. At the Meeting, Shareholders will be asked to consider, and if thought advisable, pass the Arrangement Resolution as part of the special matters to be considered.

### The Arrangement

On June 4, 2015, the Boards of Directors approved the entering into of the Arrangement Agreement among the Corporation, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and the Trust, the implementation of the Plan of Arrangement and the submission of the Arrangement Resolution to the Shareholders for a vote at the Meeting.

If approved, the Arrangement will result in the reorganization of the Corporation's and PMIC's separate corporate structures into a single unit trust structure and Preferred Shareholders will sell their Class A Shares and, as applicable, their Class B Shares to the Trust in exchange for Trust Units. Specifically, pursuant to the Arrangement:

- (a) Preferred Shareholders will receive Class A Units and Class B Units of the Trust as consideration for the sale of their Class A Shares and, as applicable, Class B Shares, calculated on the basis of (i) 0.80 Class A Units and (ii) 0.2 Class B Units being issued to a Shareholder for each Class A Share sold;
- (b) PMIC Preferred Shareholders will sell their Class A PMIC Shares to the Trust in exchange for Class A Units of the Trust on a 1:1 basis.

As a result of the net asset value adjustment that took place in the Corporation on March 31, 2014, Class A Shares of the Corporation and Class A PMIC Shares are now valued at \$0.80 and \$1.00, respectively; however, holders of Preferred Shares of the Corporation will also be issued 0.20 Class B Units as partial consideration for the Preferred Share sold in order to preserve their rights and entitlements to future gains resulting from the recovery efforts being undertaken by management in respect of certain legacy assets of the Corporation. PMIC has not undergone such a net asset value adjustment so the Class A PMIC Shares are still currently valued at \$1.00 per share; accordingly, holders of Class A PMIC Shares will not be entitled to receive any Class B Units and will not be entitled to participate in any recoveries related to the Corporation's legacy assets should such recoveries exceed the current book value of the Corporation's assets (as further contemplated in the Schedule of Unit Rights).

In addition, pursuant to the Arrangement:

- (a) Common Shareholders will sell the 100 issued and outstanding Common Shares to WCC, on a taxable basis, for a purchase price of \$1.00 per share, resulting in an aggregate purchase price of \$100.00 being paid to the Common Shareholders; and
- (b) PMIC Shareholders will sell the 100 issued and outstanding Class B PMIC Shares to WCC, on a taxable basis, for a purchase price of \$1.00 per share, resulting in an aggregate purchase price of \$100.00 being paid to the PMIC Shareholders.

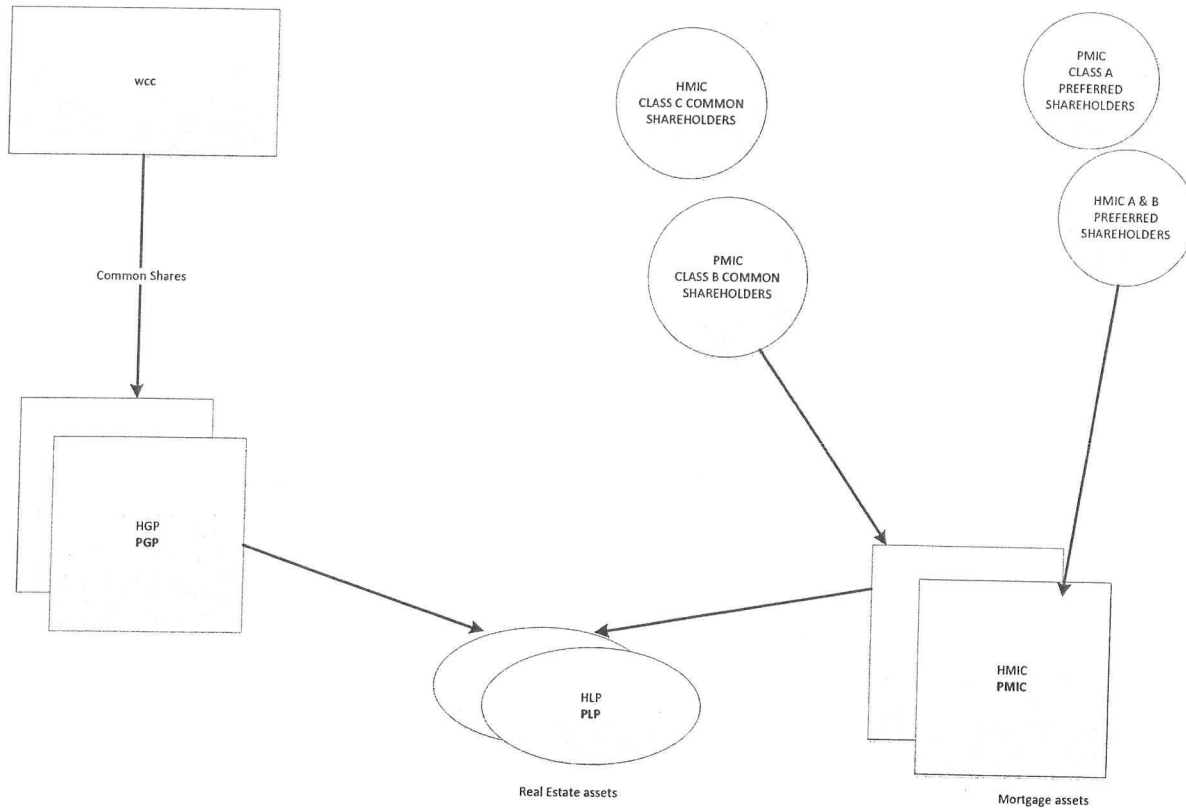
The rights and entitlements attached to the Class A Units and Class B Units are set forth in the Schedule of Unit Rights attached to this Information Circular as Appendix E.

The Arrangement will result in the consolidation of the assets of the Corporation and PMIC into a single unit trust. Upon completion of the Arrangement, the Trust will own, directly or indirectly, the same assets that the Corporation and PMIC collectively owned immediately prior to the effective time of the Arrangement and the Trust will, directly or indirectly, assume all of the obligations of the Corporation and PMIC, which will be amalgamated and wound up, respectively. The Arrangement will not result in any payment being made to any director, officer or employee of the Corporation or PMIC or to any trustee, officer or employee of the Trust, regarding change of control, termination or otherwise.

The Arrangement Resolution must be approved by not less than 66 2/3% of the votes cast by Shareholders voting in person or by proxy at the Meeting. The Arrangement is also subject to the PMIC Arrangement Resolution being approved by not less than 66 2/3% of the votes cast by PMIC Shareholders voting in person or by proxy at the PMIC Meeting, the satisfaction or waiver of certain conditions set out in the Arrangement Agreement, the approval of the Court and receipt of all necessary regulatory and third party approvals. Subject to satisfaction of the foregoing conditions, it is anticipated that closing of the Arrangement will occur on or about July 14, 2015, with certain transactions taking place with a retroactive effective date of July 1, 2015.

### Pre-Arrangement Structure

The current organizational structure of the Corporation and PMIC is represented by the diagram below:

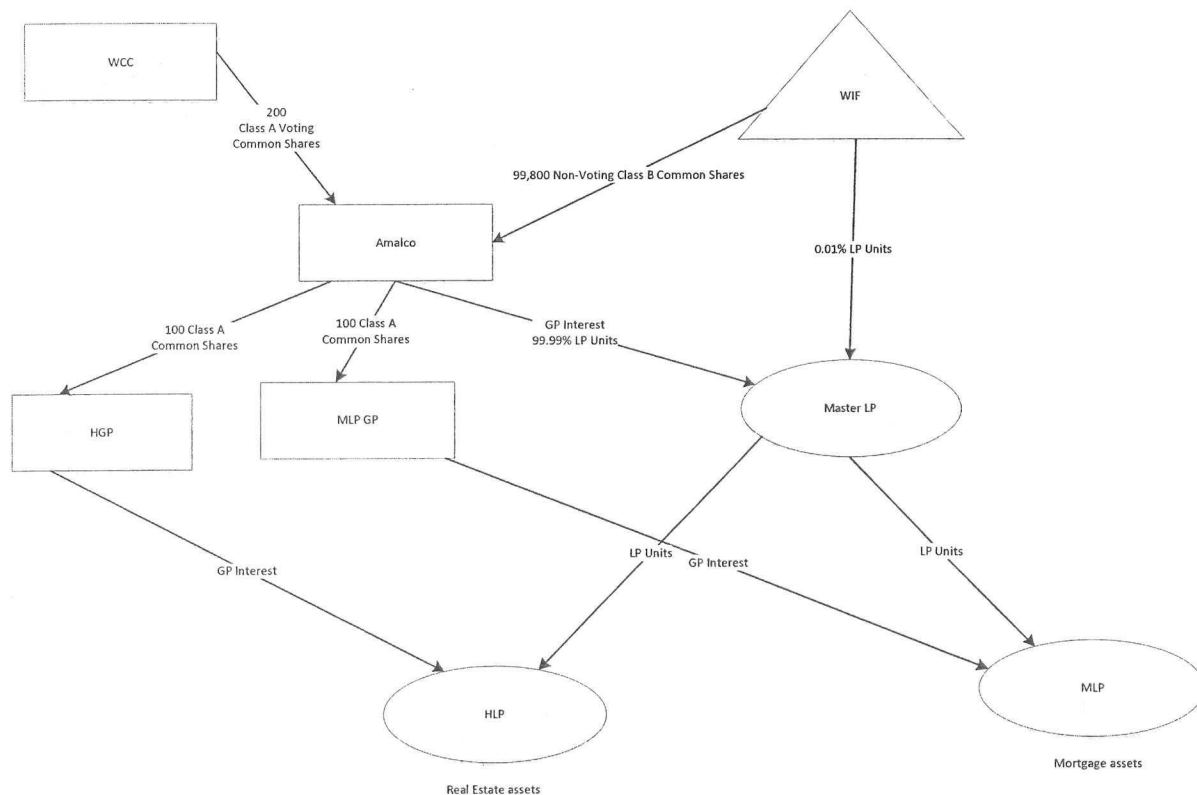


### Post-Arrangement Structure

Following completion of the Arrangement, the former Shareholders and former PMIC Shareholders will, collectively, hold all of the Class A Units and Class B Units of the Trust. The following diagram illustrates the organizational structure of Trust following the completion of the Arrangement and following the subsequent amalgamation of the Corporation and WCMC pursuant to the Amalgamation Agreement. The timing for completion



of each of the transactions in the Arrangement is as set forth in the Plan of Arrangement, with certain transactions taking place with a retroactive effective date of July 1, 2015.



### Effect on Distributions

On June 30, 2015, any dividends payable to the Shareholders will be accrued (collectively, the “**Accrued Dividends**”) and, subject to the approval of the Arrangement, such Accrued Dividends will be paid on or about July 17, 2015 as follows:

- to Shareholders enrolled in the Dividend Reinvestment Plan, by the issuance of, as applicable, additional Class A Units and Class B Units. As of the date of this Information Circular, it is estimated that approximately 489,136 Class A Units and 122,284 Class B Units will be issued to Shareholders to satisfy the Accrued Dividends; and
- to those Shareholders who are not enrolled in the Dividend Reinvestment Plan, in cash.

After the Arrangement has been completed, it is expected that monthly distributions of distributable cash, if any, will be made to Class A Unitholders. The Trustees currently anticipate annual distributions on the Class A Units equal to 7.5% of their Per Unit Value, commencing with an initial distribution payment date in August 2015 in respect of Distributable Cash Flow (as defined in the Schedule of Unit Rights) for the month of July 2015; however, any decision to declare and pay distributions on the Trust Units will be made in the sole and absolute discretion of the Trustees, upon consideration of the Trust’s (and its subsidiaries’) cash flows and reserves which the Trustees may consider to be necessary or desirable with respect to future operating, financing and investment activities of the Trust and any subsidiary thereof.

If the Arrangement is not approved by Shareholders at the Meeting, the Directors will assess matters at that time to determine the Corporation’s course of action regarding any future dividends on the Shares, including without limitation, the timing of payment of dividends in respect of the months of June and July 2015.

## Anticipated Benefits of the Arrangement

Management of the Corporation believes that the proposed unit trust structure is the preferred alternative for the Corporation. Given current market conditions that are diminishing yields of privately-traded mortgage investment corporations, management of the Corporation believe that the best opportunity for creating value is to move to a unit trust structure, which permits a broader investment mandate, and focus on a growth and diversification strategy that increases overall investor returns and earnings per Trust Unit. Management of the Corporation believes that the Arrangement provides a number of compelling and strategic benefits, including, among other things, the expectation that the Arrangement will:

- provide for greater efficiency in the operation, management, and governance of the business by consolidation of the two mortgage investment corporations into a single trust, thereby eliminating certain structural complexities and redundancies;
- reduce a range of operating expenses;
- reduce accounting complexity and costs;
- eliminate investment restrictions associated with the current MIC structure thereby allowing the Trust to expand its investment mandate to include other lending products and direct real estate investment;
- create competitive advantages for the Trust over other lending companies by offering a mortgage/real estate hybrid products to our borrowers not widely available in the market;
- reduce enforcement risk in respect of the mortgage/real estate hybrid products by reducing the necessity of foreclosure through transfer of control of ownership of the underlying real estate in the event of default by borrowers;
- introduce greater portfolio diversity through future development of additional lending products and acquisition of real estate and real estate products directly by the Trust;
- allow for greater capitalization of synergies between mortgage investment and direct property investment;
- benefit investors, especially those who hold their investments in registered retirement income funds, by producing more reliable cash flow;
- remove certain restrictions for qualification of deferred tax planning for investors relying on tax deferred investment plans; and
- establish a more viable compensation model for Westpoint Capital Corporation and Westpoint Capital Services Corporation by moving from a residual income basis to a fixed cost plus profit share basis which is both more sustainable and more equitable in both positive and negative economic climates.

## Effect of the Arrangement

### *General*

Upon completion of the Arrangement, the Trust will own all of the assets, and will have assumed all of the liabilities, of the Corporation and PMIC and certain directors and officers of the Corporation and PMIC will become the board of Trustees of the Trust. No "change of control" or other payments will be made to any director or officer of the Corporation or PMIC or any Trustee or officer of the Trust as a result of the Arrangement.

### *Effect on Shareholders*

Pursuant to the Arrangement:

- Preferred Shareholders will sell their Preferred Shares to the Trust and receive Class A Units and Class B Units as consideration therefor, calculated on the basis of 0.80 Class A Units and 0.20 Class B Units for each Class A Share sold;
- PMIC Preferred Shareholders will sell their Class A PMIC Shares to the Trust and receive, for each Class A PMIC Share sold, 1 Class A Unit; and
- Common Shareholders and holders of Class B PMIC Shares will sell their common shares to WCC, on a taxable basis, for a purchase price of \$1.00 per share, resulting in aggregate consideration payable to the Common Shareholders and holders of Class B PMIC Shares of \$200.00.

The rights and entitlements attached to the Class A Units and Class B Units are set forth in the Schedule of Unit Rights attached to this Information Circular as Appendix E.

### **Approval and Recommendation of the Directors**

The Board of Directors has unanimously approved the conversion of the Corporation and PMIC to a single unit trust structure and the Arrangement as it relates thereto. **The Board of Directors unanimously recommends that Shareholders vote FOR the Arrangement Resolution.**

In formulating its recommendation, the Directors considered a number of factors in addition to those described elsewhere in this Information Circular. The Directors did not assign any relative or specific weight to the factors that were considered, and individual Directors may have given different weight to each factor. There are risks associated with the Arrangement, including that some of the potential benefits set forth in this Information Circular may not be realized or that there may be significant costs associated with realizing such benefits.

As at the Record Date, the Directors and executive officers of the Corporation beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 100 Common Shares, representing 100% of the outstanding Common Shares. **Each of the Directors and executive officers of the Corporation have indicated that they intend to vote all of their Common Shares in favour of the Arrangement Resolution.**

### **Approvals**

#### ***Shareholder Approval***

For the Arrangement to proceed, pursuant to the Interim Order (i) the requisite approval of the Arrangement Resolution shall be not less than 66 2/3% of the votes cast by Shareholders in person or represented by Proxy at the Meeting, each voting separately as a class, and (ii) the requisite approval of the PMIC Arrangement Resolution shall be not less than 66 2/3% of the votes cast by PMIC Shareholders in person or represented by proxy at the PMIC Meeting, each voting separately as a class. In addition, **unless otherwise directed by Shareholders appointing them proxy, the persons named in the enclosed Form of Proxy intend to vote the Shares represented thereby FOR the Arrangement Resolution.**

Notwithstanding the foregoing, the Arrangement Resolution proposed for consideration by the Shareholders authorizes and empowers any Director or officer of the Corporation, without further notice to or approval of the Shareholders, subject to the terms of the Arrangement, to amend, modify, supplement or terminate the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement and, subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions and to revoke the Arrangement Resolution at any time prior to the filing of the Articles of Arrangement giving effect to the Arrangement, notwithstanding that the Arrangement Resolutions have been duly passed by the Shareholders or that

the Arrangement has received the approval of the Court. The full text of the Arrangement Resolution is attached as Appendix B to this Information Circular.

### *Court Approvals*

#### *Interim Order*

On June 12, 2015, the Court granted the Interim Order facilitating the calling and holding of the Meeting and prescribing the conduct of the Meeting and other matters. The Interim Order is attached as Appendix C to this Information Circular.

#### *Final Order*

The ABCA provides that an arrangement requires Court approval. Subject to the terms of the Arrangement Agreement, and provided the Arrangement Resolution is first approved by Shareholders at the Meeting in the manner required by the Interim Order, the Corporation, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and the Trust will make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is scheduled for Tuesday, July 14, 2015 at 10:00 a.m. (Edmonton time), or as soon thereafter as counsel may be heard. Any Shareholder or any other interested party desiring to appear at the hearing may do so provided that such party files with the Court and serves upon the Corporation a Notice of Intent to Appear, setting out an address for service in the Province of Alberta, together with any evidence or materials which such party intends to present to the Court on or before 12:00 p.m. (noon) (Edmonton time) on July 10, 2015. Service of such notice shall be effected by service upon the solicitors for the Corporation: Bryan & Company LLP, 2600 Manulife Place, 10180 - 101 Street, Edmonton, Alberta, T5J 3Y2, Attention: Jennifer R. Young.

The Corporation has been advised by its counsel, Bryan & Company LLP, that the Court has broad discretion under the ABCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, the Corporation may determine not to proceed with the Arrangement.

### *Other Regulatory Approvals*

In addition to the approval of Shareholders and the Court, it is a condition precedent to the implementation of the Arrangement that all requisite regulatory consents, approvals and authorizations, if any, be obtained.

### *Third Party Approvals*

The Arrangement is also conditional upon the receipt of all necessary material third party consents, approvals and authorizations.

### **Timing of Completion of the Arrangement**

If the Meeting is held as scheduled and is not adjourned and the other necessary conditions are satisfied or waived, the Corporation, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and the Trust will apply for the Final Order approving the Arrangement on July 14, 2015. If the Final Order is obtained on such date, in form and substance satisfactory to each of the parties and all other conditions set forth in the Arrangement Agreement are satisfied or waived, the Corporation expects that the Effective Date will occur on or about July 14, 2015, with certain of the transactions contemplated by the Plan of Arrangement having retroactive effective times on July 1, 2015. The Effective Date could be delayed, however, for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order.

The provisions of the Arrangement that are intended to become effective on the Effective Date pursuant to the Plan, and those transactions that are intended to become retroactively effective as of July 1, 2015, will, respectively, become effective upon the filing with the Registrar of the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Registrar.

### Procedure for Exchange of Securities

Upon the Arrangement becoming effective, certificates representing the Common Shares and Preferred Shares will be cancelled and new unit certificates representing the Class A Units and Class B Units issued pursuant to the Arrangement will be issued and maintained by the Manager. If a registered Unitholder wishes to receive a physical certificate in their name representing the Trust Units held by them upon completion of the Arrangement, a written request can be sent to the Trust, by registered mail, courier or in person, c/o Westpoint Capital Corporation, 201, 1230 - 91 Street SW, Edmonton, Alberta, T6X 0P2, Attention: Chief Operations Officer, requesting the certificates representing such holder's Trust Units.

### Certain Canadian Federal Income Tax Considerations

A Preferred Shareholder that is a Resident and that disposes of his, her or its Shares to the Trust in exchange for Trust Units pursuant to the Arrangement may realize a capital loss on the disposition of his, her or its Preferred Shares to the extent that the fair market value of the Trust Units received as consideration is less than the adjusted cost base to the Shareholder of the Preferred Shares sold. A Preferred Shareholder that is a Resident and that disposes of his, her or its Shares to the Trust in exchange for Trust Units pursuant to the Arrangement may realize a capital gain on the disposition of his, her or its Preferred Shares to the extent that the fair market value of the Trust Units received as consideration is in excess of the adjusted cost base to the Shareholder of the Preferred Shares sold. The adjusted cost base to a Unitholder of a Trust Unit acquired pursuant to the Arrangement will include the fair market value of the Trust Unit received as payment for the Preferred Shares.

A Non-Resident Shareholder that disposes of Shares in exchange for Trust Units generally will not be subject to Canadian federal income taxation provided such Shares do not constitute "taxable Canadian property" to such Shareholder for purposes of the Tax Act.

The foregoing summary is of a general nature only and is qualified in its entirety by the summary of the principal Canadian federal income tax considerations contained in this Information Circular. See "*Certain Canadian Federal Income Tax Considerations*". **All Shareholders should consult their own tax or other professional advisors, legal counsel or accountants regarding the tax consequences of the Arrangement.**

### Other Tax Considerations

This Information Circular does not address any tax considerations of the Arrangement other than certain Canadian federal income tax considerations. Shareholders who are resident in jurisdictions other than Canada should consult their own tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions and with respect to tax implications in such jurisdictions of owning Trust Units after the Arrangement. Shareholders should also consult their own tax advisors regarding Canadian federal, provincial or territorial tax considerations of the Arrangement or of holding Trust Units.

### Risk Factors

Risk factors relating to the business of the Corporation, PMIC and their respective subsidiaries and the industries within which they operate will generally continue to apply to the Trust and its subsidiaries after the Effective Date and will not be affected by the Arrangement. **If the Arrangement is completed, the business and operations of, and an investment in, the Trust will be subject to the various risk factors set forth under the headings entitled "*Risk Factors*".** Potential Unitholders should consider carefully the information contained herein.

Shareholders are encouraged to obtain independent legal, tax, financial and investment advice in their jurisdiction of residence with respect to this Information Circular, the consequences of the Arrangement and the holding of Trust Units.

## THE ARRANGEMENT

### The Meetings

The Meeting will be held at the Sandman Signature, 10111 Ellerslie Road, Edmonton, Alberta, T6X 0J3 at 7:00 p.m. (Edmonton time), on Thursday, July 9, 2015, for the purposes set forth in the accompanying Notice of Meeting. At the Meeting, Shareholders will be asked to consider, and if thought advisable, approve the Arrangement Resolution.

The PMIC Meeting will also be held at the Sandman Signature, 10111 Ellerslie Road, Edmonton, Alberta, T6X 0J3 at 7:00 p.m. (Edmonton time), on Thursday, July 9, 2015, for the purpose of considering, and if thought advisable, approving the PMIC Arrangement Resolution.

### Background to, and Anticipated Benefits of, the Arrangement

Since inception, the Corporation's principal business objective has been to provide its Shareholders with sustainable and consistent income while preserving capital for distribution or re-investment. Given current market conditions that are diminishing yields of privately-traded mortgage investment corporations, management of the Corporation believes that the best opportunity for creating value for its investors is to move to a single unit trust structure, which permits a broader investment mandate, and a focus on a growth and diversification strategy that increases overall investor returns and earnings per Trust Unit. Management believes that the Arrangement provides a number of compelling and strategic benefits, including, among other things, the expectation that the Arrangement will:

- provide for greater efficiency in the operation, management, and governance of the business by consolidation of the two mortgage investment corporations into a single trust, thereby eliminating certain structural complexities and redundancies;
- reduce a range of operating expenses;
- reduce accounting complexity and costs;
- eliminate investment restrictions associated with the current MIC structure thereby allowing the Trust to expand its investment mandate to include other lending products and direct real estate investment;
- create competitive advantages for the Trust over other lending companies by offering a mortgage/real estate hybrid products to our borrowers not widely available in the market
- reduce enforcement risk in respect of the mortgage/real estate hybrid products by reducing the necessity of foreclosure through transfer of control of ownership of the underlying real estate in the event of default by borrowers;
- introduce greater portfolio diversity through future development of additional lending products and acquisition of real estate and real estate products directly by the Trust;
- allow for greater capitalization of synergies between mortgage investment and direct property investment;
- benefit investors, especially those who hold their investments in registered retirement income funds, by producing more reliable cash flow;
- remove certain restrictions for qualification of deferred tax planning for investors relying on tax deferred investment plans; and
- establish a more viable compensation model for Westpoint Capital Corporation and Westpoint Capital Services Corporation by moving from a residual income basis to a fixed cost plus profit share basis which is both more sustainable and more equitable in both positive and negative economic climates.

Management believes that the Arrangement will implement certain critical changes which will enable the Trust, on a go forward basis, to remain competitive in the marketplace and to continue paying consistent returns to its investors. Accordingly, effective June 4, 2015, the Arrangement Agreement was entered into by the Corporation, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and the Trust.

### **Approval and Recommendation of the Board of Directors**

The Board of Directors has unanimously approved the conversion of the Corporation, together with PMIC, from separate corporate structures to a single unit trust structure and the Arrangement as it relates thereto.

The Board of Directors, based on their own investigations and on the advice of external legal counsel and tax advisors, has unanimously determined that the Arrangement is fair to Shareholders and in the best interests of the Corporation and its Shareholders. **The Board of Directors hereby unanimously recommend that Shareholders vote FOR the Arrangement Resolutions.**

In formulating its recommendation, the Directors considered a number of factors in addition to those described elsewhere in this Information Circular, including, but not limited to, the following:

- the purpose and anticipated benefits of the conversion to a unit trust described elsewhere in this Information Circular;
- a review of the Corporation's strategic objectives and business plan and the optimal structure to maximize Shareholder value;
- the market pressures on mortgage investment corporations which has resulted in uncertainty surrounding gains on completion-based real estate projects;
- the fact that the sale of Shares, and the receipt of Trust Units as consideration therefor pursuant to the Plan of Arrangement is anticipated to have nominal income tax consequences for Shareholders;
- the fact that the Shareholders will have the opportunity to consider the Arrangement and that the Arrangement must receive the appropriate approval from Shareholders and the Court; and
- the advice of external legal and tax counsel.

The foregoing discussion of the information and factors considered and evaluated by the Directors is not intended to be exhaustive. In reaching the determination to approve and recommend the Arrangement Resolutions, the Directors did not assign any relative or specific weight to the factors that were considered, and individual Directors may have given different weight to each factor. There are risks associated with the Arrangement, including that some of the potential benefits set forth in this Information Circular may not be realized or that there may be significant costs associated with realizing such benefits.

**Unless otherwise directed by Shareholders appointing them proxyholders, the persons named in the enclosed Form of Proxy intend to vote the Shares represented thereby FOR the Arrangement Resolution. As at the Record Date, the Directors and executive officers of the Corporation beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 100 Common Shares, representing 100% of the outstanding Common Shares. Each of the Directors and executive officers of the Corporation have indicated that they intend to vote all of their Common Shares in favour of the Arrangement Resolution.**

### **Dissent Rights**

Section 191 of the ABCA provides all shareholders (including non-voting shareholders) with a statutory right to dissent from certain fundamental changes and actions of a corporation.



Pursuant to section 191 of the ABCA, Shareholders are entitled to dissent in respect of the Arrangement Resolution. A Shareholder who dissents (a “**Dissenting Shareholder**”) from the Arrangement Resolution must follow the dissent procedures which are set out in Appendix D attached hereto. The dissent procedures entitle a Dissenting Shareholder, in the event that the Arrangement Resolution is approved, all other conditions precedent satisfied and the Articles of Arrangement filed, to be paid the fair value of the Shares held by such Dissenting Shareholder determined as of the close of business on the day before the Arrangement Resolution is adopted. A summary of a Shareholder’s rights pursuant to section 191 of the ABCA are set out in Appendix D hereto.

***A SHAREHOLDER WHO WISHES TO EXERCISE THEIR RIGHT OF DISSENT SHOULD CONSULT THEIR LEGAL ADVISORS TO DISCUSS THE METHOD AND TIME LINE FOR GIVING NOTICE OF DISSENT PURSUANT TO SECTION 191 OF THE ABCA.***

### **Effect of the Arrangement**

#### ***General***

If approved, the Arrangement will result in the reorganization of the Corporation’s and PMIC’s corporate structures into a single unit trust structure and the Preferred Shareholders will sell their Class A Shares and, as applicable, Class B Shares to the Trust in exchange for Trust Units.

The Arrangement will result in the consolidation of the assets of the Corporation and PMIC into a single unit trust. Upon completion of the Arrangement, the Trust will own, directly or indirectly, the same assets that the Corporation and PMIC collectively owned immediately prior to the effective time of the Arrangement and the Trust will, directly or indirectly, assume all of the obligations of the Corporation and PMIC existing prior to the effective time of the Arrangement. The Arrangement will not result in any payment being made to any director, officer or employee of the Corporation or PMIC or to any trustee, officer or employee of the Trust, regarding change of control, termination or otherwise and the board of Trustees of the Trust will be comprised of certain directors and officers of the Corporation and PMIC.

Management has carefully considered the transactions comprising the Arrangement and has used its best efforts, in consultation with the Corporation’s legal counsel and tax advisors, to structure the Arrangement in a manner that is fair to the Shareholders and that provides the maximum number of options to Shareholders. A Shareholder will have the option of delivering a Redemption Notice to the Corporation, in the ordinary course, at any time prior to the Meeting Date, and thereafter have all or a part of the Shares subject to such Redemption Notice redeemed in the manner contemplated by the Arrangement and as more fully described herein. Shareholders will also be entitled to rights of dissent in respect of the Arrangement.

#### ***Effect of the Arrangement on Shareholders***

Pursuant to the Arrangement:

- (a) Shareholders will sell their Preferred Shares to the Trust and will receive, as consideration therefor, Class A Units and Class B Units, calculated on the basis of (i) 0.8 Class A Units and (ii) 0.2 Class B Units being issued for each Class A Share sold; and
- (b) Common Shareholders will sell their Common Shares to WCC on a taxable basis for a purchase price of \$1.00 per share.

#### ***Effect on Distributions***

On June 30, 2015, any dividends payable to the Shareholders will be accrued and, subject to the approval of the Arrangement, such Accrued Dividends will be paid on or about July 17, 2015 as follows:

- to Shareholders enrolled in the Dividend Reinvestment Plan, by the issuance of, as applicable, additional Class A Units and Class B Units; and

- to those Shareholders who are not enrolled in the Dividend Reinvestment Plan, in cash.

After the Arrangement has been completed, it is expected that any cash that is distributed to Unitholders will be by way of monthly distributions. While the Trustees currently anticipate annual distributions on the Class A Units equal to 7.5% of the Per Unit Value, commencing with an initial distribution payment date in August 2015 in respect of Distributable Cash Flow (as defined in the Schedule of Unit Rights) for the month of July 2015, any decision to declare and pay distributions on the Trust Units will be made by the Trustees, in their sole and absolute discretion, upon consideration of the Trust's (and its subsidiaries') cash flows and reserves which the Trustees may consider to be necessary or desirable with respect to future operating, financing and investment activities of the Trust and any subsidiary thereof.

If the Arrangement is not approved by Shareholders at the Meeting, the Directors will assess matters at that time to determine the Corporation's course of action regarding any future dividends on the Shares, including without limitation, the timing of payment of the regularly-scheduled dividends in respect of the months of June and July 2015

### *Effect on Redemptions*

A Shareholder will have the option, at any time prior to the Meeting Date, of delivering a Redemption Notice to the Corporation, in the ordinary course pursuant to the Amended Articles, and thereafter have all or a part of the Shares subject to such Redemption Notice (hereinafter "**Redemption Shares**") redeemed in accordance with the following:

- Subject to liquidity, Redemption Shares will be redeemed for cash in the order of priority of the applicable Redemption Notices within the Redemption Queue (as defined in the Amended Articles);
- Subject to the approval of the Arrangement, to the extent that a Shareholder has delivered a Redemption Notice prior to the Meeting Date and is not fully paid the redemption price therefor, in cash, prior to the Meeting Date, the Redemption Shares, or such portion thereof not redeemed, shall be deemed to be redeemed immediately prior to the sale of Preferred Shares by Shareholders to the Trust pursuant to the Arrangement and such Shareholder shall be issued a Redemption Note by the Trust in the principal amount of the redemption price for such Redemption Shares (as calculated in accordance with the Amended Articles);
- Redemption Notes shall have a Maturity Date no later than the 3<sup>rd</sup> anniversary of the date of issuance;
- Subject to liquidity, the Trust will make monthly payments to each holder of a Redemption Note, on account of the principal sum owing thereunder, in an amount equal to the Distributions that such Noteholder would have received in the relevant period had they not redeemed the Redemption Shares and had they instead been issued Trust Units as consideration therefor pursuant to the Arrangement (the "**Monthly Principal Payment Amount**"). The Monthly Principal Payment Amount payable to each Noteholder shall rank *pari passu* with the Monthly Principal Payment Amount payable to each other holder of a Redemption Note, regardless of date of issue, and the aggregate Monthly Principal Payment Amounts payable to all holders of Redemption Notes shall rank *pari passu* with the Distributions payable to Unitholders pursuant to the Schedule of Unit Rights in the relevant period;
- Where there is more than one Redemption Note outstanding, the Redemption Notes shall be placed in a queue, by order of priority based on the applicable Acceptance Time (as defined in the Schedule of Unit Rights) (the "**Redemption Note Queue**"). Subject to liquidity, the Trustees shall, on a monthly basis, allocate and pay an amount equal to 2% of the net asset value of the Trust (the "**Target Terminal Payment Amount**") to the holders of Redemption Notes on account of the Terminal Payments owing thereunder and based upon their order of priority within the Redemption Note Queue. In circumstances where the Trust is unable to allocate and pay the Target Terminal Payment Amount in any given month, the Trustees shall allocate and pay such lesser amount as the Trustees determine prudent in the circumstances, subject always to the order of priority within the Redemption Note Queue;

- (f) The Trust shall have the right at any time and from time to time, in addition to the amounts to be paid pursuant to paragraph (d) above to repay all or a part of the principal amount owing pursuant to a Redemption Note, without notice or penalty;
- (g) Notwithstanding any other provision herein, the Trust shall not repay any indebtedness owing pursuant to a Redemption Note if the payment of such Redemption Note would, at the relevant time, impair the ability of the Trust to carry on its business, as determined by the Trustees, acting reasonably, and taking into account all of the Trust's current or pending commitments and liabilities.

**For greater certainty, notwithstanding anything to the contrary contained in the Amended Articles, a Shareholder who has tendered a Redemption Notice prior to the date of the Meeting shall be entitled to vote the Class A Shares tendered for redemption to the extent that such Redemption Shares have not been redeemed by the Corporation as of the Meeting Date.**

#### **Treatment of Outstanding Debt**

As of April 30, 2015:

- (a) the Corporation had outstanding unsecured indebtedness to third parties in the aggregate amount of \$723,728.22;
- (b) the Corporation had outstanding indebtedness to PMIC in the amount of \$2,689.52 (the "**Inter-Company Loan**");
- (c) HMIC LP had outstanding secured indebtedness to third parties in the aggregate amount of \$1,200,000.00;
- (d) PMIC had outstanding unsecured indebtedness to third parties in the aggregate amount of \$1,077,184.92; and
- (e) PMIC LP had outstanding secured indebtedness to third parties in the amount of \$898,071.53;

(together with all other secured and unsecured obligations of the Corporation, PMIC and their respective subsidiaries existing as of the Effective Date, collectively, the "**Indebtedness**").

All secured portions of the Indebtedness are secured against real estate assets of the Corporation and PMIC and the Arrangement will therefore have no effect on the Indebtedness or the underlying security.

The Inter-Company Loan will be eliminated upon the wind-up of PMIC into the Corporation pursuant to the Arrangement and the balance of the Indebtedness will be assumed by the Trust and such Indebtedness will take priority over the Trust Notes.

To the knowledge of the management of the Corporation, no creditor of the Corporation will be prejudiced by the Arrangement and the Arrangement is conditional upon the Trust obtaining the approval of certain unsecured creditors prior to the Effective Date.

#### **Details of the Arrangement**

##### ***Arrangement Steps***

Pursuant to the Arrangement, each of the actions and events set out below shall occur and shall be deemed to occur in the following order, and at the Effective Times indicated below, without any further authorization, act or formality:

- 1. Sale of Common Shares and Class B PMIC Shares to WCC (Effective Time: July 1, 2015 at 7:00 a.m.)**

- Effective July 1, 2015 at 7:00 a.m., each Common Shareholder and holder of Class B PMIC Shares will sell their respective common shares to WCC. As consideration for such sale of shares, WCC will pay the Common Shareholders and holders of Class B PMIC Shares \$1.00 for each common share sold. The total number of issued and outstanding Common Shares and Class B PMIC Shares is 200, in aggregate, resulting in an aggregate purchase price of \$200 being paid to the Common Shareholders and holders of Class B PMIC Shares.
2. **Issuance of Redemption Notes (Effective Time: July 1, 2015 at 7:59 a.m.) and Sale of Preferred Shares and Class A PMIC Shares to the Trust (Effective Time: July 1, 2015 at 8:00 a.m.)**
- Effective July 1, 2015 at 7:59 a.m., (i) each Preferred Shareholder that has delivered a Redemption Notice in accordance with the Amended Articles and who has, as of the Meeting Date, not been fully paid the redemption price therefor, shall have all Redemption Shares redeemed and shall be issued a Redemption Note in the principal amount of the redemption price for such Redemption Shares (as calculated in accordance with the Amended Articles), and (ii) each PMIC Preferred Shareholder that has delivered a Redemption Notice in accordance with the articles of PMIC and who has, as of the Meeting Date, not been fully paid the redemption price therefor, shall have all such shares tendered for redemption redeemed and shall be issued a Redemption Note in the principal amount of the redemption price therefor. Redemption Notes will be repaid in accordance with the terms and conditions set forth in the Schedule of Unit Rights. See “*Effect on Redemptions*” above.
  - Effective July 1, 2015 at 8:00 a.m., the Preferred Shareholders will sell all of their Preferred Shares to the Trust and will receive Class A Units and Class B Units of the Trust as consideration, calculated on the basis of (i) 0.8 Class A Units and (ii) 0.2 Class B Units for each Class A Share sold. Concurrently, the holders of Class A PMIC Shares will sell all of their Class A PMIC Shares to the Trust and will receive as consideration one Class A Unit for each Class A PMIC Share sold.
3. **Transfer of Preferred Shares by the Trust to WCMC (Effective Time: July 1, 2015 at 9:00 a.m.)**
- Effective July 1, 2015 at 9:00 a.m., each Preferred Share and Class A PMIC Share owned by the Trust will be transferred, on a tax-deferred basis pursuant to subsection 85(1) of the Tax Act, to WCMC in exchange for (i) a promissory note (“**Transfer Note**”) and (ii) 99,800 fully paid and non-assessable Class B Non-Voting Common Shares of WCMC (“**WCMC Shares**”), together having a fair market value equal to the aggregate fair market value of all of the Preferred Shares and Class A PMIC Shares sold (“**Aggregate Fair Market Value**”). The Transfer Note will be for a principal amount equal to 80% of the Aggregate Fair Market Value plus the total amount of the non-capital losses carried forward in the Corporation as at its June 30, 2015 taxation year-end (the “**Cumulative Amount**”). The stated capital account maintained for the WCMC Shares will be increased by an amount equal to the Aggregate Fair Market Value less the principal amount of the Transfer Note, in accordance with subsection 28(3) of the ABCA.
4. **Transfer of Real Estate Assets and Liabilities by PMIC LP to HMIC LP (Effective Time: July 1, 2015 at 10:00 a.m.)**
- Effective July 1, 2015 at 10:00 a.m., all beneficial and equitable title and interest in the real estate assets of PMIC LP (the “**PMIC LP Assets**”) shall be transferred, assigned and conveyed (the “**PMIC LP Transfer**”) to HMIC LP on a tax-deferred basis pursuant to subsection 97(2) of the Tax Act and, in consideration therefor, all liabilities of PMIC LP relating to the PMIC LP Assets (“**PMIC LP Liabilities**”) shall be assumed (the “**PMIC LP Assumption**”) by HMIC LP. Bare legal title to the PMIC LP Assets shall remain in WCC’s wholly-owned subsidiaries and the PMIC LP Transfer and PMIC LP Assumption shall be deemed to:
    - transfer, assign and convey to HMIC LP all beneficial and equitable interest in all rights, defenses and counter-claims, of any kind whatsoever, that PMIC LP ever had, now has or may have in the future in connection with the PMIC LP Assets and PMIC LP Liabilities; and

- operate as a novation by substituting HMIC LP for PMIC LP as beneficial and equitable owner of all rights, benefits and interests in connection with the PMIC LP Assets and PMIC LP Liabilities that PMIC LP ever had, now has or may have in the future;
- On July 1, 2015 at 10:00 a.m. and as further consideration for the PMIC LP Transfer, HMIC LP will issue fully paid and non-assessable limited partnership units of HMIC LP to PMIC LP (“**HMIC LP Units**”), having a value equal to the difference between the fair market value of the PMIC LP Liabilities and the PMIC LP Assets; and
  - Following the PMIC LP Transfer, WCC (and/or its wholly-owned subsidiaries) will acknowledge its continued obligations as trustee for HMIC LP and HMIC LP will appoint WCC (and/or one or more wholly-owned subsidiaries of WCC) as bare legal trustee(s) of the PMIC LP Assets.
- 5. Transfer of PMIC Common Shares and PMIC GP Shares by WCC to WCMC (Effective Time: 11:00 a.m. on July 1, 2015)**
- Effective July 1, 2015 at 11:00 a.m., WCC will sell, transfer and assign 100 Class B PMIC Shares and 100 Class “A” Common Shares of PMIC GP to WCMC, on a taxable basis, and, as consideration therefor, WCMC shall pay to \$100.00 for the 100 Class B PMIC Shares and a further \$100.00 for the 100 Class “A” Common Shares of PMIC GP.
- 6. Subscription for Class C Trust Units by the former Common Shareholders (Effective Time: 11:15 a.m. on July 1, 2015)**
- Effective July 1, 2015 at 11:15 a.m., the individuals previously holding Common Shares (Munir Virani, Marnie Kiel, Matthew Oberle and Miguel Schraeder) will each subscribe for 1 Class C Unit for a subscription price of \$1.00 per Class C Unit.
- 7. Transfer of Class B PMIC Shares and PMIC GP Shares by WCMC to the Corporation (Effective Time: 11:30 a.m. on July 1, 2015)**
- Effective July 1, 2015 at 11:30 a.m., all of the Class A PMIC Shares then outstanding and the 100 Class “A” Common Shares of PMIC GP, each owned by WCMC, shall be sold and transferred to the Corporation, on a tax-deferred basis pursuant to subsection 85(1) of the Tax Act, in exchange for fully paid and non-assessable Common Shares (the “**Transfer Shares**”) having a fair market value equal to aggregate fair market value of the Class A PMIC Shares and the 100 Class “A” Common Shares of PMIC GP so transferred;
  - Upon the issuance of the Transfer Shares, there shall be added to the stated capital account maintained for the Common Shares, in accordance with subsection 28(3) of the ABCA, an amount equal to the aggregate fair market value of the Class A PMIC Shares and 100 Class “A” Common Shares of PMIC GP so transferred.
- 8. Wind-up of PMIC GP into the Corporation (Effective Time: July 1, 2015 at 12:00 p.m.)**
- Effective July 1, 2015 at 12:00 p.m., all assets of PMIC GP will be transferred to the Corporation pursuant to subsection 88(1) of the Tax Act, all liabilities of PMIC GP will be assumed by the Corporation and PMIC GP will be wound up and dissolved into the Corporation.
- 9. Reduction in Stated Capital of PMIC Shares (Effective Time: July 1, 2015 at 12:00 p.m.)**
- Effective July 1, 2015 at 12:00 p.m., the stated capital account maintained for the 100 Class B PMIC Shares shall be, and shall be deemed to be, reduced to \$1.00 in the aggregate, without any payment to the holders of Class B PMIC Shares. Further, the stated capital account maintained for Class A PMIC

Shares shall be, and shall be deemed to be, reduced to \$1.00 in the aggregate, without any payment to the holders of Class A PMIC Shares.

10. **Assumption of PMIC LP Remaining Liabilities by the Corporation (Effective Time: July 1, 2015 at 12:30 p.m.)**
  - Effective July 1, 2015 at 12:30 p.m., the Corporation will assume all of the remaining liabilities of PMIC LP (collectively, the “**PMIC LP Remaining Liabilities**”) and, as consideration therefor, the Corporation shall increase its general partner capital account in PMIC LP by an amount equal to the fair market value of the PMIC LP Remaining Liabilities assumed. This assumption shall be deemed to:
    - transfer, assign and convey to the Corporation all beneficial and equitable interest in all rights, defenses and counter-claims, of any kind whatsoever, that PMIC LP ever had, now has or may have in the future in connection with the PMIC LP Remaining Liabilities; and
    - operate as a novation by substituting the Corporation for PMIC LP as beneficial and equitable owner of all rights, benefits and interests in connection with the PMIC LP Remaining Liabilities that PMIC LP ever had, now has or may have in the future.
11. **Wind-up of PMIC into the Corporation (Effective Time: July 1, 2015 at 12:45 p.m.)**
  - Effective July 1, 2015 at 12:45 p.m., all assets of PMIC will be transferred to the Corporation pursuant to subsection 88(1) of the Tax Act, all liabilities of PMIC will be assumed by the Corporation and PMIC will be wound up and dissolved into the Corporation.
12. **Wind-up of PMIC LP into the Corporation (Effective Time: July 1, 2015 at 12:45 p.m.)**
  - Effective July 1, 2015 at 12:45 p.m., PMIC LP will dissolve according to the Partnership Act and all beneficial and equitable title and interest in the remaining assets of PMIC LP (the “**PMIC LP Remaining Assets**”) will be transferred, assigned and conveyed (the “**PMIC LP Remaining Transfer**”) to the Corporation on a tax-deferred basis pursuant to subsection 98(5) of the Tax Act. Bare legal title to the PMIC LP Remaining Assets shall remain in WCC and the PMIC LP Remaining Transfer shall be deemed to:
    - transfer, assign and convey to the Corporation all beneficial and equitable interest in all rights, defenses and counter-claims, of any kind whatsoever, that PMIC LP ever had, now has or may have in the future in connection with the PMIC LP Remaining Assets; and
    - operate as a novation by substituting the Corporation for PMIC LP as beneficial and equitable owner of all rights, benefits and interests in connection with the PMIC LP Remaining Assets that PMIC LP ever had, now has or may have in the future.
  - Following the PMIC LP Remaining Transfer, WCC will acknowledge its continued obligations as trustee for the Corporation and the Corporation will appoint WCC as bare legal trustee of the PMIC LP Remaining Assets.
13. **Transfer of Mortgage Assets and Liabilities from the Corporation to Mortgage LP (Effective Time: July 1, 2015 at 1:00 p.m.)**
  - Effective July 1, 2015 at 1:00 p.m., all beneficial and equitable title and interest in the mortgage assets of the Corporation (collectively, the “**Mortgage Assets**”) will be transferred, assigned and conveyed (the “**Mortgage Transfer**”) to Mortgage LP on a tax-deferred basis pursuant to subsection 97(2) of the Tax Act and, as consideration therefor, all liabilities of the Corporation in respect of the Mortgage Assets (collectively, the “**Mortgage Liabilities**”) will be assumed (the “**Mortgage Assumption**”) by

Mortgage LP. Bare legal title to the Mortgage Assets shall remain in WCC, or in any other third-party trustee in which legal title was previously vested, and the Mortgage Transfer and Mortgage Assumption shall be deemed to:

- transfer, assign and convey to Mortgage LP all beneficial and equitable interest in all rights, defenses and counter-claims, of any kind whatsoever, that the Corporation ever had, now has or may have in the future in connection with the Mortgage Assets and Mortgage Liabilities; and
  - operate as a novation by substituting Mortgage LP for the Corporation as beneficial and equitable owner of all rights, benefits and interests in connection with the Mortgage Assets and the Mortgage Liabilities that the Corporation ever had, now has or may have in the future;
- Effective July 1, 2015 at 1:00 p.m., and as further consideration for the Mortgage Transfer, Mortgage LP will issue fully paid and non-assessable limited partnership units of Mortgage LP to the Corporation (“**Mortgage LP Units**”) having a fair market value equal to the difference between the fair market value of the Mortgage Assets and the Mortgage Liabilities and the fair market value of the Mortgage LP Units will be added to the capital account of the Corporation;
- 14. Sale of Common Shares of HMIC GP by WCC to WCMC (Effective Time: July 1, 2015 at 1:30 p.m.)**
- Effective July 1, 2015 at 1:30 p.m., WCC will sell its 100 Class “A” Common Shares of HMIC GP to WCMC and, as consideration therefor, WCMC will pay to WCC a purchase price of \$1.00 per Class “A” Common Share sold for an aggregate purchase price of \$100.00.
- 15. Transfer of HMIC LP Units and Mortgage LP Units by the Corporation to Master LP (Effective Time: July 1, 2015 at 2:00 p.m.)**
- Effective July 1, 2015 at 2:00 p.m., all HMIC LP Units and Mortgage LP Units owned by the Corporation will be sold and transferred to Master LP on a tax-deferred basis pursuant to subsection 97(2) of the Tax Act and, as consideration therefor, Master LP will:
    - issue a \$1.00 credit to limited partner capital account for the Corporation;
    - issue a promissory note having a principal amount equal to 80% percent of the Cumulative Amount to the Corporation (the “**Master LP Debt**”); and
    - issue a further promissory note having a principal amount equal to 20% of the Cumulative Amount less one (\$1.00) dollar to the Corporation (the “**Subscription Debt**”).

#### ***Post-Arrangement Steps***

Subject to the receipt of the Final Order and the completion of the foregoing Arrangement steps, each of the actions and events set out below shall subsequently be implemented in the following order:

- 1. Reduction of Stated Capital of the Shares (Effective Time: 8:00 a.m. on the day following the date of the Final Order)**
  - Effective at 8:00 a.m. on the day following the date of the Final Order, the stated capital account maintained for the 33,726,260 outstanding Common Shares will be reduced to \$100.00 in the aggregate, without any payment to the Common Shareholders. Further, the stated capital account maintained for the 24,331,261 outstanding Class A Shares will be reduced to \$100.00 in the aggregate, without any payment to the holders of Class A Shares.

2. **Amalgamation of the Corporation and WCMC (Effective Time: 8:00 a.m. on the second day following the date of the Final Order)**
  - Effective at 8:00 a.m. on the second day following the date of the Final Order, the Corporation and WCMC will amalgamate (such new entity hereinafter referred to as “Amalco”) pursuant to the Amalgamation Agreement. Pursuant to the Amalgamation Agreement, on amalgamation, (i) WCC will receive 200 Class A Common Shares (voting) of Amalco, having a stated capital of \$600.00 and (ii) the Trust will receive 99,800 Class B Common Shares (non-voting) of Amalco, having a stated capital equal to the Class B Common Shares of WCMC that the Trust held immediately prior to the amalgamation;
  - Amalco will continue under the name of “Westpoint Capital Management Corporation”.
3. **Repurchase of Master LP Units from Amalco (Effective Time: 8:30 a.m. on the second day following the date of the Final Order)**
  - Effective at 8:30 a.m. on the second day following the date of the Final Order, Master LP will repurchase the Master LP Unit owned by Amalco for a purchase price of \$1.00. Amalco will use this amount and the Subscription Debt as a capital account contribution on behalf of its general partner interest in Master LP.
4. **Partial Payment of Transfer Note by Amalco (Effective Time: 9:00 a.m. on the third day following the date of the Final Order)**
  - Effective at 9:00 a.m. on the third day following the date of the Final Order, Amalco will partially repay the Transfer Note by transferring and assigning the Master LP Debt to the Trust.
5. **Subscription for Master LP Units by the Trust (Effective Time: 10:00 a.m. on the third day following the date of the Final Order)**
  - Effective at 10:00 a.m. on the third day following the date of the Final Order, the Trust will subscribe for fully paid and non-assessable Master LP Units having a fair market value equal to the Master LP Debt and the Trust will transfer the Master LP Debt to Master LP in full payment of the subscription price therefor. The Master LP Debt will be deemed not to have been cancelled, settled or extinguished by the Trust, but instead such debtor and creditor interests in the Master LP Debt will merge at law.
6. **Assumption and Payment of Accrued Dividends of the Corporation and PMIC (Effective Time: 11:00 a.m. on the third day following the date of the Final Order)**
  - Effective at 11:00 a.m. on the third day following the date of the Final Order, in contemplation of and in consideration for the assumption of the Accrued Dividend Obligation (as hereinafter defined) by the Trust, Amalco will increase the principal amount of the Transfer Note by the amount of the Accrued Dividend Obligation;
  - Subject to approval of the Arrangement, any dividends payable to Shareholders and any dividends payable to PMIC Shareholders will be accrued effective as at June 30, 2015 (collectively, the “**Accrued Dividend Obligation**”) and, at 11:30 a.m. on the third day following the date of the Final Order, the Trust will assume from, and will satisfy the Accrued Dividend Obligation of, Amalco as follows:
    - to Shareholders previously enrolled in the Dividend Reinvestment Plan or to PMIC Shareholders previously enrolled in the dividend reinvestment program of PMIC (the “**PMIC Dividend Reinvestment Plan**”), by the issuance of, as applicable, additional Class A Units and Class B Units having an aggregate Per Unit Value equal to the aggregate amount of such dividends; and



- to those Shareholders and PMIC Shareholders who were not previously enrolled in the Dividend Reinvestment Plan or the PMIC Dividend Reinvestment Plan, respectively, in cash.

In addition, following the Arrangement and the amalgamation of the Corporation and WCMC:

- the various service and administration agreements previously in effect between some or all of the Corporation, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and WCSC will be terminated or amended and restated to the extent required to reflect the various transactions undertaken pursuant to the Plan and the post-Arrangement steps outlined above. See “*Information Concerning the Parties to the Arrangement - Service Agreements*”;
- HMIC LP will change its name to “Westpoint Real Estate Limited Partnership”; and
- the certificates of limited partnership of each of HMIC LP, Master LP and Mortgage LP will be amended to reflect the various transactions undertaken pursuant to the Plan and the post-arrangement steps outlined above.

#### ***Amendments to the Plan of Arrangement***

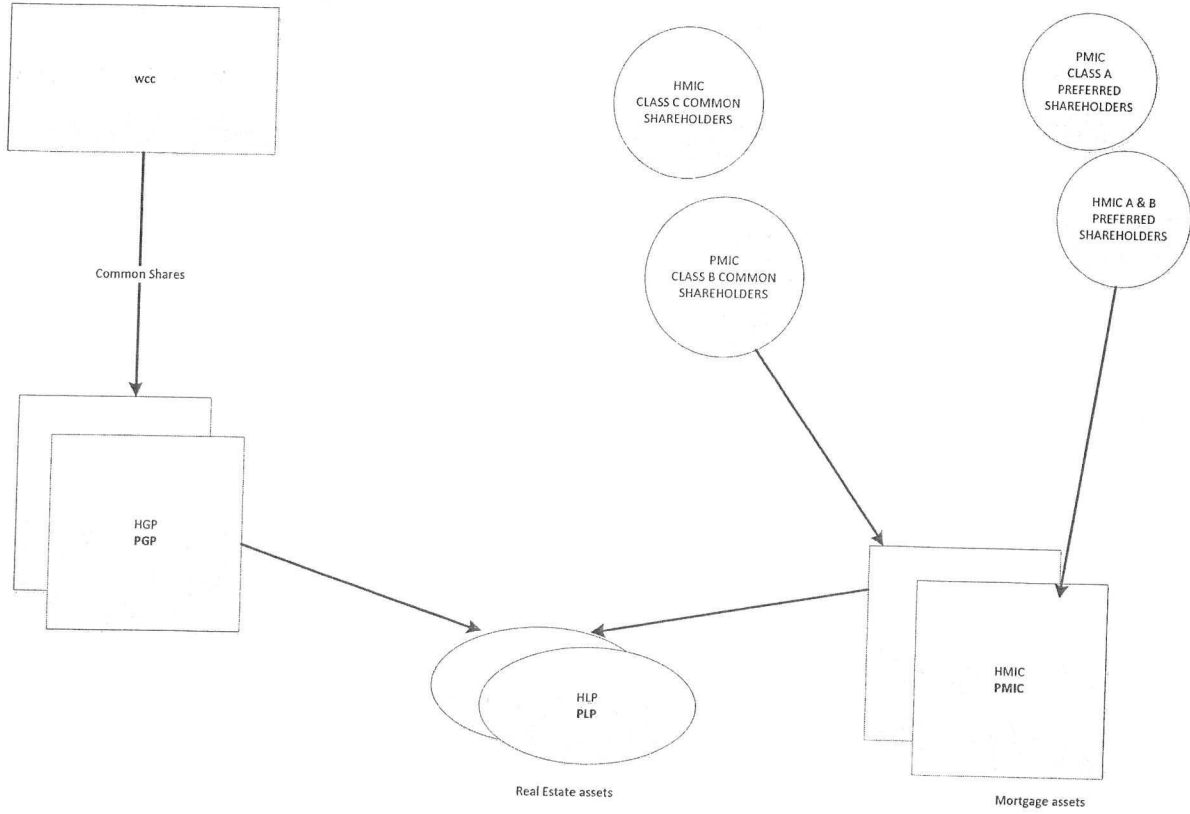
Pursuant to the Plan, the Corporation, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and the Trust reserve the right to amend, modify and/or supplement the Plan of Arrangement at any time and from time to time prior to the Effective Date provided that any such amendment, modification or supplement must be contained in a written document that is: (a) filed with the Court and, if made following the Meeting, approved by the Court; and (b) communicated to Shareholders in the manner required by the Court (if so required).

Any amendment, modification or supplement to the Plan of Arrangement may be proposed by the Corporation, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and/or the Trust at any time and from time to time prior to or at the Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of the Plan of Arrangement for all purposes.

Any amendment, modification or supplement to the Plan of Arrangement which is approved by the Court following the Meeting shall be effective only: (a) if it is consented to by the Corporation, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and the Trust; and (b) if required by the Court or applicable law, it is consented to by the Shareholders.

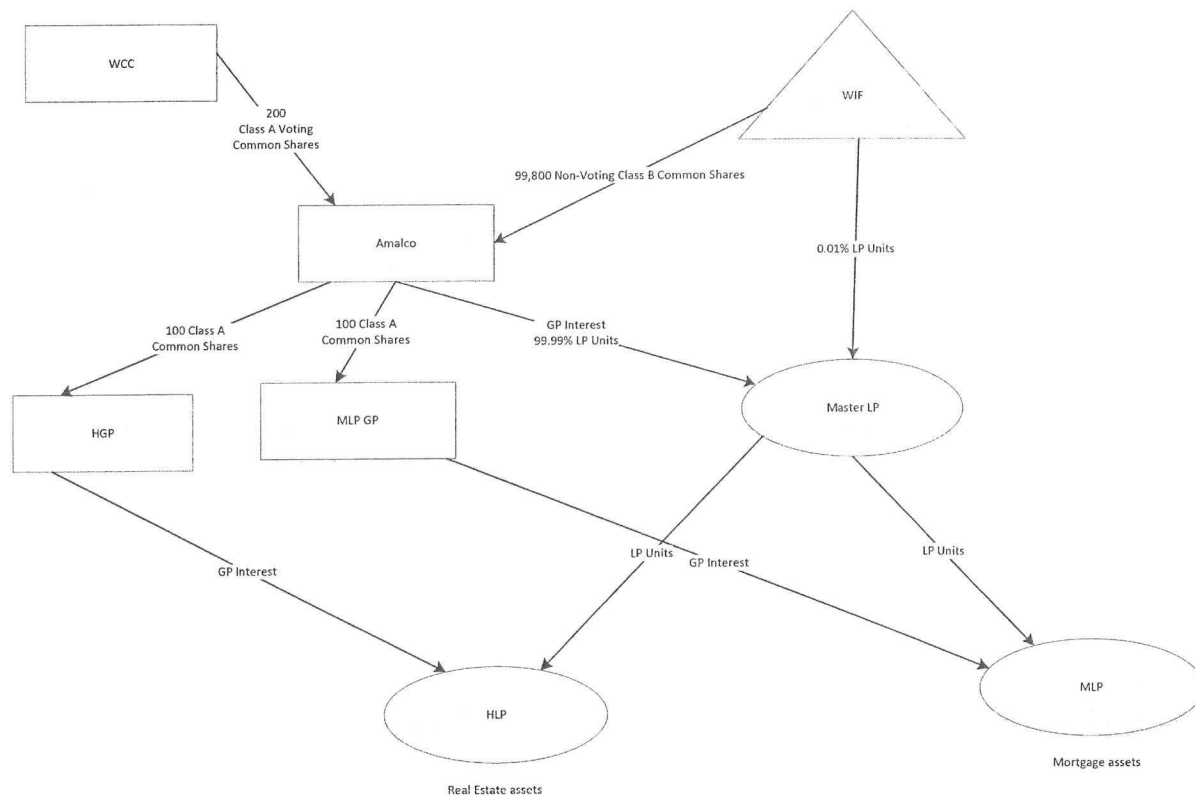
## Current Organizational Structure

The following diagram sets forth the current organizational structure of the Corporation and PMIC:



## Post-Arrangement Structure

Following completion of the Arrangement, the former Preferred Shareholders, together with the former PMIC Preferred Shareholders, will hold all of the Class A Units and Class B Units of the Trust. The following diagram illustrates the organizational structure of Trust following the completion of the Arrangement and following the subsequent amalgamation of the Corporation and WCMC pursuant to the Amalgamation Agreement. The timing for completion of each of the transactions in the Arrangement is as set forth in the Plan, with certain transactions taking place with a retroactive effective date of July 1, 2015.



## Arrangement Agreement

The Arrangement is being effected pursuant to the Arrangement Agreement. The Arrangement Agreement contains covenants, representations and warranties of and from each of the Corporation, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and the Trust and various conditions precedent, both mutual and with respect to each other party.

**The following is a summary of the material terms of the Arrangement Agreement and is subject to, and qualified by, the full text of the Arrangement Agreement which is attached as Appendix A to this Information Circular and reference is made thereto for the full text thereof. Shareholders are urged to carefully read the Arrangement Agreement in its entirety.**

### *Conditions Precedent to the Arrangement*

The respective obligations of the Corporation, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and the Trust (hereinafter, collectively, the “Parties”) to complete the transactions contemplated by the Arrangement Agreement are subject to the fulfillment or satisfaction, on or before the Effective Date of a number of conditions, any of which may be waived collectively by them without prejudice to their right to rely on any other condition. These conditions include, without limitation:

- (a) the Interim Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, not later than June 12, 2015 or such later date as such Parties may agree and shall not have been set aside or modified in a manner unacceptable to the Parties on appeal or otherwise;
- (b) pursuant to the Interim Order, the Arrangement Resolution shall have been approved at the Meeting by not less than 66 2/3% of the votes cast by Shareholders in person or represented by Proxy at the Meeting;
- (c) pursuant to the Interim Order, the PMIC Arrangement Resolution shall have been approved at the PMIC Meeting by not less than 66 2/3% of the votes cast by PMIC Shareholders in person or represented by proxy at the PMIC Meeting;
- (d) the Final Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, not later than July 17, 2015 or such later date as the Parties may agree;
- (e) the transactions contemplated by the Arrangement shall be deemed to be completed at the effective times, including, as applicable, the retroactive effective times, contemplated by the Plan of Arrangement;
- (f) the Articles of Arrangement and all necessary related documents filed with the Registrar in accordance with the Arrangement shall be in form and substance satisfactory to each of the Parties, acting reasonably, and shall have been accepted for filing by the Registrar together with the Final Order in accordance with subsection 193(10) of the ABCA;
- (g) there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order, which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, or there shall not be in force any order or decree of any such entity that:
  - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated therein; or
  - (ii) results in any judgment or assessment of material damages directly or indirectly relating to the transactions contemplated therein; and
- (h) all necessary material third party and regulatory consents, approvals and authorizations with respect to the transactions contemplated by the Arrangement Agreement shall have been completed or obtained;
- (i) each of the covenants, acts and undertakings of the Parties to be performed or complied with on or before the Effective Date pursuant to the terms of the Arrangement Agreement shall have been duly performed or complied with;
- (j) except as affected by the transactions contemplated by the Arrangement Agreement, the representations and warranties of the Parties contained in the Arrangement Agreement shall be true in all material respects on the Effective Date with the same effect as if made at and as of such dates; and
- (k) neither the Board of Directors nor the directors of PMIC shall not have determined, in their sole and absolute discretion, that to proceed with the Arrangement would not be in the best interests of Shareholders or the PMIC Shareholders, as the case may be.

Upon the foregoing conditions being fulfilled or waived, the Parties intend to file a copy of the Final Order and the Articles of Arrangement with the Registrar under the ABCA, together with such other materials as may be required by the Registrar in order to give effect to the Arrangement.

### *Termination Events*

The Arrangement Agreement shall be terminated in each of the following circumstances:

- (a) if the Arrangement shall not have become effective on or before July 31, 2015 or such later date as may be agreed to in writing by the Parties;
- (b) by agreement to terminate if executed and delivered by all Parties; or
- (c) upon any other circumstances that give rise to a termination of the Arrangement Agreement by a Party pursuant to the terms thereof.

### **Approvals**

#### *Shareholder Approval*

For the Arrangement to proceed, pursuant to the Interim Order, (i) the requisite approval of the Arrangement Resolution shall be not less than 66 2/3% of the votes cast by holders of Class A Shares and holders of Common Shares, each voting separately as a class, in person or represented by Proxy at the Meeting, and (ii) the requisite approval of the PMIC Arrangement Resolution shall be not less than 66 2/3% of the votes cast by holders of Class A PMIC Shares and Class B PMIC Shares, each voting separately as a class, in person or represented by proxy at the PMIC Meeting. The Form of Proxy or voting instruction form provided in connection with this Information Circular allows Shareholders to vote "for" or "against" the Arrangement Resolution. **Unless otherwise directed by Shareholders appointing them proxyholder, the persons named in the enclosed Form of Proxy intend to vote the Shares represented thereby FOR the Arrangement Resolution.**

Notwithstanding the foregoing, the Arrangement Resolution proposed for consideration by the Shareholders authorizes and empowers any Director or officer of the Corporation, without further notice to or approval of such Shareholders, subject to the terms of the Arrangement, to amend, modify, supplement or terminate the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement and, subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions and to revoke the Arrangement Resolution at any time prior to the filing of the Articles of Arrangement giving effect to the Arrangement, notwithstanding that the Arrangement Resolution has been duly passed by the Shareholders or that the Arrangement has received the approval of the Court. The full text of the Arrangement Resolution is attached as Appendix B to this Information Circular. The PMIC Arrangement Resolution is in substantially the same form and content as the Arrangement Resolution.

#### *Court Approvals*

##### *Interim Order*

On June 12, 2015, the Court granted the Interim Order facilitating the calling of the Meeting and prescribing the conduct of the Meeting and other matters. The Interim Order is attached as Appendix C to this Information Circular.

##### *Final Order*

The ABCA provides that an arrangement requires Court approval. Subject to the terms of the Arrangement Agreement, and provided the Arrangement Resolution and the PMIC Arrangement Resolution are each first approved by Shareholders and the PMIC Shareholders at the Meeting and the PMIC Meeting, respectively, in the manner required by the Interim Order, the Corporation, in conjunction with HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and the Trust will make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is scheduled for July 14, 2015 at 10:00 a.m. (Edmonton time), or as soon thereafter as counsel may be heard. Any Shareholder or any other interested party desiring to appear at the hearing may do so provided that such party files with the Court and serves upon the

Corporation a Notice of Intent to Appear, setting out an address for service in the Province of Alberta, together with any evidence or materials which such party intends to present to the Court on or before 12:00 p.m. (noon) (Edmonton time) on July 10, 2015. **Service of such notice shall be effected by service upon the solicitors for the Corporation: Bryan & Company LLP, 2600 Manulife Place, 10180 - 101 Street, Edmonton, Alberta, T5J 3Y2, Attention: Jennifer R. Young.**

The Corporation has been advised by its counsel, Bryan & Company LLP, that the Court has broad discretion under the ABCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, the Corporation may determine not to proceed with the Arrangement.

#### ***Regulatory Approvals***

In addition to the approval of Shareholders and the Court, it is a condition precedent to the implementation of the Arrangement that all requisite regulatory consents, approvals and authorizations be obtained.

#### ***Third Party Approvals***

The Arrangement is also conditional upon the receipt of all necessary material third party consents, approvals and authorizations.

#### **Timing of Completion of the Arrangement**

If the Meeting is held as scheduled and is not adjourned and the other necessary conditions at that point in time are satisfied or waived, the Corporation, in conjunction with HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, WCC and the Trust will apply for the Final Order approving the Arrangement on July 14, 2015. If the Final Order is obtained on such date or such later date as may be determined by the Parties, and all other conditions set forth in the Arrangement Agreement are satisfied or waived, the Corporation expects that the Effective Date will occur on or about July 14, 2015. The Effective Date could be delayed, however, for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order.

#### **Procedure for Exchange of Securities**

Upon the Arrangement becoming effective, certificates representing the Common Shares and Preferred Shares will be cancelled and new unit certificates representing the Class A Units and Class B Units issued pursuant to the Arrangement will be issued and maintained by the Manager. If a Shareholder wishes to receive a physical certificate in his, her or its name representing the Trust Units held by them upon completion of the Arrangement, a written request can be sent to the Trust, by registered mail, courier or in person, c/o Westpoint Capital Corporation, 201, 1230 - 91 Street SW, Edmonton, Alberta, T6X 0P2, Attention: Chief Operations Officer, requesting the certificates representing such holder's Trust Units.

If the Arrangement is not implemented, each of the Corporation and PMIC will continue to operate as separate privately-held mortgage investment corporations.

#### **Interests of Certain Persons or Companies in the Arrangement**

As of the Record Date, the current Directors and executive officers of the Corporation beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 100 Common Shares, representing 100% of the issued and outstanding Common Shares.

As of the Record Date, the current directors and executive officers of PMIC beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 100 Class B PMIC Shares, representing 100% of the issued and outstanding common shares of PMIC.

The Arrangement will not result in any “change of control”, termination or other payments being made to any directors, officers or employees of the Corporation or PMIC, or to any Trustee or officer of the Trust, pursuant to employment, change of control or similar agreements.

### **Expenses of the Arrangement**

The estimated costs to be incurred by the Corporation with respect to the Arrangement and related matters including, without limitation, accounting and legal fees, and the preparation, printing and mailing of this Information Circular and other related documents and agreements, are expected to be approximately \$80,000.00 in the aggregate.

### **Canadian Securities Law Matters**

**Shareholders are encouraged to obtain independent legal, tax, financial and investment advice in their jurisdiction of residence with respect to this Information Circular, the consequences of the Arrangement and the holding of Shares and Trust Units.**

The Trust Units to be issued pursuant to the Arrangement to the Shareholders will be issued in reliance on exemptions from the prospectus and registration requirements of applicable Canadian securities laws and, following completion of the Arrangement, the Trust Units will be subject to resale restrictions prescribed by applicable Canadian securities laws and as otherwise set forth in the Declaration of Trust.

## **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

### **General**

In the opinion of Moodys Gartner Tax Law LLP, tax counsel to the Corporation, PMIC and the Trust, the following is, as of the date hereof, a fair and adequate summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable in respect of the Arrangement to a Shareholder (and, subsequently, a Unitholder) who for purposes of the Tax Act and at all material times, holds Preferred Shares and will hold Trust Units as capital property and deals at arm's length with and is not affiliated with the Corporation and/or the Trust.

Preferred Shares and Trust Units generally should be considered to be capital property to a holder unless such holder holds such Preferred Shares and Trust Units in the course of carrying on a business of buying and selling securities or such holder has acquired such Preferred Shares and Trust Units in one or more transactions considered to be an adventure or concern in the nature of trade. Certain holders who are resident in Canada and who might not otherwise be considered to hold their Preferred Shares or Trust Units as capital property may, in certain circumstances, be entitled to have them, and every other “Canadian security” within the meaning of the Tax Act, owned by the particular holder in the taxation year of election and in all subsequent taxation years treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. **Shareholders or Unitholders contemplating making such an election should consult their own tax advisors.**

This summary is not applicable to a Shareholder: (i) that is a “financial institution” for purposes of the mark-to-market rules in the Tax Act; (ii) that is a “specified financial institution” within the meaning of the Tax Act; (iii) an interest in which is a “tax shelter investment” for purposes of the Tax Act; or (iv) to whom the “functional currency” reporting rules in section 261 of the Tax Act apply. All such Shareholders should consult their own tax advisors.

This summary is based upon the provisions of the Tax Act and the regulations thereunder (“**Regulations**”), counsel's understanding, based on publicly available published materials, of the current administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”) in force as of the date hereof and specific proposals (“**Proposed Amendments**”) to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance prior to the date hereof.

With the exception of the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, regulatory or judicial action or decision and does not take into account any provincial, territorial or foreign tax consequences which may differ significantly from those discussed herein.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, and should not be construed as, legal, business or tax advice, or representations to any particular Shareholder. Accordingly, Shareholders should consult with their own tax advisors for advice with respect to the tax consequences to them in their particular circumstances.

### **Shareholders Resident in Canada**

This summary is generally applicable to a Shareholder that is, at all relevant times, a Resident.

### ***Taxation of Shareholders on Sale of Preferred Shares for Trust Units***

A Shareholder who sells Preferred Shares and receives Trust Units as consideration will be deemed to have disposed of each such Share for proceeds of disposition equal to the fair market value of the Trust Units received as consideration at the time of the sale and will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Share to the Shareholder. See “*Capital Gains and Capital Losses*” below.

The amount of any capital loss realized by a Shareholder that is a corporation on the disposition of a Preferred Share may be reduced by the amount of dividends received or deemed to be received by the corporation on the Preferred Share (or shares for which the share has been substituted) to the extent and under the circumstances described by section 112 of the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Preferred Shares, directly or indirectly, through a partnership or a trust. Shareholders to whom these rules may be relevant should consult their own tax advisors.

### ***Mutual Fund Trust Status***

The Trust intends to qualify as a “unit trust” and a “mutual fund trust” within the meaning of the Tax Act, and will make the election under subsection 132(6.1) of the Tax Act to qualify as a “mutual fund trust” from inception. This summary is based upon the assumption that the Trust will, at all times, qualify as a “mutual fund trust” within the meaning of the Tax Act.

In order for the Trust to maintain its status as a “mutual fund trust” under the Tax Act, the Trust cannot carry on an active business and is limited in the types of investments it may make. The Declaration of Trust contains restrictions to this effect.

If the Trust were to lose its status as a mutual fund trust, the income tax considerations would, in some respects, be materially different from those described herein. See “*Risk Factors – Risk Factors Relating to the Activities of the Trust and the Ownership of Trust Units*” below.

### ***SIFT Tax***

A specified investment flow-through trust (“**SIFT Trust**”) is not permitted to claim a deduction for distributions paid out of non-portfolio earnings (“**NPE**”). Amounts distributed to beneficiaries of a SIFT Trust out of NPE are treated as taxable dividends in the hands of the beneficiaries, and are subject to income tax in the SIFT Trust (“**SIFT Tax**”) at a rate that is equivalent to the combined Canadian federal and provincial general corporate tax rate, with the provincial component determined as a weighted average of the general provincial corporate tax rates in each province in which the SIFT Trust has a permanent establishment. For 2015, the rate of SIFT Tax payable by a SIFT Trust with a permanent establishment in Alberta is 25%.

NPE of a SIFT Trust is defined as the total of the income from businesses carried on in Canada, income from non-portfolio properties (“**NPP**”) (other than dividends) and taxable capital gains from dispositions of NPP (and capital gains dividends from mutual fund corporations), in each case less losses and allowable capital losses applicable to these sources. NPP is defined as: (a) Canadian real, immovable or resource properties if the total fair market value of such properties is greater than 50% of the equity value of the SIFT Trust; (b) a property that the SIFT Trust (or a



non-arm's length person or partnership) uses in the course of carrying on a business in Canada; and (c) investments in another entity (which is resident in Canada or is a Canadian resident partnership (a "Subject Entity")) that (i) have a fair market value greater than 10% of the Subject Entity's equity value or (ii) that, together with securities that the SIFT Trust holds in entities affiliated with the Subject Entity, have a total fair market value greater than 50% of the equity value of the SIFT Trust.

The Trust should not be a SIFT Trust provided that no unit, security or other investment in the Trust is listed or traded on a stock exchange or other public market. This summary is based on the assumption that the SIFT Tax will not apply to the Trust.

### *Taxation of the Trust*

The Trust is entitled to deduct from its income for a taxation year otherwise determined, after taking into account certain inclusions and deductions, the portion of such income that becomes payable in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Trust or a Unitholder is entitled in the year to enforce payment of the amount. The Declaration of Trust requires that the Trust distribute or make payable its net income for tax purposes for each taxation year of the Trust to Unitholders to such an extent that the Trust will not be liable in any taxation year for income tax under Part I of the Income Tax Act on such income (after taking into account any applicable losses of the Trust).

### *Taxation of Unitholders on Distributions*

A Unitholder will generally be required to include in income for a particular taxation year of the Unitholder such portion of the net income, including the taxable portion of the net realized capital gains, of the Trust for a taxation year as is paid or becomes payable to the Unitholder in that particular taxation year. Provided that appropriate designations are made by the Trust, such portion of the net realized taxable capital gains of the Trust, the foreign source income of the Trust and the taxable dividends received or deemed received by the Trust on shares of taxable Canadian corporations as is paid or becomes payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder. To the extent that the Trust so designates in accordance with the Income Tax Act, Unitholders will be entitled to treat their proportionate share of foreign taxes paid by the Trust as foreign taxes paid by the Unitholders for the purpose of computing their foreign tax credits. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply, including the enhanced gross-up and dividend tax credit rules in respect of eligible dividends paid by taxable Canadian corporations after 2005. Any loss of the Trust for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, the Unitholders.

The non-taxable portion of net realized capital gains of the Trust that are paid or become 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 a Unitholder's share of the net income of the Trust for a taxation year that is paid or becomes payable to the Unitholder in such year will not generally be included in computing the Unitholder's income for the year but will reduce the adjusted cost base of Trust Units to the Unitholder. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Trust Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain.

A "Canadian-controlled private corporation" within the meaning of the Tax Act may be liable to pay an additional refundable tax on certain investment income.

### *Taxation of Unitholders on Disposition of Trust Units*

The adjusted cost base to a Unitholder of a Trust Unit acquired pursuant to the Arrangement will include the fair market value of the Trust Unit received as payment for Share(s).

Upon the disposition or deemed disposition of a Trust Unit by a Unitholder, including on the redemption of a Trust Unit by the Trust, the Unitholder will generally 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 above), net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Trust Unit to the Unitholder. See "*Capital Gains and Capital Losses*" below.

### *Capital Gains and Capital Losses*

Allowable capital losses for a taxation year in excess of taxable capital gains for that year may, generally, be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Income Tax Act.

A "Canadian-controlled private corporation" within the meaning of the Tax Act may be liable to pay an additional refundable tax on certain investment income, including taxable capital gains.

Capital gains realized by a Shareholder that is an individual (other than certain trusts) may result in such Shareholder being liable for minimum tax under the Tax Act. Shareholders that are individuals should consult their own tax advisors in this regard.

### *Eligibility for Investment*

Provided that the Trust qualifies as a "mutual fund trust" within the meaning of the Tax Act, the Trust Units will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), registered education savings plans, registered disability savings plans, tax-free savings accounts ("**TFSAs**") and deferred profit sharing plans.

Notwithstanding that the Trust Units may be qualified investments for a TFSA, RRSP or RRIF, the holder of a TFSA, or the annuitant of a RRSP or RRIF, as the case may be, will be subject to a penalty tax on the Trust Units if such Trust Units are a "prohibited investment" (as defined in the Tax Act) for the TFSA, RRSP or RRIF. The Trust Units will not be a "prohibited investment" for a TFSA, RRSP or RRIF provided that the holder of the TFSA or the annuitant of the RRSP or RRIF, as applicable, (i) deals at arm's length with the Trust for purposes of the Income Tax Act and (ii) does not have a "significant interest" (within the meaning of the Income Tax Act) in the Trust. In addition, Trust Units will not be a "prohibited investment" if such Trust Units are "property" (as defined in the Income Tax Act) for trusts governed by a TFSA, RRSP or RRIF. Holders of a TFSA and annuitants of a RRSP or RRIF should consult their own tax advisors as to whether the Trust Units will be prohibited investments in their particular circumstances.

### **Other Tax Considerations**

**This Information Circular does not address any tax considerations of the Arrangement other than certain Canadian federal income tax considerations. Shareholders who are Non-Residents or otherwise subject to tax in jurisdictions other than Canada should consult their own tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions and with respect to tax implications in such jurisdictions of owning Trust Units after the Arrangement. Shareholders should also consult their own tax advisors regarding Canadian federal, provincial or territorial tax considerations of the Arrangement or of holding Trust Units.**

## **INFORMATION CONCERNING THE PARTIES TO THE ARRANGEMENT**

### **The Corporation - Westpoint Capital High Yield Mortgage Investment Corporation**

#### *Investment Activities*

The Corporation was incorporated under the ABCA on October 26, 2009 and is a mortgage investment corporation as defined in the Tax Act. The Corporation was formed with the primary purpose of investing in mortgages and its

principal investment objective is to provide Shareholders with sustainable income while preserving capital for distribution or re-investment. The Corporation seeks to achieve this principal investment objective by investing in mortgages organized by the Manager or its affiliates or associates. The Corporation relies on the expertise of the Manager for a regular flow of investment opportunities and to provide capital raising services, mortgage administration services and business support services to the Corporation as needed.

The Tax Act's criteria pertaining to mortgage investment corporations permit revenue sources other than residential mortgages, including among other things equity investments in real estate, investments in stocks and securities of Canadian companies, and mortgage lending in respect of commercial real estate. Historically, substantially all of the Corporation's non-CDIC (short-term bank deposits) holdings have been invested in residential mortgages.

As a mortgage investment corporation, the Corporation's only permitted undertaking under the Tax Act is the investing of its funds, and it is specifically prohibited from managing and developing real property.

To the extent that the Corporation's funds are not invested in mortgages from time to time, they are either: (i) held in cash, deposited with a chartered bank or credit union, or invested in short-term deposits, savings accounts or government guaranteed income certificates so that the Corporation maintains a level of working capital for its ongoing operations considered acceptable by the Directors, or (ii) indirectly invested in real estate, through the Corporation's 99.9% limited partner interest in HMIC LP, primarily as a result of mortgage foreclosures.

The Corporation presently conducts business, through the Manager, in the provinces of British Columbia and Alberta.

#### *Dividend History*

The following table sets forth the per Share amount of monthly dividend distributions paid by the Corporation in 2014 and 2015 for the months indicated.

2014	Class "A" Principal Preferred Shares		Class "B" Bonus Preferred Shares	Total Earnings Per Class "A" Principal Preferred Share
	Total Dividends	# of Shares	Bonus Dividends	
Jul-13	99,767.51	23,925,055.33	92,529.42	0.008037
Aug-13	99,391.69	23,834,931.33	92,163.97	0.008037
Sep-13	103,613.70	24,847,381.71	96,416.27	0.008050
Oct-13	103,296.36	24,771,280.51	96,332.73	0.008059
Nov-13	103,296.36	24,695,179.31	96,142.74	0.008076
Dec-13	103,296.36	24,672,165.92	94,187.71	0.008004
Jan-14	103,071.95	24,719,306.40	93,977.78	0.007971
Feb-14	N/A			N/A
Mar-14	81,097.69	25,472,207.11	41,261.73	0.004804
Apr-14	81,097.69	25,694,850.34	41,309.50	0.004764
May-14	81,097.69	25,694,850.34	41,309.50	0.004764
Jun-14	81,105.71	25,514,215.29	41,280.05	0.004797
<b>TOTAL</b>	<b>1,040,132.71</b>	<b>24,894,675</b>	<b>826,911.40</b>	<b>0.074998</b>

2015	Class "A" Principal Preferred Shares		Class "B" Bonus Preferred Shares	Total Earnings Per Class "A" Principal Preferred Share
	Total Dividends	# of Shares	Bonus Dividends	
Jul-14	81,105.71	24,331,742.39	41,280.05	0.005030
Aug-14	81,105.71	24,331,742.39	41,249.18	0.005029
Sep-14	84,254.30	25,276,353.46	38,385.69	0.004852
Oct-14	84,254.30	25,276,353.46	38,385.69	0.004852
Nov-14	84,254.30	25,276,353.46	38,385.69	0.004852
Dec-14	84,254.30	25,276,353.46	38,385.69	0.004852
Jan-15	84,254.30	25,276,353.46	38,385.69	0.004852
Feb-15	84,254.30	25,456,277.04	38,385.69	0.004818
Mar-15	84,254.30	25,456,277.04	38,385.69	0.004818
Apr-15	84,254.30	25,276,333.00	38,385.69	0.004852
<b>TOTAL</b>	<b>751,991.52</b>	<b>25,123,414</b>	<b>351,229.06</b>	<b>0.043912</b>

The historical dividend payments made by the Corporation may not be reflective of future dividend payments that may be payable by the Corporation if the Arrangement is not completed and future dividends are not assured.

If the Arrangement is completed and the Effective Time of the various asset transfers occurs on or about July 1, 2015, as currently contemplated, Shareholders will not accrue any further monthly dividends after such Effective Time, as the Shareholders will cease to hold Shares of the Corporation and will instead hold Trust Units of the Trust. However, it is currently contemplated that, following the completion of the Arrangement, the Trust will, subject to applicable laws and the Declaration of Trust, establish a distribution policy of paying monthly distributions. Assuming an Effective Date on or about July 14, 2015, the Trustees currently anticipate paying annual distributions equal to 7.5% of the aggregate Per Unit Value, commencing with an initial distribution payment date in August 2015 (in respect of the month of July 2015). Notwithstanding the foregoing, any decision to declare and pay distributions on the Trust Units will be made by the Trustees, in their sole and absolute discretion, upon consideration of the Trust's (and its subsidiaries') earnings, financial and operational requirements, and such other factors and conditions it deems advisable at such future time.

#### ***Recent Developments - New Investment Products***

As a result of the downward pressures in the marketplace that the Corporation continues to experience, Management has actively researched and identified new demand for hybrid-loan products and certain other niche lending products. Management has recommended that the Corporation proceed with the Arrangement for a number of reasons, including to capitalize on this newly identified demand, as the new unit trust structure eliminates certain investment restrictions associated with mortgage investment corporations, thereby allowing the Trust to expand its investment mandate to include direct real estate investment and hybrid investment products, which combine lending and real estate components. Management is not aware of any such hybrid products currently being offered by third party lenders in the markets in which the Corporation and PMIC currently operate, therefore the ability to offer such products is expected to create a competitive advantage over lenders operating as mortgage investment corporations.

### *Recent Developments - Recovery of Stated Capital Reduction*

In March of 2014, the Corporation held a special meeting of Shareholders whereat the Shareholders approved a stated capital reduction of \$0.20 per Class A Share (from \$1.00 per share to \$0.80 per share) and agreed that the dividend expectation and entitlement of the Preferred Shareholders be reduced on a go-forward basis from an average rate of approximately 9.5% to approximately 6.0% (based on the mix of Shareholders at the time). While certain longer term recovery efforts were being (and continue to be) undertaken by the Manager to recover this lost share value, given the uncertainty surrounding those recovery efforts, the Manager felt it prudent to recommend a reduction to the stated capital of the Class A Shares and have the Corporation adopt a redemption penalty of 5% of the subscription price to determine with more certainty the likelihood of potential recovery or potential further loss, which penalty was to remain in place for 3 years.

As the management agreements in place between the Corporation and the Manager entitle the Manager to the residual income earned by the Corporation after investors are paid their fixed dividend and after the Corporation's fixed costs are paid, the Manager did not earn any compensation for managing the Corporation and its subsidiaries for the fiscal year ended June 30, 2014, as there was no residual income to allocate to the Manager. As a result, the Manager had to pay for its operating costs from capital reserves and other sources of income.

The following is summary of the aggregate income earned by the Manager (i.e., WCC and WCSC) as consideration for the management of the Corporation and its subsidiaries to date:

FISCAL YEAR	INCOME (\$)
2010	11,267.00
2011	338,659.00
2012	849,234.00
2013	558,058.00
2014	NIL
<b>Total:</b>	1,757,218.00

Following the stated capital and dividend reduction in March of 2014, the Manager wished to create more certainty for Shareholders with respect to their dividends going forward and to ensure that Shareholders not suffer an interruption in dividends. Given that certain mortgage assets of the Corporation had converted to real estate assets and additional conversions were expected to occur, the Manager anticipated that it may be difficult for the Corporation to cover its fixed costs and dividend expectations in the upcoming fiscal year (July 1, 2014 - June 30, 2015), as certain real estate assets were being developed with a view to future longer term gains. As a result, there was a risk that, in the short term, income from the mortgage assets may fall short of what was required to continue to pay Shareholders their dividend expectation while these longer term recovery efforts continued to be undertaken.

Therefore, effective July 1, 2014, the Manager and the Corporation amended their management agreements as follows:

- the Manager agreed to refund up to \$1 million of the income it had previously earned from the Corporation (the "**\$1M Pledge**") for the sole purpose of ensuring that the Corporation had sufficient income to offset any losses that may result in the 2015 fiscal year;
- the Corporation was given the right, pursuant to the \$1M pledge, to demand a refund of such portion of the fees previously paid to the Manager in the event it incurred losses in the 2015 fiscal year (the "**Refund Demand**");
- following receipt of a Refund Demand, the Manager would then have up to 5 years (the "**Refund Period**") to pay such amount to the Corporation; however, if during the Refund Period, income were generated from the assets of the Corporation and its subsidiaries in an amount that exceeded the funds required to pay for the Corporation's fixed costs and to pay the expected monthly dividends to Shareholders, then the

Manager would not be obligated to refund any income to the Corporation and the Refund Demand would be cancelled to the extent that such surplus was generated in that year.

In order to preserve these arrangements under the new income trust structure, along with the ability for Shareholders to potentially recover a portion of their \$0.20 share price reduction in the event that the Manager's recovery efforts result in any portion of the share price reduction being recovered, the following arrangement will be implemented with respect to the Corporation's assets that are transferred to the Trust pursuant to the Arrangement (the "HMIC Legacy Assets"):

1. any distributable cash that results from recoveries of the HMIC Legacy Assets that exceeds:
  - the book value of such assets at the time of transfer, plus
  - the amount of any further capital invested in respect of such assets, plus
  - a reasonable rate of return on such additional capital invested,

will be preserved for the benefit of the Shareholders via the Class B Units issued to them as consideration for the sale of their Preferred Shares to the Trust and such excess will be returned to holders of Class B Units as a return of capital. This will be called the "Class B Distributable Cash Flow". See the *Schedule of Unit Rights attached hereto as Appendix E*;

2. any portion of the \$1M Pledge that was called on for the fiscal year ended June 30, 2015 will become an obligation of the Manager to pay to Amalco (the entity resulting from the amalgamation of the Corporation and WCSC) and the Manager will have up to 5 years to make such payment;
3. if, during the Refund Period, the persons then holding Class B Units have each recovered a cumulative amount of \$0.20 and there is, following such recovery, excess Class B Distributable Cash Flow resulting from the HMIC Legacy Assets, such excess will firstly be allocated to reduce the amount owing to the Corporation from the Manager under point 2 above;
4. if further excess exists after the persons then holding Class B Units have been made whole with respect to their \$0.20 share price reduction and the Manager has been relieved of its obligation with respect to the \$1M Pledge for the Corporation's 2015 fiscal year, then such excess recoveries will be treated as Distributable Cash Flow (as defined in the Schedule of Unit Rights) and allocated amongst the holders of Class A Units on a pro rata basis.

### *Legal Proceedings*

Other than the proceedings relating to the approval of the Arrangement, the Corporation is not aware of any material legal proceedings or regulatory actions involving the Corporation or its property, nor are any such proceedings known by the Corporation to be contemplated (other than foreclosure proceedings undertaken in the ordinary course of business).

### **HMIC LP and HMIC GP**

HMIC LP is a limited partnership established on January 14, 2010 pursuant to the Partnership Act. HMIC GP was incorporated under the ABCA on August 25, 2009. The Corporation and HMIC GP, a corporation wholly owned by the Manager, are the sole partners of HMIC LP.

Pursuant to the terms of the Limited Partnership Agreement of HMIC LP, HMIC GP is responsible for all of the management and decision making activities of HMIC LP and performs these responsibilities on behalf of the Corporation.

HMIC GP is also responsible for facilitating all mortgage administration, capital raising and business support services required by the Corporation in order to support the Corporation's business of investing in mortgages.

Pursuant to the terms of an administration agreement, HMIC GP retained the Manager to perform all mortgage administration, capital raising and business support services for the Corporation.

## **Westpoint Capital Performance Investment Corporation**

### *Investment Activities*

PMIC was incorporated under the ABCA on July 19, 2011 and is a mortgage investment corporation as defined in the Tax Act. PMIC was formed with the primary purpose of investing in mortgages and its principal investment objective is to provide Shareholders with sustainable income while preserving capital for distribution or re-investment. PMIC seeks to achieve this principal investment objective by investing in mortgages organized by the Manager or its affiliates or associates. PMIC relies on the expertise of the Manager for a regular flow of investment opportunities and to provide capital raising services, mortgage administration services and business support services to PMIC as needed.

The Tax Act's criteria pertaining to mortgage investment corporations permit revenue sources other than residential mortgages, including among other things equity investments in real estate, investments in stocks and securities of Canadian companies, and mortgage lending in respect of commercial real estate. Historically, substantially all of PMIC's non-CDIC (short-term bank deposits) holdings have been invested in residential mortgages.

As a mortgage investment corporation, PMIC's only permitted undertaking under the Tax Act is the investing of its funds, and it is specifically prohibited from managing and developing real property.

To the extent that PMIC's funds are not invested in mortgages from time to time, they are either: (i) held in cash, deposited with a chartered bank or credit union, or invested in short-term deposits, savings accounts or government guaranteed income certificates so that PMIC maintains a level of working capital for its ongoing operations considered acceptable by the Directors, or (ii) indirectly invested in real estate, through PMIC's 99.9% limited partner interest in PMIC LP, primarily as a result of mortgage foreclosures.

PMIC presently conducts business, through the Manager, in the provinces of British Columbia and Alberta.

### *Legal Proceedings*

Other than the proceedings relating to the approval of the Arrangement, the directors of PMIC have advised the Corporation that they are not aware of any material legal proceedings or regulatory actions involving PMIC or its property, nor are any such proceedings known by the directors of PMIC to be contemplated (other than foreclosure proceedings undertaken in the ordinary course of business).

### **PMIC LP and PMIC GP**

PMIC LP is a limited partnership established on August 18, 2011 pursuant to the Partnership Act. PMIC GP was incorporated under the ABCA on August 18, 2011. PMIC and PMIC GP, a corporation wholly owned by the Manager, are the sole partners of PMIC LP.

Pursuant to the terms of the Limited Partnership Agreement of PMIC LP, PMIC GP is responsible for all of the management and decision making activities of PMIC LP and performs these responsibilities on behalf of PMIC.

PMIC GP is also responsible for facilitating all mortgage administration, capital raising and business support services required by PMIC in order to support PMIC's business of investing in mortgages. Pursuant to the terms of an administration agreement, PMIC GP retained the Manager to perform all mortgage administration, capital raising and business support services for PMIC.

## **Westpoint Investment Trust**

The Trust is an unincorporated open-ended mutual fund trust established pursuant to the terms of the Declaration of Trust on June 1, 2015 under the laws of the Province of Alberta. The Trust is a limited purpose trust and was established for the sole purpose of participating in the Arrangement and to: (i) invest, directly or indirectly, in securities of WCMC, Master LP and their respective subsidiaries; (ii) invest in other securities and in any other investments as the Trustees may determine and borrow funds for that purpose, subject to such investment guidelines and restrictions as the Trustees may establish from time to time in their sole discretion; (iii) temporarily hold cash and short-term investments for the purpose of paying the expenses and liabilities of the Trust, pay amounts payable by the Trust in connection with the redemption of any Trust Units, or make distributions to Unitholders; and (iv) perform all acts necessary, incidental, ancillary or related to any of the foregoing; provided that the Trust shall not undertake any activity, take any action or make or retain any investment which would result (or fail to take any action where such failure would result) in (a) the Trust ceasing to qualify as a "mutual fund trust" within the meaning of the Tax Act, (b) the Trust not being treated as a "unit trust" for the purposes of paragraph 108(2)(a) of the Tax Act or (c) result in the Trust Units being disqualified for investment by tax free savings accounts, registered retirement savings plans, registered education savings plans, registered retirement income funds or other registered plans permitted under the Tax Act.

Accordingly, the Trust will not carry on any active business or earn any active business income. It is intended that the primary income of the Trust will be earned through its subsidiaries and additional income will be earned through cash and short-term investments held by the Trust. The Trust is administered by the Trustees.

### ***Master LP***

Promptly following receipt of the Interim Order, the Trust and WCMC will establish Master LP pursuant to an agreement of limited partnership between WCMC, as the general partner, and the Trust, as the limited partner. Master LP will carry on the business of the Trust through various operating partnerships, including Mortgage LP and Westpoint Real Estate Limited Partnership.

As an open-ended trust, the Trust is not restricted in the type of assets it holds or the type of acquisitions it undertakes in order to maintain its status under the Tax Act as a "unit trust" and as a "mutual fund trust" so long as a redemption right is attached to the Trust Units. As an open-ended trust, the business of the Trust can be expanded to such business that can be reasonably expected to provide distributions and long-term returns to Unitholders.

## **Westpoint Capital Corporation**

WCC was incorporated under the ABCA on August 25, 2009 and its principal business purpose is to perform mortgage administration services and capital raising services for the Corporation and PMIC. WCC holds a valid mortgage brokerage license in and for the provinces of Alberta and British Columbia, is a registered exempt market dealer, investment fund manager and restricted portfolio manager and, as such, is appropriately qualified and licensed to perform such services.

As a registered mortgage broker, WCC identifies new mortgage investment opportunities for the Corporation and PMIC through its network of contacts in the builder, developer and mortgage broker industries. WCC deals with individuals, mortgage brokers, real estate builders, developers and property owners for the purpose of arranging for them short-term loans and intermediate-term loans for various purposes.

Following completion of the Arrangement, WCC will enter into a licensed management and services agreement with Amalco, pursuant to which WCC will provide (or facilitate the provision of) mortgage administration, capital raising, debt financing and brokerage services for and on behalf of the Trust and its subsidiaries.

In addition, pursuant to certain bare trust agreements to be entered into between Mortgage LP, by its general partner, and WCC and between Westpoint Real Estate Limited Partnership, by its general partner, and WCC, WCC (and/or certain of its wholly-owned subsidiaries) will act as trustee and hold legal title to the mortgage assets and real property owned by Mortgage LP and Westpoint Real Estate Limited Partnership.



## Service Agreements

### *Pre-Arrangement*

Currently, the Corporation and HMIC LP, by its general partner, HMIC GP, are parties to a mortgage administration and capital raising agreement (the "MACR") with WCC whereby WCC provides certain mortgage administration, capital raising and mortgage brokerage services to the Corporation and HMIC LP. As compensation for these services, WCC receives 10% percent of all distributions allocated to HMIC GP pursuant to the terms of the HMIC LP limited partnership agreement.

In addition to the MACR, HMIC LP, by its general partner, HMIC GP, is party to an administrative services agreement with WCSC, whereby WCSC provides business support services, staffing and office space to HMIC LP. As compensation for these services, WCSC receives 87.5% of all distributions allocated to HMIC GP pursuant to the terms of the HMIC LP limited partnership agreement.

Finally, pursuant to an administrative services agreement between the Manager and HMIC GP, HMIC GP supplies or facilitates the supply of business support services, staffing and office space to the Manager. HMIC GP subcontracts the supply of these services through WCSC. As compensation for these services, HMIC GP receives a flat rate of \$12,000.00 per annum from the Manager.

### *Post-Arrangement*

The Trust and WCMC are parties to an administration agreement dated June 4, 2015 pursuant to which the Trust retained WCMC as its administrator to provide general business support and business administration services and to otherwise manage all aspects of the Trust's business, including through subcontractors. As compensation, the Trust will pay WCMC a flat fee of \$1,000.00 per annum plus applicable GST. Such administration agreement will remain in place following the completion of the Arrangement and the amalgamation of the Corporation and WCMC.

Following completion of the Arrangement, Amalco will enter into general service agreements with Mortgage LP and Westpoint Real Estate Limited Partnership, whereby Amalco will supply or facilitate the supply of all services required for the operation of the limited partnerships, except for any activities which are statutorily required to be specifically performed by the limited partnerships. As compensation, Mortgage LP and Westpoint Real Estate Limited Partnership will each pay Amalco a flat fee of \$1,000.00 per annum plus applicable GST.

Amalco will engage WCC pursuant to the terms of a licensed management and services agreement and, as compensation therefor, Amalco will pay to WCC 10% of all amounts allocated and received by Amalco from Master LP, other than amounts retained by Amalco with respect to utilization of the non-capital losses of Amalco, pursuant to the terms of the Master LP limited partnership agreement, namely an amount equal to 2.8% of the assets under management (the "AUM") and 20% of Master LP's allocable income (if any).

In addition to the engagement of WCC under the licensed management and services agreement discussed above, Amalco will enter into a non-licensed management and services agreement with WCSC whereby WCSC will provide broad business administration and support services, including supply of equipment and staff as well as the provision of mortgage enforcement services. As compensation for these services, Amalco will pay to WCSC 90% of all amounts allocated and received by Amalco from Master LP, other than amounts retained by Amalco with respect to the non-capital losses of Amalco, pursuant to the terms of the Master LP limited partnership agreement, namely an amount equal to 2.8% of the AUM and 20% of Master LP's allocable income (if any).

## RISK FACTORS

Risk factors related to the businesses of the Corporation and PMIC and their respective subsidiaries and the industries in which they operate will generally continue to apply to the Trust and its subsidiaries after the Effective Date and will not be affected by the Arrangement. **If the Arrangement is completed, the business and operations of, and an investment in, the Trust will be subject to risk factors set forth herein.** Potential Unitholders should consider carefully the information contained herein.

The following is a non-exhaustive list of certain risks relating to the Arrangement, the activities of the Trust and the ownership of Trust Units following the Effective Date which prospective Unitholders should carefully consider before making an investment decision relating to the Arrangement.

#### **Risks Relating to the Arrangement**

##### ***Conditions Precedent and Required Regulatory and Third Party Approvals***

The completion of the Arrangement in the form contemplated by the Plan is subject to a number of conditions precedent, some of which are outside the control of the Corporation and PMIC, including, without limitation, receipt of Shareholder approval and regulatory approvals and approval from the Court. There can be no certainty, nor can the Corporation or PMIC provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

Failure to obtain the Final Order on terms acceptable to the directors of the Corporation and PMIC would likely result in the decision being made not to proceed with the Arrangement. If any of the required regulatory and third party approvals cannot be obtained on terms satisfactory to the Directors or at all, the Plan may have to be amended in order to mitigate against the negative consequence of the failure to obtain any such approval, and accordingly, the benefits available to Unitholders resulting from the Arrangement may be reduced. Alternatively, if the Plan cannot be amended so as to mitigate against the negative consequences of the failure to obtain a required regulatory or third party approval, the Arrangement may not proceed at all.

##### ***Failure to Realize the Anticipated Benefits from the Arrangement***

The Corporation and PMIC are proposing to complete the Arrangement to create the opportunity to realize certain benefits including, among others, those set forth in this Information Circular under the heading "*The Arrangement – Anticipated Benefits of the Arrangement*". Achieving the anticipated benefits depends in part on the ability of the Trust to realize the anticipated growth opportunities arising from the Arrangement. A variety of factors, including those set forth in this Information Circular, may adversely affect the ability to achieve the anticipated benefits of the Arrangement.

##### ***Risk Factors Relating to the Activities of the Trust and the Ownership of Trust Units and/or Trust Notes***

The following is a list of certain risk factors relating to the activities of the Trust and its subsidiaries and the ownership of Trust Units following the Effective Date:

- there can be no guarantee that the Trust's investment strategy will be successful as the success of the Trust and its business will depend to a certain extent on the efforts and abilities of the Trustees and the Manager and on a number of other external factors including the health of real estate markets, interest rates, the general political and economic conditions that may prevail from time to time, which factors are beyond the control of the Trustees and the Manager;
- the unavailability of external sources of capital, including debt financing and equity financing, could impair the Trust's ability to make the necessary capital investments to expand its asset base and operations;
- the level of the Trust's indebtedness from time to time could impair the Trust's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise;
- the Trust may make future acquisitions or may enter into financings or other transactions involving the issuance of securities the Trust which may be dilutive;
- the uncertainty of future distributions by the Trust and the level thereof as the funds available for the payment of distributions from time to time will be dependent upon, among other things, operating cash flow generated by the Trust and its subsidiaries, limitations under the Trust's credit facilities, operations,

the satisfaction of solvency tests prescribed by the Declaration of Trust for the declaration and payment of distributions and other considerations;

- while it is intended that the Trust at all times qualify as a mutual fund trust for the purposes of the Tax Act, there can be no assurance that the Canadian federal income tax laws and administrative policies of the Canadian Revenue Agency respecting the treatment of mutual fund trusts and unit trusts will not be changed in a manner which adversely affects the holders of Trust Units. If the Trust ceases to qualify as a mutual fund trust, the Units will cease to be a qualified investment for TFSAs, RRSPs, RESPs, RRIFs or other registered plans permitted under the Tax Act, resulting in a tax under Part XI.1 of the Tax Act;
- Unitholders are relying on the good faith and judgment of the Trustees in administering and managing the Trust. Although approval of the Class A Unitholders and Class B Unitholders will be required for limited matters, Unitholders will not have any right to take part in the management of, or the stated purpose of the Trust and the Trust will be bound by the decisions of the Trustees as provided in the Declaration of Trust;
- the Trust is not a reporting issuer “mutual fund” for securities laws purposes and is not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Trust’s assets/portfolio. As a result, some of the protections provided to investors in reporting issuer mutual funds under such laws will not be available to investors in the Trust Units and certain restrictions imposed on reporting issuer mutual funds under Canadian securities laws do not apply to the Trust;
- the likelihood that Unitholders will receive Distributions and that Noteholders will receive payments owing to them under the terms of Trust Notes will depend on the financial health of the Trust and its subsidiaries. In addition, the Trust Units and Trust Notes represent unsecured obligations of the Trust and are subordinate in right of payment to all the Trust’s existing and future indebtedness. Therefore, if the Trust becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, the Trust’s and its subsidiaries’ assets will be available to pay its obligations with respect to the Trust Units and Trust Notes only after it has paid all of its senior indebtedness and secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Trust Units and/or Trust Notes then outstanding;
- it is anticipated that the redemption right attached to Trust Units will be the primary mechanism by which holders of Trust Units liquidate their investments in the Trust. The entitlements of Unitholders to receive cash upon redemption of their Trust Units is subject to certain limitations set out in the Schedule of Unit Rights.

**Shareholders are encouraged to obtain independent legal, tax, financial and investment advice in their jurisdiction of residence with respect to this Information Circular, the consequences of the Arrangement and the holding of Trust Units.**

#### **Other Matters to be Acted Upon**

Other than the foregoing, the Directors knows of no matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, the accompanying Form of Proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the Proxy.

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as otherwise disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting. For the purpose of this paragraph “person” shall include each person: (a) who has been a director or executive officer of the Corporation, HMIC GP, PMIC, PMIC GP and/or the Manager at any time since the commencement of the Corporation’s last completed financial year; or (b) who is an associate or affiliate of a person referred to in the preceding paragraph (a).

### ADDITIONAL INFORMATION

Additional information relating to the Corporation or the terms of the Arrangement can be obtained by contacting the Corporation at:

c/o Westpoint Capital Corporation  
201, 1230 - 91 Street SW  
Edmonton, Alberta, T6X 0P2  
Attention: Chief Operations Officer

Email: [coo@westpointcapital.ca](mailto:coo@westpointcapital.ca)

DATED as of the 12<sup>th</sup> day of June, 2015.

APPENDIX A - ARRANGEMENT AGREEMENT

## ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is made effective the 4<sup>th</sup> day of June, 2015.

BETWEEN:

**WESTPOINT CAPITAL HIGH YIELD MORTGAGE INVESTMENT CORPORATION**, a corporation incorporated under the laws of the Province of Alberta ("HMIC")

-and-

**WESTPOINT CAPITAL HIGH YIELD GP LTD.**, a corporation incorporated under the laws of the Province of Alberta ("HMIC GP")

-and-

**WESTPOINT CAPITAL HIGH YIELD LIMITED PARTNERSHIP**, a limited partnership existing under the laws of the Province of Alberta ("HMIC LP")

-and-

**WESTPOINT CAPITAL PERFORMANCE MORTGAGE INVESTMENT CORPORATION**, a corporation incorporated under the laws of the Province of Alberta ("PMIC")

-and-

**WESTPOINT CAPITAL PERFORMANCE GP LTD.**, a corporation incorporated under the laws of the Province of Alberta ("PMIC GP")

-and-

**WESTPOINT CAPITAL PERFORMANCE LIMITED PARTNERSHIP**, a limited partnership existing under the laws of the Province of Alberta ("PMIC LP")

-and-

**WESTPOINT INVESTMENT TRUST**, a trust existing under the laws of the Province of Alberta (the "Trust")

-and-

**WESTPOINT CAPITAL CORPORATION**, a corporation existing under the laws of the Province of Alberta ("WCC")

WHEREAS:

- A. The Parties wish to propose an arrangement involving HMIC, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, the Trust, WCC and the Shareholders (as defined herein), in order to reorganize the affairs of HMIC and PMIC and carry out certain transactions on the basis hereinafter set forth; and
- B. The Parties intend to carry out the transactions contemplated herein pursuant to a statutory plan of arrangement under the ABCA (as defined herein);

NOW THEREFORE IN CONSIDERATION of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties covenant and agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In this Agreement, the following terms have the following meanings:

- (a) “**ABCA**” means the *Business Corporations Act (Alberta)*, R.S.A. 2000, c. B-9, including the regulations promulgated thereunder, as amended;
- (b) “**Agreement**”, “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;
- (c) “**Arrangement**” means the arrangement pursuant to Section 193 of the ABCA set forth in the Plan of Arrangement and includes any supplement, modification or amendment thereto made in accordance with Section 6.1 of this Agreement and Article 5 of the Plan of Arrangement;
- (d) “**Arrangement Resolutions**” means, collectively, the HMIC Arrangement Resolution and the PMIC Arrangement Resolution;
- (e) “**Articles of Arrangement**” means the articles of arrangement in respect of the Arrangement required by subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been granted to give effect to the Arrangement;
- (f) “**Business Day**” means a day, which is not a Saturday, Sunday or statutory holiday, when banks in the City of Edmonton are generally open for the transaction of commercial banking business;
- (g) “**Certificate**” means the certificate or proof of filing to be issued by the Registrar on the Effective Date pursuant to subsection 193(11) or subsection 193(12) of the ABCA giving effect to the Arrangement;
- (h) “**Class A HMIC Shares**” means the Class “A” Principal Preferred Shares in the share capital of HMIC;
- (i) “**Class A PMIC Shares**” means the Class “A” Preferred Shares in the share capital of PMIC;
- (j) “**Class B PMIC Shares**” means the Class “B” Common Shares in the share capital of PMIC;
- (k) “**Class C HMIC Shares**” means the Class “C” Common Shares in the share capital of HMIC;
- (l) “**Court**” means the Court of Queen's Bench of Alberta;
- (m) “**Declaration of Trust**” means the declaration of trust of the Trust dated as of June 1, 2015, as amended, supplemented or restated from time to time;

- (n) **"Effective Date"** means the date shown on the Certificate issued by the Registrar;
- (o) **"Final Order"** means the final order of the Court approving the Arrangement pursuant to paragraph 193(9)(a) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (p) **"HMIC"** means Westpoint Capital High Yield Mortgage Investment Corporation, a corporation incorporated pursuant to the laws of the Province of Alberta;
- (q) **"HMIC Arrangement Resolution"** means the special resolution to approve the Arrangement to be voted upon by the HMIC Shareholders at the HMIC Meeting;
- (r) **"HMIC Circular"** means the information circular to be prepared by management of HMIC and forwarded to HMIC Shareholders as part of the proxy solicitation materials in respect of the HMIC Meeting;
- (s) **"HMIC GP"** means Westpoint Capital High Yield GP Ltd., a corporation incorporated under the laws of the Province of Alberta;
- (t) **"HMIC LP"** means Westpoint Capital High Yield Limited Partnership, a limited partnership existing under the laws of the Province of Alberta;
- (u) **"HMIC Meeting"** means the special meeting of HMIC Shareholders to be held to consider, among other things, the Arrangement, and any adjournments thereof;
- (v) **"HMIC Shareholders"** means holders of HMIC Shares;
- (w) **"HMIC Shares"** means, collectively, the Class A HMIC Shares and the Class C HMIC Shares;
- (x) **"Information Circulars"** means, collectively, the HMIC Circular and the PMIC Circular;
- (y) **"Interim Order"** means the interim order of the Court pursuant to subsection 193(4) of the ABCA containing declarations and directions with respect to the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (z) **"Meetings"** means, collectively, the HMIC Meeting and the PMIC Meeting and **"Meeting"** means either one of them, as the context requires;
- (aa) **"Parties"** means, collectively, HMIC, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, the Trust and WCC, and **"Party"** means any one of them as the context requires;
- (bb) **"Person"** means an individual, partnership, association, body corporate, trust, unincorporated organization, government, regulatory authority or other entity;
- (cc) **"Plan of Arrangement"** means the plan of arrangement attached hereto as Schedule One, as amended, modified or supplemented from time to time;
- (dd) **"PMIC"** means Westpoint Capital Performance Mortgage Investment Corporation, a corporation incorporated under the laws of the Province of Alberta;
- (ee) **"PMIC Arrangement Resolution"** means the special resolution to approve the Arrangement to be voted upon by the PMIC Shareholders at the PMIC Meeting;



- (ff) “**PMIC Circular**” means the information circular to be prepared by management of PMIC and forwarded to PMIC Shareholders as part of the proxy solicitation materials in respect of the PMIC Meeting;
- (gg) “**PMIC GP**” means Westpoint Capital Performance GP Ltd., a corporation incorporated under the laws of the Province of Alberta;
- (hh) “**PMIC LP**” means Westpoint Capital Performance Limited Partnership, a limited partnership existing under the laws of the Province of Alberta;
- (ii) “**PMIC Meeting**” means the special meeting of PMIC Shareholders to be held to consider, among other things, the Arrangement, and any adjournments thereof;
- (jj) “**PMIC Shareholders**” means holders of PMIC Shares;
- (kk) “**PMIC Shares**” means, collectively, the Class A PMIC Shares and the Class B HMIC Shares;
- (ll) “**Registrar**” means the Registrar of Corporations duly appointed under section 263 of the ABCA;
- (mm) “**Securities Act**” means the *Securities Act*, R.S.A. 2000, c. S-4, including the regulations promulgated thereunder, as amended;
- (nn) “**Shareholders**” means, collectively, the HMIC Shareholders and the PMIC Shareholders, and “**Shareholder**” means any one of them;
- (oo) “**Subsidiary**” has the meaning ascribed to it in the Securities Act;
- (pp) “**Trust**” means Westpoint Investment Trust, an unincorporated, open-ended, limited purpose, trust existing under and governed by the laws of the Province of Alberta pursuant to the Declaration of Trust;
- (qq) “**Trust Units**” means the trust units of the Trust authorized for issuance pursuant to the Declaration of Trust;
- (rr) “**Trustees**” means the trustees of the Trust; and
- (ss) “**WCC**” means Westpoint Capital Corporation, a corporation existing under the laws of the Province of Alberta.

## 1.2 General

- (a) The division of this Agreement into articles, sections, subsections, paragraphs and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (b) Unless reference is specifically made to some other document or instrument, all references herein to articles, sections, subsections, paragraphs and schedules are to articles, sections, subsections, paragraphs and schedules of and to this Agreement.
- (c) Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa, and words importing any gender shall include all genders.

- (d) In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place, with the exception of actions required to be taken on the Effective Date to which this subsection 1.2(d) shall have no application.
- (e) Unless otherwise stated, all sums of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.
- (f) The schedules hereto are incorporated into and form an integral part of this Agreement.
- (g) This Agreement, together with schedules hereto, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. This Agreement is not intended to confer upon any other Person any rights or remedies hereunder.
- (h) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable in the Province of Alberta and shall be treated in all respects as an Alberta contract.

## **ARTICLE 2    THE ARRANGEMENT**

### **2.1    Arrangement**

As soon as reasonably practicable, HMIC, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, the Trust and WCC shall apply to the Court pursuant to Section 193 of the ABCA for an order approving the Arrangement and in connection with such application shall:

- (a) forthwith file, proceed with and diligently prosecute an application for an Interim Order under Section 193 of the ABCA, providing for, among other things, the calling and holding of the Meetings for the purpose of considering and, if deemed advisable, approving the Arrangement Resolutions;
- (b) subject to obtaining all necessary approvals of the Shareholders as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take the steps necessary to submit the Arrangement to the Court and apply for the Final Order; and
- (c) subject to the fulfillment of the conditions precedent set forth herein, deliver to the Registrar the Articles of Arrangement and such other documents as may be required to give effect to the Arrangement, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order and at the times set out in the Plan of Arrangement without any further act or formality.

## **ARTICLE 3    COVENANTS**

### **3.1    Covenants of HMIC**

HMIC hereby covenants and agrees with each of the other Parties that it will:

- (a) take, and, as applicable, cause its Subsidiaries to take, all reasonable action necessary to give effect to the transactions contemplated by this Agreement and the Arrangement;
- (b) use all reasonable efforts to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be

appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;

- (c) apply to the Court, in conjunction with the other Parties, for the Interim Order;
- (d) solicit proxies to be voted at the HMIC Meeting in favour of the HMIC Arrangement Resolution and prepare, in consultation and cooperation with PMIC, the HMIC Circular and proxy solicitation materials and any amendments or supplements thereto as required by, and in compliance with, the Interim Order, and applicable corporate and securities laws, and distribute the same to the HMIC Shareholders in a timely and expeditious manner;
- (e) convene the HMIC Meeting as ordered by the Interim Order and conduct the HMIC Meeting in accordance with the Interim Order and as otherwise required by law;
- (f) until the Effective Date, conduct its operations and those of its Subsidiaries in the ordinary and normal course of business and in accordance with applicable laws, generally accepted industry practice and any operating and other agreements applicable to its assets and those of its Subsidiaries;
- (g) use all reasonable efforts to cause each of the conditions precedent set forth in Article 5 which are within its control to be satisfied on or before the Effective Date;
- (h) subject to the approval of the HMIC Arrangement Resolution by the HMIC Shareholders, submit the Arrangement to the Court and apply, in conjunction with the other Parties, for the Final Order and diligently prosecute such application and any appeal of the Final Order;
- (i) upon issuance of the Final Order and subject to the satisfaction or waiver of the conditions precedent in Article 5, forthwith proceed to file the Articles of Arrangement, the Final Order and all related documents with the Registrar;
- (j) carry out the terms of the Final Order to the extent applicable to it;
- (k) not, except as specifically contemplated hereunder or in the Plan of Arrangement, merge into or with, or consolidate with, any other Person except a Subsidiary or, except in the ordinary and normal course of business, perform any act or enter into any transaction or negotiation which might interfere or be inconsistent with the consummation of the transactions contemplated by this Agreement; and
- (l) until the Effective Date, except as specifically provided for hereunder and in the Plan of Arrangement, not alter or amend its constating or governing documents or those of its Subsidiaries as the same exist at the date of this Agreement without the prior consent of the other Parties, not to be unreasonably withheld.

### 3.2 Covenants of PMIC

PMIC hereby covenants and agrees with each of the other Parties that it will:

- (a) take, and, as applicable, cause its Subsidiaries to take, all reasonable action necessary to give effect to the transactions contemplated by this Agreement and the Arrangement;
- (b) use all reasonable efforts to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be

appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;

- (c) apply to the Court, in conjunction with the other Parties, for the Interim Order;
- (d) solicit proxies to be voted at the PMIC Meeting in favour of the PMIC Arrangement Resolution and prepare, in consultation and cooperation with HMIC, the PMIC Circular and proxy solicitation materials and any amendments or supplements thereto as required by, and in compliance with, the Interim Order, and applicable corporate and securities laws, and distribute the same to the PMIC Shareholders in a timely and expeditious manner;
- (e) convene the PMIC Meeting as ordered by the Interim Order and conduct the PMIC Meeting in accordance with the Interim Order and as otherwise required by law;
- (f) until the Effective Date, conduct its operations and those of its Subsidiaries in the ordinary and normal course of business and in accordance with applicable laws, generally accepted industry practice and any operating and other agreements applicable to its assets and those of its Subsidiaries;
- (g) use all reasonable efforts to cause each of the conditions precedent set forth in Article 5 which are within its control to be satisfied on or before the Effective Date;
- (h) subject to the approval of the PMIC Arrangement Resolution by the PMIC Shareholders, submit the Arrangement to the Court and apply, in conjunction with the other Parties, for the Final Order and diligently prosecute such application and any appeal of the Final Order;
- (i) upon issuance of the Final Order and subject to the satisfaction or waiver of the conditions precedent in Article 5, forthwith proceed to file the Articles of Arrangement, the Final Order and all related documents with the Registrar;
- (j) carry out the terms of the Final Order to the extent applicable to it;
- (k) not, except as specifically contemplated hereunder or in the Plan of Arrangement, merge into or with, or consolidate with, any other Person except a Subsidiary or, except in the ordinary and normal course of business, perform any act or enter into any transaction or negotiation which might interfere or be inconsistent with the consummation of the transactions contemplated by this Agreement; and
- (l) until the Effective Date, except as specifically provided for hereunder and in the Plan of Arrangement, not alter or amend its constituting or governing documents or those of its Subsidiaries as the same exist at the date of this Agreement without the prior consent of the other Parties, not to be unreasonably withheld.

### 3.3 Covenants of HMIC GP, HMIC LP, PMIC GP, PMIC LP, the Trust and WCC

Each of HMIC GP, HMIC LP, PMIC GP, PMIC LP, the Trust and WCC covenants and agrees with each of the other Parties that it will:

- (a) take, and, as applicable, cause its Subsidiaries to take, all reasonable action necessary to give effect to the transactions contemplated by this Agreement and the Arrangement;
- (b) use all reasonable efforts to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be

appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;

- (c) apply to the Court, in conjunction with the other Parties, for the Interim Order;
- (d) until the Effective Date, conduct its operations and those of its Subsidiaries in the ordinary and normal course of business and in accordance with applicable laws, generally accepted industry practice and any operating and other agreements applicable to its assets and those of its Subsidiaries;
- (e) use all reasonable efforts to cause each of the conditions precedent set forth in Article 5 which are within its control to be satisfied on or before the Effective Date;
- (f) subject to the approval of the Arrangement Resolutions by the Shareholders, submit the Arrangement to the Court and apply, in conjunction with the other Parties, for the Final Order and diligently prosecute such application and any appeal of the Final Order;
- (g) upon issuance of the Final Order and subject to the satisfaction or waiver of the conditions precedent in Article 5, forthwith proceed to file the Articles of Arrangement, the Final Order and all related documents with the Registrar;
- (h) carry out the terms of the Final Order to the extent applicable to it;
- (i) not, except as specifically contemplated hereunder or in the Plan of Arrangement, merge into or with, or consolidate with, any other Person except a Subsidiary or, except in the ordinary and normal course of business, perform any act or enter into any transaction or negotiation which might interfere or be inconsistent with the consummation of the transactions contemplated by this Agreement; and
- (j) until the Effective Date, except as specifically provided for hereunder and in the Plan of Arrangement, not alter or amend its constating or governing documents or those of its Subsidiaries as the same exist at the date of this Agreement without the prior consent of the other Parties, not to be unreasonably withheld.

#### **ARTICLE 4     REPRESENTATIONS AND WARRANTIES**

##### **4.1     Representations and Warranties of HMIC**

HMIC hereby represents and warrants to and in favour of each of the other Parties as follows, and acknowledges that each of the other Parties are relying upon such representations and warranties:

- (a) HMIC is a corporation duly incorporated and is validly existing under the laws of the Province of Alberta and has the corporate power and capacity to own or lease its property and assets, to carry on its business as now conducted by it, to enter into this Agreement, and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by the board of directors of HMIC and this Agreement constitutes a valid and binding obligation of HMIC enforceable against it in accordance with its terms;
- (c) as of the dates as of which the information is given, such information set forth in the Information Circulars regarding HMIC and, as applicable, its Subsidiaries shall be true and correct in all material respects and shall not contain any misrepresentation (as defined in applicable securities legislation);

- (d) to the best of its knowledge, HMIC is not in default of any requirement of securities and corporate laws, regulations, rules, orders, notices and policies; and
- (e) as of the date hereof, the board of directors of HMIC has determined unanimously that:
  - (i) the Arrangement is fair to the HMIC Shareholders and is in the best interests of HMIC; and
  - (ii) they will recommend that HMIC Shareholders vote in favour of the HMIC Arrangement Resolution.

#### 4.2 Representations and Warranties of HMIC GP

HMIC GP represents and warrants to and in favour of each of the other Parties as follows, and acknowledges that each of the other Parties are relying upon such representations and warranties:

- (a) HMIC GP is a corporation duly incorporated and is validly existing under the laws of Alberta and has the corporate power and capacity to own or lease its property and assets, to carry on its business as now conducted by it, to enter into this Agreement, and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by the board of directors of HMIC GP and this Agreement constitutes a valid and binding obligation of HMIC GP enforceable against it in accordance with its terms;
- (c) to the best of its knowledge, HMIC GP is not in default of any requirement of securities and corporate laws, regulations, rules, orders, notices and policies; and
- (d) as of the dates as of which the information is given, such information set forth in the Information Circulars regarding HMIC GP and, as applicable, its Subsidiaries shall be true and correct in all material respects and shall not contain any misrepresentation (as defined in applicable securities legislation).

#### 4.3 Representations and Warranties of HMIC LP

HMIC LP, by its general partner, HMIC GP, represents and warrants to and in favour of each of the other Parties as follows, and acknowledges that each of the other Parties are relying upon such representations and warranties:

- (a) HMIC LP is a limited partnership existing under the laws of the Province of Alberta and has the power and capacity, through HMIC GP, to enter into this Agreement and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by HMIC GP, as general partner for and on behalf of HMIC LP, and this Agreement constitutes a valid and binding obligation of HMIC LP enforceable against it in accordance with its terms;
- (c) to the best of its knowledge, HMIC LP is not in default of any requirement of securities and corporate laws, regulations, rules, orders, notices and policies; and
- (d) as of the dates as of which the information is given, such information set forth in the Information Circulars regarding HMIC LP and, as applicable, its subsidiaries shall be true

and correct in all material respects and shall not contain any misrepresentation (as defined in applicable securities legislation).

#### 4.4 Representations and Warranties of PMIC

PMIC hereby represents and warrants to and in favour of each of the other Parties as follows, and acknowledges that each of the other Parties are relying upon such representations and warranties:

- (a) PMIC is a corporation duly incorporated and is validly existing under the laws of the Province of Alberta and has the corporate power and capacity to own or lease its property and assets, to carry on its business as now conducted by it, to enter into this Agreement, and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by the board of directors of PMIC and this Agreement constitutes a valid and binding obligation of PMIC enforceable against it in accordance with its terms;
- (c) as of the dates as of which the information is given, such information set forth in the Information Circulars regarding PMIC and, as applicable, its Subsidiaries shall be true and correct in all material respects and shall not contain any misrepresentation (as defined in applicable securities legislation);
- (d) to the best of its knowledge, PMIC is not in default of any requirement of securities and corporate laws, regulations, rules, orders, notices and policies; and
- (e) as of the date hereof, the board of directors of PMIC has determined unanimously that:
  - (i) the Arrangement is fair to the PMIC Shareholders and is in the best interests of PMIC; and
  - (ii) they will recommend that PMIC Shareholders vote in favour of the PMIC Arrangement Resolution.

#### 4.5 Representations and Warranties of PMIC GP

PMIC GP represents and warrants to and in favour of each of the other Parties as follows, and acknowledges that each of the other Parties are relying upon such representations and warranties:

- (a) PMIC GP is a corporation duly incorporated and is validly existing under the laws of Alberta and has the corporate power and capacity to own or lease its property and assets, to carry on its business as now conducted by it, to enter into this Agreement, and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by the board of directors of PMIC GP and this Agreement constitutes a valid and binding obligation of PMIC GP enforceable against it in accordance with its terms;
- (c) to the best of its knowledge, PMIC GP is not in default of any requirement of securities and corporate laws, regulations, rules, orders, notices and policies; and
- (d) as of the dates as of which the information is given, such information set forth in the Information Circulars regarding PMIC GP and, as applicable, its Subsidiaries shall be true

and correct in all material respects and shall not contain any misrepresentation (as defined in applicable securities legislation).

#### 4.6 Representations and Warranties of PMIC LP

PMIC LP, by its general partner, PMIC GP, represents and warrants to and in favour of each of the other Parties as follows, and acknowledges that each of the other Parties are relying upon such representations and warranties:

- (a) PMIC LP is a limited partnership existing under the laws of the Province of Alberta and has the power and capacity, through PMIC GP, to enter into this Agreement and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by PMIC GP, as general partner for and on behalf of PMIC LP, and this Agreement constitutes a valid and binding obligation of PMIC LP enforceable against it in accordance with its terms;
- (c) to the best of its knowledge, PMIC LP is not in default of any requirement of securities and corporate laws, regulations, rules, orders, notices and policies; and
- (d) as of the dates as of which the information is given, such information set forth in the Information Circulars regarding PMIC LP and, as applicable, its subsidiaries shall be true and correct in all material respects and shall not contain any misrepresentation (as defined in applicable securities legislation).

#### 4.7 Representations and Warranties of the Trust

The Trust represents and warrants to and in favour of each of the other Parties as follows, and acknowledges that each of the other Parties are relying upon such representations and warranties:

- (a) the Trust is a trust validly existing under the laws of the Province of Alberta and has the power and capacity to enter into this Agreement and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by the Trustees and this Agreement constitutes a valid and binding obligation of the Trust enforceable against it in accordance with its terms;
- (c) to the best of its knowledge, the Trust is not in default of any requirement of securities and corporate laws, regulations, rules, orders, notices and policies;
- (d) as of the dates as of which the information is given, such information set forth in the Information Circulars regarding the Trust and, as applicable, its Subsidiaries shall be true and correct in all material respects and shall not contain any misrepresentation (as defined in applicable securities legislation); and

#### 4.8 Representations and Warranties of WCC

WCC represents and warrants to and in favour of each of the other Parties as follows, and acknowledges that each of the other Parties are relying upon such representations and warranties:

- (a) WCC is a corporation duly incorporated and is validly existing under the laws of Alberta and has the corporate power and capacity to own or lease its property and assets, to carry



on its business as now conducted by it, to enter into this Agreement, and to perform its obligations hereunder;

- (b) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by the board of directors of WCC and this Agreement constitutes a valid and binding obligation of WCC enforceable against it in accordance with its terms;
- (c) to the best of its knowledge, WCC is not in default of any requirement of securities and corporate laws, regulations, rules, orders, notices and policies; and
- (d) as of the dates as of which the information is given, such information set forth in the Information Circulars regarding WCC and, as applicable, its Subsidiaries shall be true and correct in all material respects and shall not contain any misrepresentation (as defined in applicable securities legislation).

## **ARTICLE 5     CONDITIONS PRECEDENT**

### **5.1     Mutual Conditions Precedent**

The respective obligations of HMIC, HMIC GP, HMIC LP, PMIC, PMIC GP, PMIC LP, the Trust and WCC to complete the transactions contemplated by this Agreement shall be subject to the fulfillment or satisfaction, on or before the Effective Date, of each of the following conditions, any of which may be waived collectively by them without prejudice to their right to rely on any other condition:

- (a) the Interim Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, not later than June 12, 2015 or such later date as the Parties may agree and shall not have been set aside or modified in a manner unacceptable to such parties on appeal or otherwise;
- (b) pursuant to the Interim Order, the HMIC Arrangement Resolution must be approved by not less than 66 2/3% of the votes cast by HMIC Shareholders in person or represented by proxy at the HMIC Meeting;
- (c) pursuant to the Interim Order, the PMIC Arrangement Resolution must be approved by not less than 66 2/3% of the votes cast by PMIC Shareholders in person or represented by proxy at the PMIC Meeting;
- (d) the Final Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, not later than July 17, 2015 or such later date as the Parties may agree;
- (e) the transactions contemplated by the Arrangement shall be deemed to be completed at the effective times, including, as applicable, the retroactive effective times, contemplated by the Plan of Arrangement;
- (f) the Articles of Arrangement and all necessary related documents filed with the Registrar in accordance with the Arrangement shall be in form and substance satisfactory to each of the Parties, acting reasonably and shall have been accepted for filing by the Registrar together with the Final Order in accordance with subsection 193(10) of the ABCA;
- (g) there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order, which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental

authority or similar agency, domestic or foreign, or there shall not be in force any order or decree of any such entity that:

- (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated herein; or
  - (ii) results in any judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein;
- (h) all necessary material third party and regulatory consents, approvals and authorizations with respect to the transactions contemplated hereby shall have been completed or obtained;
- (i) each of the covenants, acts and undertakings of the Parties to be performed or complied with on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed or complied with;
- (j) except as affected by the transactions contemplated by this Agreement, the representations and warranties of the Parties contained in 3.3(A) hereof shall be true in all material respects on the Effective Date with the same effect as if made at and as of such dates; and
- (k) neither the board of directors of HMIC nor the board of directors of PMIC shall have determined in its sole and absolute discretion that to proceed with the Arrangement would not be in the best interests of the HMIC Shareholders or the PMIC Shareholders, as the case may be.

## 5.2 Notice and Effect of Failure to Comply with Conditions

If any of the conditions precedent set forth in Section 5.1 hereof shall not be complied with or waived by the Party or Parties for whose benefit such conditions are provided on or before the date required for the performance thereof, then a Party or Parties, as the case may be, for whose benefit the condition precedent is provided may, in addition to any other remedies they may have at law or in equity, rescind and terminate this Agreement provided that prior to the filing of the Articles of Arrangement for the purpose of giving effect to the Arrangement, the Party or Parties, as the case may be, intending to rely thereon has delivered a written notice to the other Party or Parties, as the case may be, specifying in reasonable detail all breaches of covenants or other matters which the party or parties, as the case may be, delivering such notice is asserting as the basis for the non-fulfillment of the applicable conditions precedent and the Party in breach shall have failed to cure such breach within five (5) Business Days of receipt of such written notice thereof (except that no cure period shall be provided for a breach which by its nature cannot be cured). More than one such notice may be delivered by a Party or Parties, as the case may be.

## 5.3 Satisfaction of Conditions

The conditions set out in this Article 5 shall be conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, the Articles of Arrangement, the Final Order and such other documents as are required are filed with the Registrar under the ABCA to give effect to the Arrangement.

## ARTICLE 6 AMENDMENT AND TERMINATION

### 6.1 Amendments

This Agreement may, at any time and from time to time before or after the Meeting, be amended in any respect whatsoever by written agreement of the Parties without further notice to or authorization on the part of their respective securityholders, and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto; and
- (c) waive compliance with or modify any of the covenants or conditions herein contained and waive or modify performance of any of the obligations of the Parties.

### 6.2 Termination

This Agreement shall be terminated in each of the following circumstances:

- (a) if the Arrangement shall not have become effective on or about July 31, 2015 or such later date as may be agreed to in writing by the Parties;
- (b) by agreement to terminate if executed and delivered by all Parties; or
- (c) upon any other circumstances hereunder that give rise to a termination of this Agreement by the a Party, including the failure to satisfy the conditions set forth in Section 5.1 hereof.

## ARTICLE 7 NOTICES

### 7.1 Notices

All notices which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be served personally, and in the case of:

- (a) HMIC, addressed to:
  - Westpoint Capital High Yield Mortgage Investment Corporation
  - 201, 1230 91 Street SW
  - Edmonton, Alberta T6X 0P2
  - Attention: Chief Executive Officer
- (b) HMIC GP, addressed to:
  - Westpoint Capital High Yield GP Ltd.
  - 201, 1230 91 Street SW
  - Edmonton, Alberta T6X 0P2
  - Attention: Chief Executive Officer
- (c) HMIC LP, addressed to:
  - c/o Westpoint Capital High Yield GP Ltd.
  - 201, 1230 91 Street SW
  - Edmonton, Alberta
  - T6X 0P2

Attention: Chief Executive Officer

- (d) PMIC, addressed to:

Westpoint Capital Performance Mortgage Investment Corporation  
201, 1230 91 Street SW  
Edmonton, Alberta T6X 0P2  
Attention: Chief Executive Officer

- (e) PMIC GP, addressed to:

Westpoint Capital Performance GP Ltd.  
201, 1230 91 Street SW  
Edmonton, Alberta T6X 0P2  
Attention: Chief Executive Officer

- (f) PMIC LP, addressed to:

c/o Westpoint Capital Performance GP Ltd.  
201, 1230 91 Street SW  
Edmonton, Alberta T6X 0P2  
Attention: Chief Executive Officer

- (g) the Trust, addressed to:

c/o Westpoint Management Corporation  
201, 1230 91 Street SW  
Edmonton, Alberta T6X 0P2  
Attention: Chief Executive Officer

- (h) WCC, addressed to:

Westpoint Capital Corporation  
201, 1230 91 Street SW  
Edmonton, Alberta T6X 0P2  
Attention: Chief Executive Officer

## **ARTICLE 8**    **GENERAL**

### **8.1**    **Binding Effect**

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

### **8.2**    **Expenses**

HMIC and PMIC shall pay all expenses in connection with the preparation and execution of this Agreement and the completion of the transactions contemplated hereby or incidental hereto in the event of the successful implementation of the Arrangement pursuant to the terms of this Agreement.

### **8.3**    **No Assignment**

The Parties may not assign their rights or obligations under this Agreement.

#### 8.4 Equitable Remedies

All covenants herein as to enforceability in accordance with the terms of any covenant, agreement or document shall be qualified as to applicable bankruptcy and other laws affecting the enforcement of creditors' rights generally and to the effect that specific performance, being an equitable remedy, may not be ordered.

#### 8.5 Severability

If any one or more of the provisions or parts of this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

#### 8.6 Time of Essence

Time shall be of the essence.

#### 8.7 Further Assurances

Each Party shall, from time to time, and at all times hereafter, at the request of any other Parties, but without further consideration, do all such further acts and things and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

#### 8.8 Waiver

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

#### 8.9 Execution and Delivery in Counterparts

This Agreement may be executed in counterparts, each of which is and is hereby conclusively deemed to be an original and counterparts collectively are to be conclusively deemed one instrument. Delivery of counterparts may be effected by facsimile or email transmission in PDF format.

**[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK. SIGNATURE  
PAGE FOLLOWS.]**

IN WITNESS WHEREOF each Party has executed this Agreement by its duly authorized officers as the date first above written.

**WESTPOINT CAPITAL HIGH YIELD MORTGAGE  
INVESTMENT CORPORATION**

Per: (signed) "*Munir Virani*"  
Name: Munir Virani  
Title: Director

**WESTPOINT CAPITAL HIGH YIELD GP LTD.**

Per: (signed) "*Munir Virani*"  
Name: Munir Virani  
Title: Director

**WESTPOINT CAPITAL HIGH YIELD LIMITED  
PARTNERSHIP, by its general partner  
WESTPOINT CAPITAL HIGH YIELD GP LTD.**

Per: (signed) "*Munir Virani*"  
Name: Munir Virani  
Title: Director

**WESTPOINT CAPITAL PERFORMANCE  
MORTGAGE INVESTMENT CORPORATION**

Per: (signed) "*Munir Virani*"  
Name: Munir Virani  
Title: Director

**WESTPOINT CAPITAL PERFORMANCE GP LTD.**

Per: (signed) "*Munir Virani*"  
Name: Munir Virani  
Title: Director

**WESTPOINT CAPITAL PERFORMANCE  
LIMITED PARTNERSHIP, by its general partner  
WESTPOINT CAPITAL PERFORMANCE GP  
LTD.**

Per: (signed) "*Munir Virani*"  
Name: Munir Virani  
Title: Director

**WESTPOINT INVESTMENT TRUST**

Per: (signed) "*Marnie Kiel*"  
Name: Marnie Kiel  
Title: Trustee

**WESTPOINT CAPITAL CORPORATION**

Per: (signed) "*Munir Virani*"  
Name: Munir Virani  
Title: Director

Per: (signed) "*Matthew Oberle*"  
Name: Matthew Oberle  
Title: Trustee

**SCHEDULE ONE**

**PLAN OF ARRANGEMENT**

**See attached.**

## SCHEDULE ONE

To the Arrangement Agreement made effective  
the 4<sup>th</sup> day of June, 2015 among  
Westpoint Capital Performance Mortgage Investment Corporation, Westpoint Capital  
Performance GP Ltd., Westpoint Capital Performance Limited Partnership, Westpoint Capital  
High Yield Mortgage Investment Corporation, Westpoint Capital High Yield GP Ltd.,  
Westpoint Capital High Yield Limited Partnership, Westpoint Investment Trust and Westpoint  
Capital Corporation

### PLAN OF ARRANGEMENT MADE PURSUANT TO SECTION 193 OF THE *BUSINESS CORPORATIONS ACT (ALBERTA)*

#### ARTICLE 1 INTERPRETATION

1.1 In this Arrangement, the following words shall have the following meanings:

- (a) "**ABCA**" means the *Business Corporations Act (Alberta)*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;
- (b) "**Amalco**" means the corporation resulting from the amalgamation of HMIC and WCMC pursuant to the Amalgamation Agreement;
- (c) "**Amalgamation Agreement**" means the amalgamation agreement to be entered into between HMIC and WCMC on or about the second day following the date of the Final Order;
- (d) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement, pursuant to section 193 of the ABCA, on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;
- (e) "**Arrangement Agreement**" means the arrangement agreement made effective June 4, 2015 among PMIC, PMIC GP, PMIC LP, HMIC, HMIC GP, HMIC LP, the Trust and WCC with respect to the Arrangement and all amendments thereto;
- (f) "**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required by subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been granted to give effect to the Arrangement;
- (g) "**Certificate**" means the certificate or proof of filing to be issued by the Registrar on the Effective Date pursuant to subsection 193(11) or subsection 193(12) of the ABCA giving effect to the Arrangement;
- (h) "**Class A HMIC Shares**" means the Class "A" Principal Preferred Shares in the capital of HMIC;
- (i) "**Class A PMIC Shares**" means the Class "A" Preferred Shares in the capital of PMIC;
- (j) "**Class A Units**" means the Class A Trust Units in the unit capital of the Trust;



- (k) **"Class B HMIC Shares"** means the Class "B" Bonus Preferred Shares of HMIC;
- (l) **"Class B PMIC Shares"** means the Class "B" Common Shares in the capital of PMIC;
- (m) **"Class B Units"** means the Class B Trust Units in the unit capital of the Trust;
- (n) **"Class C HMIC Shares"** means the Class "C" Common Shares in the capital of HMIC;
- (o) **"Class C Units"** means the Class C Trust Units in the unit capital of the Trust;
- (p) **"Common Share"** means a Class C HMIC Share or Class B PMIC Share, as the context requires;
- (q) **"Common Shareholder"** means a holder of Class C HMIC Shares and/or Class B PMIC Shares;
- (r) **"Court"** means the Court of Queen's Bench of Alberta;
- (s) **"Declaration of Trust"** means the declaration of trust of the Trust dated June 1, 2002, as amended, supplemented or restated from time to time;
- (t) **"Effective Date"** means the date shown on the Certificate, if any, and in the absence of a Certificate, the date upon which the Final Order is granted;
- (u) **"Effective Times"** means, notwithstanding the Effective Date, the retroactive effective times of the various transactions set out in Article 3;
- (v) **"Encumbrance"** means any encumbrance, lien, charge, security interest, option, privilege or other restriction or right of any kind or nature, and any right or privilege capable of becoming any of the foregoing;
- (w) **"Final Order"** means the final order of the Court approving the Arrangement pursuant to paragraph 193(9)(a) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (x) **"HMIC"** means Westpoint Capital High Yield Mortgage Investment Corporation;
- (y) **"HMIC Common Shareholder"** means a holder of Class C HMIC Shares;
- (z) **"HMIC GP"** means Westpoint Capital High Yield GP Ltd., the general partner of HMIC LP;
- (aa) **"HMIC LP"** means Westpoint Capital High Yield Limited Partnership;
- (bb) **"HMIC Meeting"** means the special meeting of HMIC Shareholders to be held on Thursday, July 9, 2015 to consider, among other things, the Arrangement, and any adjournment(s) thereof;
- (cc) **"HMIC Preferred Shareholder"** means a holder of Class A HMIC Shares and, as applicable, Class B HMIC Shares;

- (dd) "**HMIC Preferred Shares**" means the Class A HMIC Shares and the Class B HMIC Shares;
- (ee) "**HMIC Shareholder**" means a holder of HMIC Shares;
- (ff) "**HMIC Shares**" means the Class A HMIC Shares, Class B HMIC Shares and/or the Class C HMIC Shares;
- (gg) "**Income Tax Act**" means the *Income Tax Act* (Canada), including the regulations thereunder, as amended;
- (hh) "**Interim Order**" means the interim order of the Court pursuant to subsection 193(4) of the ABCA containing declarations and directions with respect to this Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (ii) "**Master LP**" means Westpoint Master Limited Partnership, a limited partnership established pursuant to the Partnership Act;
- (jj) "**Meetings**" means, collectively, the HMIC Meeting and the PMIC Meeting, and "**Meeting**" means either one of them, as the context requires;
- (kk) "**MLP**" means Westpoint Mortgage Limited Partnership, a limited partnership to be established pursuant to the Partnership Act;
- (ll) "**Partnership Act**" means the *Partnership Act* (Alberta), R.S.A. 2000, c. P-3, including the regulations thereunder, as amended;
- (mm) "**Person**" means an individual, partnership, association, body corporate, trust, unincorporated organization, government, regulatory authority or other entity;
- (nn) "**Plan of Arrangement**" means this Plan of Arrangement, as amended, modified or supplemented from time to time;
- (oo) "**PMIC**" means Westpoint Capital Performance Mortgage Investment Corporation;
- (pp) "**PMIC Common Shareholder**" means a holder of Class B PMIC Shares;
- (qq) "**PMIC GP**" means Westpoint Capital Performance GP Ltd., the general partner of PMIC LP;
- (rr) "**PMIC LP**" means Westpoint Capital Performance Limited Partnership;
- (ss) "**PMIC Meeting**" means the special meeting of PMIC Shareholders to be held on Thursday, July 9, 2015 to consider, among other things, the Arrangement, and any adjournment(s) thereof;
- (tt) "**PMIC Preferred Shareholder**" means a holder of Class A PMIC Shares;
- (uu) "**PMIC Preferred Shares**" means the Class A PMIC Shares;
- (vv) "**PMIC Shareholder**" means a holder of PMIC Shares;

- (ww) **"PMIC Shares"** means the Class A PMIC Shares and/or the Class B PMIC Shares;
- (xx) **"Preferred Shareholder"** means a HMIC Preferred Shareholder or PMIC Preferred Shareholder, as the context requires;
- (yy) **"Registrar"** means the Registrar of Corporations duly appointed under section 263 of the ABCA;
- (zz) **"Shareholder"** means a holder of HMIC Shares and/or PMIC Shares;
- (aaa) **"Shares"** means all or any of the issued and outstanding HMIC Shares and/or PMIC Shares, as the context requires;
- (bbb) **"Tax Act"** means the Income Tax Act, R.S.C. 1985, c.1, (5th Supp.), and the Income Tax Regulations applicable with respect thereto, as amended from time to time;
- (ccc) **"Trust"** means Westpoint Investment Trust, a mutual fund trust within the meaning of the Tax Act, existing under and governed by the laws of the province of Alberta pursuant to the Declaration of Trust;
- (ddd) **"Trust Units"** means the trust units of the Trust authorized for issuance by the Trust pursuant to the Declaration of Trust;
- (eee) **"Unitholders"** means the holders of Trust Units;
- (fff) **"WCMC"** means Westpoint Capital Management Corporation;

- 1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Arrangement.
- 1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles, sections and subsections are to articles, sections and subsections of this Plan of Arrangement.
- 1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; and words importing any gender shall include all genders.
- 1.5 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations or rules promulgated thereunder from time to time in effect.
- 1.6 Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

## **ARTICLE 2 PURPOSE AND EFFECT OF THE ARRANGEMENT**

2.1 The following is only intended to be a general statement of the purpose of the Arrangement and is qualified in its entirety by the specific provisions of the Arrangement:

The purpose of the Arrangement is to effect a reorganization and restructuring of the corporate structures of HMIC and PMIC into a single unit trust structure in order to provide for greater operational efficiency, eliminate certain investment restrictions and provide

greater capitalization synergies between mortgage investment and direct real estate investment. The Arrangement will result in the consolidation of the assets of HMIC and PMIC into a single unit trust to which the Shareholders will sell their Shares in HMIC and PMIC in exchange for units of the Trust having substantially similar rights and restrictions as were associated with the Shares. Upon completion of the Arrangement, the Trust will own, directly or indirectly, the same assets that HMIC and PMIC collectively owned immediately prior to the effective time of the Arrangement and the Trust will, directly or indirectly, assume all of the obligations of HMIC and PMIC, which will be amalgamated and wound up, respectively.

- 2.1 The Arrangement shall be binding upon HMIC, PMIC, HMIC LP, HMIC GP, PMIC LP, PMIC GP, WCC and the Trust.
- 2.2 Articles of Arrangement shall be filed with the Registrar with the purpose and intent that none of the provisions of the Arrangement shall become effective unless all of the provisions of the Arrangement shall have become effective. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective on the Effective Date in the sequence set out therein.

### ARTICLE 3 ARRANGEMENT

- 3.1 Effective at the Effective Times set out below, each of the events set out below shall occur and shall be deemed to occur without any further authorization, act or formality:
  - (a) any agreements among any of, and the constating documents of the Trust, HMIC, PMIC, HMIC LP, HMIC GP, PMIC LP, PMIC GP and WCC shall be amended to the extent necessary to facilitate the Arrangement and the implementation of the steps and transactions contemplated herein;
  - (b) Sale of Common Shares of HMIC and PMIC by Common Shareholders to WCC
    - (i) On July 1, 2015 at 7:00 a.m., each of the PMIC Common Shareholders and the HMIC Common Shareholders will sell their respective Common Shares of PMIC ("**PMIC Common Shares**") and HMIC ("**HMIC Common Shares**") to WCC. As consideration for such sale of shares, the PMIC Common Shareholders and HMIC Common Shareholders will each receive \$1.00 for each PMIC Common Share and HMIC Common Share sold to WCC. The total PMIC Common Shares and HMIC Common Shares to be purchased by WCC will be 200 common shares for two hundred (\$200) dollars.
  - (c) Sale of Preferred Shares of HMIC and PMIC by Preferred Shareholders to the Trust
    - (i) On July 1, 2015 at 8:00 a.m., each of the PMIC Preferred Shareholders will sell all of their PMIC Preferred Shares to the Trust and will receive, as consideration, Class A Trust Units on a 1:1 basis and each of the HMIC Preferred Shareholders will sell all of their HMIC Preferred Shares to the Trust and will receive Class A Trust Units and Class B Trust Units calculated on the basis of (i) 0.8 Class A Trust Units and (ii) 0.2 Class B Trust Units being issued to a HMIC Preferred Shareholder for each Class "A" HMIC Preferred Share held by a HMIC Preferred Shareholder. Any PMIC Preferred Shareholder and any HMIC Preferred Shareholder who has submitted a redemption notice (the "**Redemption Notice**") pursuant to the Articles of Incorporation of PMIC or HMIC, as the case may be, prior to the date of the

Meetings, and whose shares have not been redeemed, will receive a redemption note of the Trust (the "**Redemption Note**"). Only the relative priority of satisfaction and the calculation of the face value of each Redemption Note will be determined based on the timing of the Redemption Notice and the respective redemption amount and redemption rights associated with the PMIC Preferred Shares and the HMIC Preferred Shares for which the Redemption Notice was given and all other rights and entitlements associated with the Redemption Note will be determined in accordance with the schedule of unit rights to the Declaration of Trust.

(d) Transfer of Preferred Shares by Trust to WCMC

- (i) On July 1, 2015 at 9:00 a.m., each PMIC Preferred Share and HMIC Preferred Share owned by the Trust shall be transferred, pursuant to subsection 85(1) of the Tax Act, to WCMC (free and clear of any encumbrances) in exchange for (i) a promissory note ("**Transfer Note**") and (ii) 99,800 fully paid and non-assessable class B non-voting Common Shares of WCMC ("**WCMC Shares**"), together having a fair market value equal to the aggregate fair market value of all of the PMIC Preferred Shares and HMIC Preferred Shares transferred to the Trust ("**Aggregate Fair Market Value**"). The Transfer Note will be in a principal amount equal to eighty percent (80%) of the Aggregate Fair Market Value plus the total amount of the non-capital losses carried forward in HMIC at its June 30, 2015 taxation year-end ("**Cumulative Amount**"). The stated capital account maintained for the WCMC Shares will be increased by an amount equal to the Aggregate Fair Market Value less the amount of the Transfer Note, in accordance with subsection 28(3) of the ABCA.

(e) Transfer of Real Estate Assets and Liabilities by PMIC LP to HMIC LP

- (i) On July 1, 2015 at 10:00 a.m., all beneficial and equitable title and interest in the real estate assets of PMIC LP ("**PMIC LP Assets**") shall be transferred, assigned and conveyed (the "**PMIC LP Transfer**") to HMIC LP pursuant to subsection 97(2) of the Tax Act and, in consideration therefor, all liabilities of PMIC LP relating to the PMIC LP Assets ("**PMIC LP Liabilities**") shall be assumed (the "**PMIC LP Assumption**") by HMIC LP. Bare legal title to the PMIC LP Assets shall remain in the wholly-owned subsidiaries of WCC and the PMIC LP Transfer and PMIC LP Assumption shall be deemed to:
- (1) transfer, assign and convey to HMIC LP all beneficial and equitable interest in all rights, defenses and counter-claims, of any kind whatsoever, that PMIC LP ever had, now has or may have in the future in connection with the PMIC LP Assets and PMIC LP Liabilities; and
  - (2) operate as a novation by substituting HMIC LP for PMIC LP as beneficial and equitable owner of all rights, benefits and interests in connection with the PMIC LP Assets and PMIC LP Liabilities that PMIC LP ever had, now has or may have in the future;
- (ii) On July 1, 2015 at 10:00 a.m. and as further consideration for the PMIC LP Transfer, HMIC LP will issue fully paid and non-assessable limited partnership units of HMIC LP to PMIC LP ("**HMIC LP Units**"), having a value

- equal to the difference between the fair market value of the PMIC LP Liabilities and the PMIC LP Assets;
- (iii) Following the PMIC LP Transfer, WCC (and/or its applicable wholly-owned subsidiaries) will acknowledge its continued obligations as trustee for HMIC LP and HMIC LP will appoint WCC as bare legal trustee of the PMIC LP Assets;
- (f) Transfer of PMIC Common Shares and PMIC GP Shares by WCC to WCMC
    - (i) On July 1, 2015 at 11:00 a.m., 100 Class "B" Common Shares of PMIC and 100 Class "A" Common Shares of PMIC GP owned by WCC will be transferred to WCMC by WCC, and in consideration therefore, WCMC shall pay to WCC one hundred (\$100) dollars for the 100 Class "B" Common Shares of PMIC and a further one hundred (\$100) dollars for the 100 Class "A" Common Shares of PMIC GP.
  - (g) Subscription for Class C Trust Units by the Common Shareholders
    - (i) On July 1, 2015 at 11:15 a.m., each of the individuals previously holding HMIC Common Shares and PMIC Common Shares will subscribe for 1 Class C Unit of the Trust for a subscription price of \$1.00 per Class C Unit.
  - (h) Transfer of PMIC Preferred Shares and PMIC GP Shares by WCMC to HMIC
    - (i) On July 1, 2015 at 11:30 a.m., all of the PMIC Preferred Shares then outstanding and the 100 Class "A" Common Shares of PMIC GP owned by WCMC shall be transferred from WCMC, pursuant to subsection 85(1) of the Tax Act, to HMIC (free and clear of any encumbrances) in exchange for fully paid and non-assessable Class C HMIC Shares (the "**HMIC Transfer Shares**") having a fair market value equal to the PMIC Preferred Shares and 100 Class "A" Common Shares of PMIC GP so transferred.
    - (ii) On July 1, 2015 at 11:30 a.m. and upon the issuance of the HMIC Transfer Shares, there shall be added to the stated capital account maintained for the HMIC Transfer Shares, in accordance with subsection 28(3) of the ABCA, an amount equal to the fair market value equal to the PMIC Preferred Shares and 100 Class "A" Common shares of PMIC GP so transferred.
  - (i) Wind-up of PMIC GP into HMIC
    - (i) On July 1, 2015 at 12:00 p.m., all assets of PMIC GP shall be transferred to HMIC pursuant to subsection 88(1) of the Tax Act, all liabilities of PMIC GP shall be assumed by HMIC and PMIC GP shall be wound up and dissolved into HMIC.
  - (j) Reduction in Stated Capital of PMIC Shares
    - (i) On July 1, 2015 at 12:00 p.m., the stated capital account of the 100 Class "B" PMIC Common Shares shall be, and shall be deemed to be, reduced to \$1.00, without any payment to the PMIC Common Shareholder. Further, the stated capital account of the outstanding PMIC Preferred Shares shall be,

and shall be deemed to be, reduced to \$1.00, without any payment to the holder of the PMIC Preferred Shares;

(k) Assumption of PMIC LP Remaining Liabilities by HMIC

(i) On July 1, 2015 at 12:30 p.m., HMIC will assume all of the remaining liabilities of PMIC LP ("**PMIC LP Remaining Liabilities**") and as consideration therefor, HMIC shall increase its general partner capital account in PMIC LP by an amount equal to the fair market value of the PMIC LP Remaining Liabilities assumed. This assumption shall be deemed to:

- (1) transfer, assign and convey to HMIC all beneficial and equitable interest in all rights, defenses and counter-claims, of any kind whatsoever, that PMIC LP ever had, now has or may have in the future in connection with the PMIC LP Remaining Liabilities; and
- (2) operate as a novation by substituting HMIC for PMIC LP as beneficial and equitable owner of all rights, benefits and interests in connection with the PMIC LP Remaining Liabilities that PMIC LP ever had, now has or may have in the future;

(l) Wind-up of PMIC into HMIC

(i) On July 1, 2015 at 12:45 p.m., all assets of PMIC will be transferred to HMIC pursuant to subsection 88(1) of the Tax Act, all liabilities of PMIC will be assumed by HMIC and PMIC will be wound up and dissolved into HMIC.

(m) Wind-up of PMIC LP into HMIC

(i) On July 1, 2015 at 12:45 p.m., PMIC LP will dissolve according to the Partnership Act and all beneficial and equitable title and interest in the remaining assets of PMIC LP ("**PMIC LP Remaining Assets**") shall be transferred, assigned and conveyed (the "**PMIC LP Remaining Transfer**") to HMIC on a tax-deferred basis pursuant to subsection 98(5) of the Tax Act. Bare legal title to the PMIC LP Remaining Assets shall remain in WCC and the PMIC LP Remaining Transfer shall be deemed to:

- (1) transfer, assign and convey to HMIC all beneficial and equitable interest in all rights, defenses and counter-claims, of any kind whatsoever, that PMIC LP ever had, now has or may have in the future in connection with the PMIC LP Remaining Assets; and
- (2) operate as a novation by substituting HMIC for PMIC LP as beneficial and equitable owner of all rights, benefits and interests in connection with the PMIC LP Remaining Assets that PMIC LP ever had, now has or may have in the future;

(ii) Following the PMIC LP Remaining Transfer, WCC will acknowledge its continued obligations as trustee for HMIC and HMIC will appoint WCC as bare legal trustee of the PMIC LP Remaining Assets.

(n) Transfer of Mortgage Assets and Liabilities from HMIC to MLP

- (i) On July 1, 2015 at 1:00 p.m., all beneficial and equitable title and interest in the mortgage assets of HMIC ("**HMIC Mortgage Assets**") shall be transferred, assigned and conveyed (the "**HMIC Mortgage Transfer**") to MLP pursuant to subsection 97(2) of the Tax Act and, as consideration therefor, all liabilities of HMIC in respect of the HMIC Mortgage Assets ("**HMIC Mortgage Liabilities**") shall be assumed (the "**HMIC Mortgage Assumption**") by MLP. Bare legal title to the HMIC Mortgage Assets shall remain in WCC, or in any other third-party trustee in which legal title was previously vested, and the HMIC Mortgage Transfer and HMIC Mortgage Assumption shall be deemed to:
    - (1) transfer, assign and convey to MLP all beneficial and equitable interest in all rights, defenses and counter-claims, of any kind whatsoever, that HMIC ever had, now has or may have in the future in connection with the HMIC Mortgage Assets and HMIC Mortgage Remaining Liabilities; and
    - (2) operate as a novation by substituting MLP for HMIC as beneficial and equitable owner of all rights, benefits and interests in connection with the HMIC Mortgage Assets and HMIC Mortgage Liabilities that HMIC ever had, now has or may have in the future;
  - (ii) On July 1, 2015 at 1:00 p.m. and as further consideration for the HMIC Mortgage Transfer, MLP will issue fully paid and non-assessable limited partnership units of MLP to HMIC ("**MLP LP Units**") having a fair market value equal to the difference between the fair market value of the HMIC Mortgage Assets and the HMIC Mortgage Liabilities and the fair market value of the MLP LP Units will be added to the capital account of HMIC.
- (o) Sale of Common Shares of HMIC GP by WCC to WCMC
- (i) On July 1, 2015 at 1:30 p.m., WCC will sell its 100 Class "A" HMIC GP Common Shares to WCMC. As consideration for such sale of shares, WCC will receive \$1.00 for each Class "A" HMIC GP Common Share sold to WCMC.
- (p) Transfer of HMIC LP Units and MLP Units by HMIC to Master LP
- (i) On July 1, 2015 at 2:00 p.m., all MLP LP Units and HMIC LP units owned by HMIC shall be transferred from HMIC to Master LP pursuant to subsection 97(2) of the Tax Act, and in consideration therefor, Master LP will:
    - (1) issue a one (\$1.00) dollar credit to the limited partner capital account for HMIC;
    - (2) issue a promissory note having a principal amount of eighty (80%) percent of the Cumulative Amount to HMIC ("**Master LP Debt**"); and
    - (3) issue a further promissory note having a principal amount equal to twenty (20%) of the Cumulative Amount less one (\$1.00) dollar to HMIC ("**Subscription Debt**").



## **ARTICLE 4 PROCESS**

- 4.1 Each of the transactions and events set out in Article 3 shall be deemed to occur in the order and at the Effective Times prescribed therein.
- 4.2 With respect to each Share to which Section 3.1(b) and Section 3.1(c) applies, at the applicable Effective Times:
- (a) the Shareholder thereof shall cease to be a holder of such Share and such Shareholder's name shall be removed from the share register with respect to such Shares; and
  - (b) The Trust shall be, and be deemed to be, the transferee of such Shares (free and clear of any Encumbrances) and shall be entered in the share register as the shareholder thereof.

## **ARTICLE 5 AMENDMENTS**

- 5.1 The Trust, HMIC, PMIC, HMIC LP, HMIC GP, PMIC LP, PMIC GP and WCC reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date provided that any such amendment, modification or supplement must be contained in a written document that is: (a) filed with the Court and, if made following the Meetings, approved by the Court; and (b) communicated to the Shareholders and/or Unitholders, as the case may be, in the manner required by the Court (if so required).
- 5.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Trust, HMIC, PMIC, HMIC LP, HMIC GP, PMIC LP, PMIC GP and WCC at any time and from time to time prior to or at the Meetings with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Meetings (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 5.3 Any amendment, modification or supplement to this Plan of Arrangement which is approved by the Court following the Meetings shall be effective only: (a) if it is consented to by the Trust, HMIC, PMIC, HMIC LP, HMIC GP, PMIC LP, PMIC GP and WCC; and (b) if required by the Court or applicable law, it is consented to by the Shareholders and/or Unitholders, as the case may be.

## **ARTICLE 6 FURTHER ASSURANCES**

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement and specifically at the Effective Times associated with each transaction and event, without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein.

## APPENDIX B - ARRANGEMENT RESOLUTION

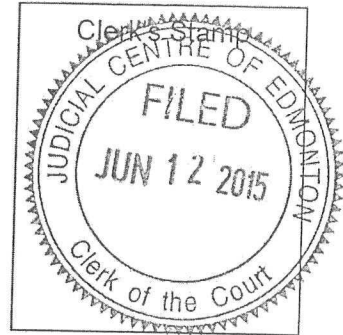
“BE IT RESOLVED AS A SPECIAL RESOLUTION OF HOLDERS OF CLASS “A” PRINCIPAL PREFERRED SHARES AND CLASS “C” COMMON SHARES, EACH VOTING SEPARATELY AS A CLASS, THAT:

1. The arrangement under section 193 of the *Business Corporations Act* (Alberta) (the “**Arrangement**”), substantially as set forth in the plan of arrangement (the “**Plan of Arrangement**”) attached as Schedule One to the Arrangement Agreement (as herein defined) to the information circular of Westpoint Capital High Yield Mortgage Investment Corporation (the “**Corporation**”) dated June 12, 2015 (the “**Circular**”) and all transactions contemplated thereby, be and are hereby authorized and approved.
2. The arrangement agreement (“**Arrangement Agreement**”) made effective June 4, 2015, among the Corporation, Westpoint Capital High Yield GP Ltd., Westpoint Capital High Yield Limited Partnership, Westpoint Capital Performance Mortgage Investment Corporation, Westpoint Capital Performance GP Ltd., Westpoint Capital Performance Limited Partnership, Westpoint Capital Corporation and Westpoint Investment Trust, a copy of which is attached as Appendix A to the Circular, together with such amendments or variations thereto made in accordance with the terms of the Arrangement Agreement as may be approved by the persons referred to in paragraph 5 hereof, such approval to be evidenced conclusively by the execution and delivery of any such amendments or variations, is hereby confirmed, ratified and approved.
3. The Corporation be and is hereby authorized to apply for a final order from the Court of Queen's Bench of Alberta to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement, as they may be amended, modified or supplemented and as described in the Circular.
4. Notwithstanding that this resolution has been duly passed or that the Arrangement has received the approval of the Court of Queen's Bench of Alberta, any director or officer of the Corporation is hereby authorized, and empowered to, without further notice to or approval of the shareholders of the Corporation, amend, modify, supplement or terminate the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement and, subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions and to revoke this resolution at any time prior to the filing of the Articles of Arrangement giving effect to the Arrangement.
5. Any one director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and deliver Articles of Arrangement and to execute, with or without the corporate seal, and, if appropriate, deliver all other documents and instruments and do all other things as in the opinion of such trustee or officer may be necessary or advisable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.”

**APPENDIX C - INTERIM ORDER**

SEE ATTACHED.

COURT FILE NUMBER 1503-08010  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON



APPLICANTS WESTPOINT CAPITAL PERFORMANCE MORTGAGE INVESTMENT CORPORATION, WESTPOINT CAPITAL HIGH YIELD MORTGAGE INVESTMENT CORPORATION, WESTPOINT CAPITAL PERFORMANCE GP LTD., WESTPOINT CAPITAL PERFORMANCE LIMITED PARTNERSHIP, WESTPOINT CAPITAL HIGH YIELD GP LTD., WESTPOINT CAPITAL HIGH YIELD LIMITED PARTNERSHIP, WESTPOINT INVESTMENT TRUST AND WESTPOINT CAPITAL CORPORATION

I hereby certify this to be a true copy of the original.

*C. Hollaway*  
for Clerk of the Court

RESPONDENTS NOT APPLICABLE

IN THE MATTER OF SECTION 193 OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING WESTPOINT CAPITAL PERFORMANCE MORTGAGE INVESTMENT CORPORATION, ITS SHAREHOLDERS, WESTPOINT CAPITAL HIGH YIELD MORTGAGE INVESTMENT CORPORATION, ITS SHAREHOLDERS, WESTPOINT CAPITAL PERFORMANCE GP LTD., WESTPOINT CAPITAL PERFORMANCE LIMITED PARTNERSHIP, WESTPOINT CAPITAL HIGH YIELD GP LTD., WESTPOINT CAPITAL HIGH YIELD LIMITED PARTNERSHIP, WESTPOINT INVESTMENT TRUST AND WESTPOINT CAPITAL CORPORATION

DOCUMENT INTERIM ORDER

PARTIES FILING THIS DOCUMENT WESTPOINT CAPITAL PERFORMANCE MORTGAGE INVESTMENT CORPORATION, WESTPOINT CAPITAL HIGH YIELD MORTGAGE INVESTMENT CORPORATION, WESTPOINT CAPITAL PERFORMANCE GP LTD., WESTPOINT CAPITAL PERFORMANCE LIMITED PARTNERSHIP, WESTPOINT CAPITAL HIGH YIELD GP LTD., WESTPOINT CAPITAL HIGH YIELD LIMITED PARTNERSHIP, WESTPOINT INVESTMENT TRUST AND WESTPOINT CAPITAL CORPORATION

ADDRESS FOR SERVICE OF LAWYER OF RECORD BRYAN & COMPANY LLP  
2600 Manulife Place  
10180 - 101 Street  
Edmonton, AB T5J 3Y2

LAWYER IN CHARGE      Liza J. Wold  
Phone: 780.423.5730  
Fax: 780.428.6324  
Email: ljwold@bryanco.com  
File No.: 30160-1

<b>DATE ON WHICH ORDER WAS PRONOUNCED:</b>	June 12, 2015
<b>NAME OF JUSTICE WHO MADE THIS ORDER:</b>	Madam Justice J. Ross
<b>LOCATION OF HEARING:</b>	Edmonton, Alberta

**INTERIM ORDER**

UPON the Originating Application of Westpoint Capital Corporation ("**WCC**"), Westpoint Capital Performance Mortgage Investment Corporation ("**PMIC**"), Westpoint Capital High Yield Mortgage Investment Corporation ("**HMIC**"), Westpoint Capital Performance GP Ltd. ("**PMIC GP**"), Westpoint Capital Performance Limited Partnership ("**PMIC LP**"), Westpoint Capital High Yield GP Ltd. ("**HMIC GP**"), Westpoint Capital High Yield Limited Partnership ("**HMIC LP**") and Westpoint Investment Trust (the "**Trust**") pursuant to Section 193 of the *Business Corporations Act*, R.S.A, 2000, c. B-9, as amended ("**ABCA**");

AND UPON reading the said Originating Application, the Affidavits of Munir Virani and Jordan Mertz, filed herein;

AND UPON hearing counsel for the Applicants;

AND UPON NOTING THAT for the purposes of this Order the capitalized terms not defined in this Order shall have the meaning ascribed to them in the draft Management Information Circular of HMIC (the "**HMIC Circular**") and the draft Management Information Circular of PMIC (the "**PMIC Circular**") (the HMIC Circular and the PMIC Circular, collectively, the "**Circulars**"), which are attached as Exhibits "1A" and "1B", respectively, to the Affidavit of Munir Virani sworn on the 8<sup>th</sup> day of June, 2015 (the "**Virani Affidavit**") as amended by the black-line comparison versions of the HMIC Circular and PMIC Circular which are attached as Exhibits "1A" and "1B", respectively, to the Affidavit of Jordan Mertz sworn on the 11<sup>th</sup> of June, 2015 (the "**Mertz Affidavit**") and as appear in their final form as Exhibits "2A" and "2B" to the Mertz Affidavit.

IT IS HEREBY ORDERED THAT:

## GENERAL

1. The proposed course of action is an "Arrangement" within the definition of the ABCA and the Applicants may proceed with the Arrangement, as described in the Virani Affidavit, subject to final approval by this Court.
2. HMIC and PMIC shall seek approval of the Arrangement by the Shareholders of HMIC and PMIC (collectively, the "**Shareholders**"), in the manners set forth herein. Such Approval shall be sufficient to authorize the Applicants to do all such acts and things that may be necessary and desirable to give effect to the Arrangement on a basis that is consistent with what is provided for in the Circulars without the necessity of any further approval by the Shareholders, subject only to a final approval of the Arrangement by this Court.

## MEETING OF UNITHOLDERS

3. HMIC and PMIC shall each convene a special meeting (respectively, the "**HMIC Meeting**" and the "**PMIC Meeting**" and, collectively, the "**Meetings**") of the Shareholders on or about July 9, 2015, to consider and vote upon, with or without variation, a special resolution (respectively, the "**HMIC Arrangement Resolution**" and the "**PMIC Arrangement Resolution**" and, collectively, the "**Arrangement Resolutions**") approving a plan of arrangement (the "**Arrangement**") in respect of the Applicants, as contemplated by the Arrangement. The Shareholders may further deal with any other items of business as may be proposed and properly disclosed in the Circulars.
4. The Meetings shall be called, held and conducted in accordance with the bylaws of HMIC and PMIC, the provisions of the ABCA, in accordance with applicable securities laws, the Circulars, the rulings and directions of the Chair of the Meeting, this Order and any further Order of this Court.

## NOTICE OF MEETING

5. The only persons entitled to notice of the Meetings shall be the Shareholders of record as of June 1, 2015 (the "**Record Date**"), the auditors of HMIC and PMIC and the board of directors of HMIC GP and PMIC GP; *and the creditors of HMIC and PMIC;*
6. At least twenty-one days (exclusive of the day of mailing or delivery but inclusive of the day of the Meetings) prior to the day of the Meetings, each of HMIC and PMIC shall send: *"SE"*

- a. a Notice of the Meeting of Shareholders;
- b. the Notice of Originating Application; and
- c. the HMIC Circular or the PMIC Circular, as applicable;

(collectively, the "**Meeting Materials**");

together with the Forms of Proxy, all in substantially the forms contained in Exhibits "2A", "2B", "3A" and "3B" to the Mertz Affidavit, and with such other amendments as counsel for HMIC and PMIC may advise are necessary or advisable, provided that such amendments are not inconsistent with the terms of this Order, to the Shareholders of record as of the Record Date, to the auditors of HMIC and PMIC and to the board of directors of HMIC GP and PMIC GP, by mailing the same by prepaid ordinary mail or by delivering the same by direct courier at the expense of HMIC or PMIC, as the case may be. Such mailing and delivery shall constitute good and sufficient service of notice of the Originating Application, the Meetings and the hearing in respect of the Originating Application.

7. The Meeting Materials shall be deemed to have been received, in the case of mailing, three (3) days after delivery to the post office, and in the case of delivery in person, by courier or by expedited parcel post, upon receipt at the intended recipient's address.
8. HMIC and PMIC are authorized to adjourn or postpone the Meetings on one or more occasions (whether or not a quorum is present), without the necessity of first convening the Meetings or first obtaining any vote of the Shareholders in respect of the adjournment or postponement. Notice of such adjournment or postponement may be given by such method as HMIC and PMIC, as the case may be, determine is appropriate in the circumstances.
9. HMIC and PMIC are hereby authorized to make such amendments, revisions or supplements ("**Additional Information**") to the Meeting Materials as it may determine, and HMIC and PMIC shall distribute such Additional Information by the method and in the time most reasonably practicable in the circumstances.
10. The accidental omission to give notice of the Meetings to, or the non-receipt of the notice by, one or more of the aforesaid persons, shall not invalidate any resolution passed or proceedings taken at the Meetings.

### SOLICITATION OF PROXIES

11. HMIC and PMIC are authorized to use the Form of Proxy contained in Exhibits "3A" and "3B" to the Mertz Affidavit. HMIC and PMIC are authorized, at their respective expense, to solicit proxies, directly and through their agents, by whatever communication as they may determine.
12. To be valid, a proxy must be deposited with HMIC or PMIC, as the case may be, in the manner described in the Circulars.
13. The right is reserved to the chairman to waive any time or deposit requirement (individually in any particular case or collectively in any series of cases) with respect to the deposit of proxies, provided that the chairman instructs the scrutineer of the Meetings prior to the time at which any proxy or revocation is to be used.

### CONDUCT OF THE MEETING

14. Subject to paragraph 15, only persons who are registered Shareholders at the close of business on the Record Date are entitled to receive notice of and to vote at the Meetings, even if such persons dispose of their shares following the Record Date, except to the extent that the transferee of those shares produces properly endorsed share certificates or otherwise establishes that he or she owns the shares, and demands, not later than 10 days before the Meetings that his or her name be included in the list of voting shareholders before the Meetings, in which case the transferee will be entitled to receive notice of and to vote his or her shares at the Meetings or any adjournment thereof
15. To the extent that a Shareholder is a non-registered Shareholder whose Shares are held in trust by a trust company, such non-registered Shareholders shall be permitted to vote such Shares at the Meetings in the same manner as a registered holder of Shares pursuant to a blanket proxy which authorizes each non-registered Shareholder to vote the Shares beneficially owned by such non-registered Shareholder as proxy for the applicable registered holder.
16. On the Arrangement Resolution:
  - a. each holder of Class "A" Principal Preferred Shares and Class "C" Common Shares of HMIC (collectively, the "HMIC Shares") as at the Record Date shall be entitled to one vote at the HMIC Meeting; and



- b. each holder of Class "A" Preferred Shares and Class "B" Common Shares of PMIC (collectively, the "PMIC Shares") as at the Record Date shall be entitled to one vote at the PMIC Meeting.
17. The HMIC Shares and the PMIC Shares are hereinafter collectively referred to as the "Shares".
18. To be effective, the HMIC Arrangement Resolution must be approved by not less than 66 2/3% of the votes cast by the holders of Class "A" Principal Preferred Shares of HMIC and Class "C" Common Shares of HMIC, voting separately as a class and represented in person or represented by proxy, at the HMIC Meeting and the PMIC Resolution must be approved by not less than 66 2/3% of the votes cast by the holders of the Class "A" Preferred Shares and Class "B" Common Shares of PMIC, voting separately as a class and represented in person or represented by proxy, at the PMIC Meeting.
19. The chairman of the board of directors of HMIC and PMIC, or failing him, Ms. Marnie Kiel, shall be the chair of the Meetings.
20. The quorum required for the Meetings shall consist of one or more Shareholders either present in person or represented by proxy at the respective Meeting and representing in the aggregate not less than a majority of the votes attached to the outstanding shares entitled to vote at the respective Meeting. If a quorum is not present at the respective Meeting within one-half hour after the time fixed for the holding of such Meeting, the Meeting shall stand adjourned to such day being not less than 14 days later and to such place and time as may be appointed by the chairman of the Meeting. If at such adjourned meeting a quorum as described above is not present, the Shareholders present either personally or by proxy shall form a quorum at the respective Meeting, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt at such Meeting in accordance with the notice calling the same.
21. The mailing of the Meeting Materials, in accordance with the provisions of this Order, shall constitute good and sufficient service in respect of the Originating Application upon all persons who are entitled to receive such notice pursuant to this Order and no other form of service need be made and no other material need be served on such persons in respect of these proceedings, and service of the Originating Application and Virani Affidavit and Mertz Affidavit is dispensed with.

## DISSENT RIGHTS

22. The Shareholders are, subject to the provisions of this Order and the Arrangement, accorded the right of dissent under Section 191 of the ABCA with respect to the Arrangement Resolution.
23. In order to exercise such right of dissent under subsection 191(5) of the ABCA:
  - a. a written objection to the applicable Arrangement Resolution must be received by PMIC or HMIC, as the case may be, c/o Westpoint Capital Corporation, 201, 1230 - 91 Street S.W. Edmonton, Alberta, T6X 0P2, Attention: Chief Operations Officer;
  - b. the Objection Notice must be received by PMIC or HMIC, as the case may be, or the Chairman of the Meeting at or before the Meeting;
  - c. a dissenting Shareholder shall not have voted his or her Shares at the Meeting either by proxy or in person, in favour of the Arrangement Resolution;
  - d. a dissenting Shareholder who fails to comply with the provisions of the right of dissent has no right to make a claim pursuant to the right of dissent, but shall instead receive the consideration to be given under the Arrangement as though no right of dissent was exercised;
  - e. a holder of Shares may not exercise the right of dissent in respect of only a portion of the holder's Shares but may dissent only with respect to all of the Shares held by the holder;
  - f. the exercise of such right of dissent must otherwise comply with the requirements of Section 191 of the ABCA, as modified by this Order; and
  - g. a vote against or abstention from the resolution approving the Arrangement shall not constitute the written objection required under subparagraph (a) above.
24. The fair value of the Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the Shareholders, and shall be paid to the dissenting Shareholders by the Trust.
25. Notice to the Shareholders of their right of dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the ABCA and the Arrangement, the fair value of their Shares shall be given by including information with respect to this right in the Circulars to be sent to Shareholders in accordance with this Order.

## FINAL APPROVAL

26. Upon approval of the Arrangement at the Meetings in the manner set forth in this Order, the Applicants may apply before this Court for approval of the Arrangement, which application (the "Final Application") shall be heard by this Honourable Court at the Law Courts Buildings, 1A Sir Winston Churchill Square, in the City of Edmonton, in the Province of Alberta, on the 14<sup>th</sup> day of July, 2015 at 10:00 a.m. (Edmonton time) or at such other time as the Court may entertain it.
27. Any Shareholder and any other interested persons may appear on the Final Application provided that such Shareholder or person shall file with this Court and serve on HMIC and PMIC in care of its solicitors on or before 12:00 p.m. (noon) (Edmonton time), on the 10<sup>th</sup> day of July, 2015 a Notice of Intent to Appear setting out the address for service in respect of such Shareholder or person, and indicating whether such Shareholder or person intends to support or oppose the Final Application or make submissions thereat, together with any evidence or materials which are to be presented to this Court, such Notice of Intent to Appear to be effected by delivery at the address set forth below:
- Bryan & Company LLP  
2600 Manulife Place  
10180 - 101 Street  
Edmonton, Alberta, T5J 3Y2  
Attention: Jennifer Young
28. In the event that the Final Application is adjourned, only those persons who have filed and served a Notice of Intent to Appear shall be served with the notice of the adjourned date.
29. Service of notice of this interim application on any person is hereby dispensed with.
30. The Applicant(s) are entitled at any time to seek leave to vary this Interim Order upon such terms and the giving of such notice as this Court may direct.

" J. Ross "

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Justice of the Court of Queen's Bench of Alberta

## APPENDIX D - RIGHTS OF DISSENTING SHAREHOLDERS

Section 191 of the ABCA provides shareholders with the statutory right to dissent from certain actions of corporations which effect extraordinary corporate transactions or fundamental corporate changes. Shareholders are entitled to dissent in respect of the Arrangement Resolutions in accordance with the provisions of the ABCA. A Shareholder who dissents (herein, a “**Dissenting Shareholder**”) from the Arrangement Resolution will be required to follow the dissent procedures set out in the ABCA (subject to the modifications set out in this Appendix D). The dissent procedures entitle a Dissenting Shareholder in the event that the Arrangement Resolution is approved and the Articles of Arrangement filed to be paid by the Corporation (or, upon completion of the Arrangement, the Trust) the fair value of the Shares in respect of which such Dissenting Shareholder dissents, as determined as of the close of business on the date before the Arrangement Resolution is adopted.

The ABCA provides that a Dissenting Shareholder may only make a claim thereunder with respect to all the shares of a class held by a Shareholder or on behalf of any one beneficial owner and registered in the name of the Dissenting Shareholder. One consequence of this provision is that a Shareholder may exercise the rights to dissent only in respect of Shares that are registered in the name of such Shareholder. In many cases, Shares beneficially owned by a person are registered in the name of a nominee that the Non-registered Shareholder deals with in respect of the Shares (such as trust companies). Accordingly, under the ABCA Non-registered Shareholders are not entitled to exercise a right to dissent directly under the dissent procedures unless the Shares are re-registered in the name of the Non-registered Shareholder. **Notwithstanding the foregoing, pursuant to the Blanket Proxies to be signed by Canadian Western Trust Company and Olympia Trust Company, a Non-registered Shareholder will be permitted to exercise a right of dissent directly, and in the same manner as a registered Shareholder.**

In order to dissent, a Dissenting Shareholder must send to the Corporation, c/o: Westpoint Capital Corporation, 201, 1230 - 91 Street SW, Edmonton, Alberta, T6X 0P2, Attention: Chief Operations Officer, notice of its objection (the “**Objection Notice**”) to the Arrangement Resolution, which Objection Notice must be received by the Corporation or the chairman of the Meeting at or before the Meeting, failing which this person will have no right to dissent to the Arrangement Resolution. The execution or exercise of a Proxy does not constitute an Objection Notice for the purposes of dissent procedures.

If a Dissenting Shareholder and the Corporation (or, upon completion of the Arrangement, the Trust) cannot agree on the fair value, either the Dissenting Shareholder or the Corporation (or the Trust) may apply to the Court to fix the fair value. If an application is made to the Court, the Corporation (or the Trust) shall, unless the Court otherwise directs, send to each Dissenting Shareholder a written offer to pay the Shareholder an amount considered by the Directors (or, following completion of the Arrangement, the Trustees) to be the fair value of the Shares and a statement showing how fair value was determined. A Dissenting Shareholder may accept the offer at any time before the Court fixes the fair value of the Shares.

The Court shall make an order fixing the fair value of the Shares, giving judgment in that amount in favour of each Dissenting Shareholder, the time in which the Corporation (or, following completion of the Arrangement, the Trust) must pay the amount, and may in its discretion allow a reasonable rate of interest.

Shareholders cease to have any right as Shareholders, other than right to be paid the fair value of the Shares upon (a) the Arrangement Resolution becoming effective as of the Effective Date, (b) the making of an agreement between the Corporation (or, following completion of the Arrangement, the Trust) and a Shareholder for the purchase of the Shares; or (c) the pronouncement of an order by the Court respecting the fair value of the Shares. Prior to the occurrence of one of these events, a Shareholder may withdraw the Objection Notice or the Corporation may rescind the Arrangement Resolution.

Notwithstanding the foregoing, the Corporation (or, following completion of the Arrangement, the Trust) may not make payment to a Dissenting Shareholder if there is reasonable grounds to believe that (a) the Corporation (or, following completion of the Arrangement, the Trust) would after the payment be unable to pay its liabilities as they become due; or (b) the realizable value the Corporation's (or, following completion of the Arrangement, the Trust's) assets would thereby be less than the aggregate of its liabilities. In such case, the Corporation (or, following completion of the Arrangement, the Trust) must notify each Dissenting Shareholder that it is unable lawfully to pay for their Shares. This Dissenting Shareholder may then withdraw the Objection Notice and be re-instated with full

rights as a Unitholder, failing which, the Dissenting Shareholder retains a status as a claimant against the Corporation (or, following completion of the Arrangement, the Trust) to be paid when the Corporation (or, following completion of the Arrangement, the Trust) is able to do so.

**The foregoing description of the rights of the Dissenting Shareholders is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of the Shares held by such Dissenting Shareholders and is qualified in its entirety by reference to the complete text of Section 191 of the ABCA. A Shareholder who intends to exercise a right of dissent and appraisal should seek legal advice and carefully consider and, subject to the modifications herein, strictly comply with the dissent procedures provided for in Section 191 of the ABCA (the full text of which is set forth below). Failure to comply with the requirements of Section 191 of the ABCA may result in a loss of all rights thereunder.**

#### SECTION 191 OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)

- 191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to
- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
  - (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
  - (c) amalgamate with another corporation, otherwise than under section 184 or 187,
  - (d) be continued under the laws of another jurisdiction under section 189, or
  - (e) sell, lease or exchange all or substantially all its property under section 190.
- (2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.
- (3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.
- (4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.
- (5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)
- (a) at or before any meeting of shareholders at which the resolution is to be voted on, or
  - (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.
- (6) An application may be made to the Court by originating notice after the adoption of a resolution referred to in subsection (1) or (2)
- (a) by the corporation, or
  - (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),
- to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder or an unlimited liability corporation who dissents under

this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

- (7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.
- (8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder
  - (a) at least ten (10) days before the date on which the application is returnable, if the corporation is the applicant, or
  - (b) within ten (10) days after the corporation is served with a copy of the originating notice, if a shareholder is the applicant.
- (9) Every offer made under subsection (7) shall
  - (a) be made on the same terms, and
  - (b) contain or be accompanied with a statement showing how the fair value was determined.
- (10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.
- (11) A dissenting shareholder
  - (a) is not required to give security for costs in respect of an application under subsection (6), and
  - (b) except in special circumstances must not be required to pay the costs of the application or appraisal.
- (12) In connection with an application under subsection (6), the Court may give directions for
  - (a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,
  - (b) the trial of issues and interlocutory matters, including pleadings and examinations for discovery,
  - (c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,
  - (d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,
  - (e) the appointment and payment of independent appraisers, and the procedures to be followed by them,
  - (f) the service of documents, and
  - (g) the burden of proof on the parties.
- (13) On an application under subsection (6), the Court shall make an order
  - (a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,

- (b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders, and
  - (c) fixing the time within which the corporation must pay that amount to a shareholder.
- (14) On
  - (a) the action approved by the resolution from which the shareholder dissents becoming effective,
  - (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or
  - (c) the pronouncement of an order under subsection (13), whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.
- (15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).
- (16) Until one of the events mentioned in subsection (14) occurs
  - (a) the shareholder may withdraw the shareholder's dissent, or
  - (b) the corporation may rescind the resolution,and in either event proceedings under this section shall be discontinued.
- (17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.
- (18) If subsection (20) applies, the corporation shall, within ten (10) days after
  - (a) the pronouncement of an order under subsection (13), or
  - (b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares, notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.
- (19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.
- (20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that
  - (a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or
  - (b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

APPENDIX E - SCHEDULE OF UNIT RIGHTS



SCHEDULE OF UNIT RIGHTS TO THE DECLARATION OF TRUST OF  
WESTPOINT INVESTMENT TRUST  
(the "Trust")

**ARTICLE 1 UNIT STRUCTURE**

1.1 The Trust is authorized to issue:

- (a) an unlimited number of Class A Trust Units ("**Class A Units**");
- (b) an unlimited number of Class B Trust Units ("**Class B Units**"); and
- (c) an unlimited number of Class C Trust Units ("**Class C Units**");

with the rights, privileges, restrictions and conditions attached thereto as set forth in this Schedule of Unit Rights to the Declaration of Trust of Westpoint Investment Trust (the "**Schedule of Unit Rights**").

1.2 The Trust is authorized to issue fractional Units.

**ARTICLE 2 DEFINITIONS**

2.1 In this Schedule of Unit Rights:

- (a) "**Acceptance Time**" has the meaning set forth in section 6.2(c) herein;
- (b) "**Business Day**" means a day other than a Saturday, Sunday or statutory holiday in the Province of Alberta;
- (c) "**Cash Flow**" has the meaning set forth in section 4.1(a) herein;
- (d) "**Call Notice**" has the meaning set forth in section 6.10 herein;
- (e) "**Class A Unitholder**" means a holder of record of Class A Units in the unit capital of the Trust;
- (f) "**Class B Distributable Cash Flow**" has the meaning set forth in section 4.2(b) herein;
- (g) "**Class B Unitholder**" means a holder of record of Class B Units in the unit capital of the Trust;
- (h) "**Class C Unitholder**" means a holder of record of Class C Units in the unit capital of the Trust;
- (i) "**Declaration of Trust**" means the Declaration of Trust of Westpoint Investment Trust dated as of June 1, 2015 between the Trustees and the Initial Unitholder;
- (j) "**Discount**" means:
  - i. with respect to all or part of a Subscription Block issued pursuant to the Plan of Arrangement and for which a Redemption Request has been delivered prior to the applicable Discount Date (and not subsequently revoked), an amount equal to the aggregate Dividends paid or payable to such Unitholder in the 3 year period immediately preceding the Effective Date in respect of the Shares previously owned by such Unitholder, and for which such Units forming the

Subscription Block were issued as consideration, and any DRIP Shares issued in respect thereof;

- ii. with respect to all or part of a Subscription Block issued subsequent to the Effective Date and for which a Redemption Request has been delivered prior to the applicable Discount Date (and not subsequently revoked), an amount equal to the aggregate Distributions paid to such Unitholder in respect of such Units, and any DRIP Units issued in respect thereof, to the extent paid or payable in the 3 year period prior to the Acceptance Time;
- (k) “**Discount Date**” means (i) with respect to a Subscription Block issued pursuant to the Plan of Arrangement, the 3 year anniversary of the Effective Date; and (ii) with respect to a Subscription Block issued subsequent to the Effective Date, the 3 year anniversary of the Subscription Date;
- (l) “**Distributable Cash Flow**” has the meaning set forth in section 4.1(b) herein and, for greater certainty, includes Class B Distributable Cash Flow;
- (m) “**Distribution**” means the distribution of cash or property that the Units within a Subscription Block are entitled to receive from the Trust if and when a distribution is declared by the Trustees in respect of such class of Units and, as the context requires, includes Special Distributions;
- (n) “**Distribution Note**” means a non-interest bearing, unsecured, subordinated promissory note issued by the Trust to a Unitholder pursuant to section 4.5 in full or partial payment of a Special Distribution;
- (o) “**Distribution Note Block**” has the meaning set forth in section 4.7(d) herein;
- (p) “**Distribution Period**” means the period of time for determining a Distribution, as determined from time to time by the Trustees;
- (q) “**Distribution Record Date**” means the Business Day on which Unitholders, or any class of them, of record shall be entitled to receive a Distribution, as determined by the Trustees;
- (r) “**Dividends**” means dividends paid to a Unitholder prior to the Effective Date in respect of its ownership of Shares;
- (s) “**DRIP Shares**” means, with respect to HMIC or PMIC, as the case may be, any Shares that were issued in satisfaction of payment of a Dividend on such Shares pursuant to a dividend reinvestment or similar plan previously offered by HMIC or PMIC, as the case may be, such DRIP Shares having the same characteristics as the Shares within the Subscription Block for which the DRIP Shares were issued in satisfaction of a Dividend;
- (t) “**DRIP Units**” means the Class A Units and, if applicable, Class B Units that are issued in satisfaction of payment of a Distribution on Class A Units and, if applicable, Class B Units that a Class A Unitholder has elected to receive under a Subscription Agreement or otherwise, such DRIP Units having the same characteristics as the Class A Units and Class B Units within the Subscription Block for which the DRIP Units were issued in satisfaction of a Distribution;
- (u) “**Effective Date**” means the effective date of the transfer of Shares to the Trust pursuant to the Plan of Arrangement;

- (v) **"Fair Market Value"** means the fair market value of a Class A Unit or Class B Unit, as the case may be, being the fair market value of the relevant assets of the Trust (as determined by the Trustees), less the fair market value of the relevant liabilities of the Trust (as determined by the Trustees), divided by the number of issued and outstanding Class A Units or Class B Units, as the case may be;
- (w) **"HMIC"** means Westpoint Capital High Yield Mortgage Investment Corporation;
- (x) **"HMIC LP"** means Westpoint Capital High Yield Limited Partnership;
- (y) **"HMIC Legacy Assets"** means, collectively, all assets owned by HMIC and HMIC LP as of June 30, 2015;
- (z) **"including"** means including but without limiting the generality of the foregoing unless the context otherwise expressly requires, such as **"including only"**, and **"includes"** shall have a corresponding meaning;
- (aa) **"Income of the Trust"** means, for any taxation year of the Trust, the net income for the year determined pursuant to the provisions of the Tax Act (other than subsection 104(6) and 82(1)(b) of the Tax Act) having regard to the provisions thereof which relate to the calculation of taxable income of a trust, and taking into account such adjustments thereto as are determined by the Trustees in respect of dividends, received or deemed to be 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 Trustees; provided, however, that capital gains and capital losses shall be excluded from the computation of net income;
- (bb) **"Issue Date"** means the date of issuance of a Trust Note hereunder;
- (cc) **"Matured Note"** refers to an outstanding Trust Note on or after the Maturity Date thereof;
- (dd) **"Maturity Date"** means the maturity date of a Trust Note;
- (ee) **"Net Realized Capital Gains"** means, for any period, the amount, if any, by which the amount of the capital gains of the Trust for the period exceeds the aggregate of (i) the amount of any capital losses of the Trust for the period determined in accordance with the Tax Act, and (ii) the amount of any net capital losses of the Trust carried forward from a previous period to the extent not previously deducted from realized capital gains of the Trust determined in accordance with the Tax Act;
- (ff) **"Noteholder"** means a holder of a Trust Note;
- (gg) **"Participation Date"** means, with respect to a Subscription Block, the 1<sup>st</sup> day of the month following the month in which such Units were issued;
- (hh) **"Person"** includes an individual, partnership, body corporate or trust (including, as applicable, the trustee, executor, legal representative and/or beneficiary(ies) thereof);
- (ii) **"Plan of Arrangement"** means the plan of arrangement attached as Schedule One to the Arrangement Agreement dated June 4, 2015 between, *inter alios*, the Trust, HMIC and PMIC;
- (jj) **"PMIC"** means Westpoint Capital Performance Mortgage Investment Corporation;

- (kk) **"Redeeming Unitholder"** means a Unitholder who has duly tendered Units for redemption pursuant to section 6.2 herein;
- (ll) **"Redemption Date"** in respect of any Units for which the Trust has either accepted a Redemption Request or issued a Call Notice, means the date on which the Units are actually redeemed by the Trust in accordance with the terms and conditions set forth herein which, in the case of an accepted Redemption Request, shall be the last day of the calendar month in which the Acceptance Time falls;
- (mm) **"Redemption Note"** means a non-interest bearing, unsecured, subordinated promissory note issued by the Trust:
- i. pursuant to the Plan of Arrangement in satisfaction of the redemption price for Shares tendered for redemption by a Shareholder prior to the Effective Date; or
  - ii. to a Redeeming Unitholder pursuant to section 6.4(a)ii herein;
- (nn) **"Redemption Note Principal Payment Amount"** has the meaning set forth in section 4.2(g) herein;
- (oo) **"Redemption Note Queue"** has the meaning set forth in section 6.5(d) herein;
- (pp) **"Redemption Price"** has the meaning set forth in section 6.3 herein;
- (qq) **"Redemption Request"** has the meaning set forth in section 6.2(a) herein;
- (rr) **"Remaining Distributable Cash Flow"** has the meaning set forth in section 4.2(e) herein;
- (ss) **"Shares"** means Class "A" Principal Preferred Shares of HMIC, Class "B" Bonus Preferred Shares of HMIC and/or Class "A" Preferred Shares of PMIC, as the context requires;
- (tt) **"Special Distribution"** means a distribution made to Unitholders pursuant to section 4.4 hereof in circumstances where taxable Income of the Trust exceeds the aggregate Distributions declared and paid to Unitholders as of the relevant Distribution Record Date;
- (uu) **"Subscription Agreements"** means, collectively, the agreements under which a Unitholder from time to time subscribes for Units, and **"Subscription Agreement"** refers to any one of such agreements pursuant to which a Unitholder subscribes for a Subscription Block;
- (vv) **"Subscription Block"**:
- i. in the context of the Trust, means and refers, in aggregate, to (i) the Class A Units subscribed for by a Class A Unitholder pursuant to a Subscription Agreement, plus any DRIP Units subsequently issued in respect thereof or (ii) the Class A Units issued to a Class A Unitholder pursuant to the Plan of Arrangement, including, as the context requires, any Class B Units issued to such Class A Unitholder in connection therewith, plus any DRIP Units subsequently issued in respect thereof, all subject to any redemptions thereof in accordance with Article 6 herein;
  - ii. in the context of HMIC, means and refers, in aggregate, to the Class "A" Principal Preferred Shares subscribed for by and issued to a shareholder thereof pursuant

to a subscription agreement, including, as the context requires, any Class "B" Bonus Preferred Shares subscribed for in connection therewith, plus any DRIP Shares subsequently issued in respect thereof, subject to any redemptions; and

- iii. in the context of PMIC, means and refers, in aggregate, to the Class "A" Preferred Shares subscribed for by and issued to a shareholder thereof pursuant to a subscription agreement, plus any DRIP Shares subsequently issued in respect thereof, subject to any redemptions;
- (ww) "**Subscription Date**" means the date upon which a Subscription Block is issued to a Unitholder pursuant to an accepted Subscription Agreement;
- (xx) "**Terminal Payment**" means the terminal payment under a Redemption Note, being the Redemption Price less the cumulative Redemption Note Principal Payment Amounts previously paid in respect of such Redemption Note;
- (yy) "**Trust Note**" means a Distribution Note or a Redemption Note, as the context requires;
- (zz) "**Trust Units**" means any or all of the Class A Units, Class B Units or Class C Units, as the context requires;
- (aaa) "**Trustees**" means the duly elected board of Trustees of the Trust;
- (bbb) "**Unitholders**" means, collectively, all those Persons holding Trust Units; and
- (ccc) "**Valuation Date**" means the date upon which the Fair Market Value of a Trust Unit is determined hereunder which, in the case of delivery of a Redemption Request pursuant to section 6.2, shall be the date determined by the Trustees, provided such date falls on or between the Acceptance Time and the Redemption Date.

The foregoing is not an exhaustive list of the defined terms and expressions used in this Schedule of Unit Rights and other terms and expressions are defined throughout this Schedule of Unit Rights. Any capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Declaration of Trust. Unless otherwise specified, or the context otherwise requires, any term in this Schedule of Unit Rights which is defined in the Tax Act shall have for the purposes of this Schedule of Unit Rights the meaning that it has in the Tax Act.

### **ARTICLE 3 VOTING RIGHTS**

- 3.1 The holders of Class A Units and Class B Units shall not be entitled to receive notice of, nor have the right to vote at, any meeting of the Unitholders, except in each event that holders of such class(es) of Trust Unit(s) are expressly entitled to receive notice of and vote at a meeting of the Unitholders pursuant to the Declaration of Trust.
- 3.2 The holders of Class C Units shall be entitled to receive notice of, to attend and to vote at each meeting of the Unitholders.

### **ARTICLE 4 DISTRIBUTIONS**

#### **4.1 Computation of Distributable Cash Flow**

- (a) The cash flow of the Trust for or in respect of any Distribution Period (the "**Cash Flow**") shall mean the aggregate of all cash amounts which are held by the Trust and any of the Trust's subsidiaries at the end of such Distribution Period, including in respect of the operating, financing and investment activities of the Trust and all subsidiaries thereof.

- (b) The distributable Cash Flow in respect of a Distribution Period (the “**Distributable Cash Flow**”) shall be:
- i. the Cash Flow for such Distribution Period; less
  - ii. reserves which the Trustees may consider to be necessary or desirable with respect to: (A) future operating, financing and investment activities of the Trust and any subsidiary thereof, as determined by the Trustees (but expressly excluding redemption amounts payable in cash pursuant to section 6.4(a)i. and Terminal Payments payable in accordance with section 6.8(c)); and (B) repayment of Matured Notes.

#### 4.2 Distributions of Distributable Cash Flow

- (a) The Distributable Cash Flow shall, from time to time, be allocated and distributed amongst the Class A Unitholders, Class B Unitholders and holders of Redemption Notes in accordance with this section 4.2.
- (b) The Class B Unitholders shall receive, on a pro rata basis, the Distributable Cash Flow, if any, derived solely from the HMIC Legacy Assets (hereinafter, the “**Class B Distributable Cash Flow**”), determined as follows:
- i. the aggregate of the difference between (A) the Cash Flow received in the relevant Distribution Period with respect to the HMIC Legacy Assets and (B) the value of the HMIC Legacy Assets as recorded in the books and records of HMIC, HMIC LP and their respective subsidiaries immediately prior to the Effective Date; less
  - ii. any net cash outlays made with respect to the HMIC Legacy Assets in the relevant Distribution Period; less
  - iii. a reasonable rate of return that would otherwise have been earned with respect to the net cash outlays contemplated by section 4.2(b)ii, as determined by the Trustees; less
  - iv. reserves which the Trustees may consider necessary or desirable with respect to the future operating, financing and investment activities of the Trust relating to the HMIC Legacy Assets.
- (c) If Class B Distributable Cash Flow is negative in a Distribution Period, it will be deemed to be nil for such Distribution Period.
- (d) Notwithstanding any other provision herein, the maximum amount of Class B Distributable Cash that will be distributed to a Class B Unitholder is \$1.00 per Class B Unit, in the aggregate. Any Class B Distributable Cash Flow that exceeds this amount shall be deemed not to be Class B Distributable Cash Flow for the purposes hereof and shall be distributed amongst the Class A Unitholders and holders of Redemption Notes in accordance with the provisions of section 4.2(e).
- (e) The Class A Unitholders and holders of Redemption Notes shall rank *pari passu* and shall receive, on a pro rata basis, the Distributable Cash Flow, if any, that remains following the distribution of Class B Distributable Cash Flow pursuant to section 4.2(b) (the balance being collectively referred to as the “**Remaining Distributable Cash Flow**”), which Remaining Distributable Cash Flow shall, on a *pari passu* basis, be allocated and paid to Class A Unitholders on account of income and allocated and paid to holders of

Redemption Notes on account of capital in payment of the principal amounts owing thereunder.

- (f) The proportionate share of each Trust Unit to any amounts payable in respect of a class of Trust Units hereunder shall be determined by dividing the aggregate amount payable in respect of such class of Trust Units by the number of issued and outstanding Trust Units of the relevant class on the Distribution Record Date.
- (g) Specifically, the proportionate share of each Class A Unitholder and each holder of a Redemption Note in respect of the Remaining Distributable Cash Flow shall be determined as follows:
  - i. notwithstanding the principal amount of a Redemption Note, the holder of each such Redemption Note shall be entitled to receive Remaining Distributable Cash Flow in an amount equal to the Distributions thereof that the holder of such Redemption Note would have received in respect of the Tendered Shares for which the Redemption Note was issued, as of the applicable Distribution Record Date, had such Noteholder not redeemed such Tendered Shares (with respect to each holder of a Redemption Note, hereinafter referred to as the "**Redemption Note Principal Payment Amount**"); and
  - ii. a Class A Unitholder shall be entitled to receive Remaining Distributable Cash Flow in an amount determined by dividing the aggregate Remaining Distributable Cash Flow allocated to the Class A Units pursuant to section 4.2(e) by the number of issued and outstanding Class A Units held by such Class A Unitholder on the applicable Distribution Record Date.
- (h) The Class C Unitholders are not entitled to receive distributions of Distributable Cash Flow.

#### 4.3 Other Distributions

In addition to the Distributions which are made payable to Unitholders pursuant to section 4.2 above, the Trustees may declare to be payable and make other distributions to Unitholders, 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, to such classes of Trust Units and on such dates and in such frequency as the Trustees may determine to Unitholders of record as of the applicable Distribution Record Date.

#### 4.4 Special Distributions

So as to ensure the allocation and distribution to holders of Trust Units of 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 the Tax Act in any year, the amount, if any, by which the Income of the Trust and Net Realized Capital Gains exceed the aggregate of:

- (a) such part of the taxable capital gains of the Trust for the calendar year required to be retained by the Trust to maximize its capital gains refund for such year, unless this section is not to apply to the Trust for that year by the end of the year; and
- (b) any amount that became payable or was deemed to become payable by the Trustees during the calendar year to Unitholders on the Trust Units (other than amounts that became payable to Unitholders on the redemption of their Trust Units);

shall, to the extent not previously payable, without any further actions on the part of the Trustees, be payable as a Special Distribution to holders of those classes of Trust Units of record as determined by the

Trustees in their sole and unfettered discretion, as of the close of business on the last Distribution Record Date in such year. The share of each Unitholder in the Special Distribution so payable shall be the pro rata share of such Unitholder of that class of Trust Unit determined as at the end of such year or such other amount as determined by the Trustees. Notwithstanding the generality of the foregoing, Unitholders who subscribe for Units part way through any relevant taxation year of the Trust shall be allocated a pro rata portion of the Income of the Trust and Net Realized Capital Gains based on the number of full calendar months that such Unitholders held Trust Units in the relevant portion of the taxation year. Any Special Distribution payable to the Unitholder under this section 4.4 shall become an obligation of the Trust on December 31 and each Unitholder shall have the right to receive such payment as provided in section 4.5.

In accordance with and to the extent permitted by the Tax Act and analogous provisions of any applicable provincial legislation, the Trustees in each year shall make designations and elections in respect of the amounts payable to a Unitholder for such amounts that the Trustees consider to be reasonable in the circumstances, including, without limitation, designations relating to taxable dividends received or deemed to be received by the Trust in the year on shares of taxable Canadian corporations, net capital gains realized by the Trust in the year and foreign source income of and foreign income taxes paid by the Trust for the year, as well as designations under subsections 104(13.1) and/or 104(13.2) of the Tax Act that income be taxed to the Trust, rather than to a Unitholder.

Distributions or amounts payable to Unitholders pursuant to this Article 4 shall be deemed to be distributions of Income of the Trust and Net Realized Gains, trust capital or other items in such amounts as the Trustees shall, in their discretion, determine. For greater certainty, it is hereby declared that any distribution of Net Realized Capital Gains and gains realized on the *in specie* redemption of Trust Units shall include the non-taxable portion of the capital gains of the Trust, which are comprised in such Distribution.

Notwithstanding the foregoing, the Trustees may elect not to pay any amount that would otherwise be payable pursuant to this section 4.4.

#### 4.5 Method of Payment of Special Distributions

(a) Where the Trustees determine that the Trust does not have available cash, taking into account other obligations of the Trust and any reserves determined necessary or advisable in the sole discretion of the Trustees, in an amount sufficient to make payment of the full amount of any Special Distribution which has been declared to be payable on the due date for such payment the payment may, at the option of the Trustees in their sole discretion, include:

- i. the pro rata issuance of additional Trust Units to Unitholders of the applicable class of Trust Units, or fractions of Trust Units, if necessary; and/or
- ii. the pro rata issuance of Distribution Notes;

having, in the aggregate, a value equal to the difference between the amount of such Special Distribution and the amount of cash, if any, paid by the Trust in respect of such Special Distribution. Such additional Trust Units or Distribution Notes will be issued pursuant to exemptions under applicable securities laws. Any Trust Units issued hereunder will be deemed to belong to the same Subscription Block as the Trust Units in respect of which such additional Trust Units were issued.

(b) The value of each Trust Unit which is issued pursuant to section 4.5(a) shall be the Fair Market Value of such Trust Unit on the applicable Distribution Record Date.



#### 4.6 Consolidation of Trust Units

Immediately after any pro rata distribution of additional Trust Units to all Unitholders of a class of Trust Units pursuant to section 4.5(a) above, the number of the outstanding Trust Units will automatically be consolidated such that each Unitholder will hold after the consolidation the same number of Trust Units as the Unitholder held before the distribution of additional Trust Units. In this case, each Unit Certificate representing a number of Trust Units prior to the distribution of additional Trust Units is deemed to represent the same number of Trust Units after the non-cash distribution of additional Trust Units and the consolidation.

Notwithstanding the foregoing, where tax is required to be withheld from a Unitholder's share of the distribution, the consolidation will result in such Unitholder holding that number of Trust Units equal to (i) the number of Trust Units held by such Unitholder prior to the Distribution plus the number of Trust Units received by such Unitholder in connection with the distribution (net of the number of whole and part units withheld on account of withholding taxes) multiplied by (ii) the fraction obtained by dividing the aggregate number of Trust Units outstanding prior to the distribution by the aggregate number of Trust Units that would be outstanding following the distribution and before the consolidation if no withholding were required in respect of any part of the distribution payable to any Unitholder. Such Unitholder will be required to surrender the Unit Certificates, if any, representing such Unitholder's original Trust Units, in exchange for a Unit Certificate representing such Unitholder's post consolidation Trust Units.

#### 4.7 Terms of Distribution Notes

Subject to sections 6.7 and 6.8 hereof and the provisions of this section 4.7, the terms and conditions of the Distribution Notes shall be determined in the discretion of the Trustees, subject to the following:

- (a) no Distribution Note shall have a Maturity Date more than 3 years following the date of issuance;
- (b) the Trust shall have the right to at any time and from time to time repay all or part of the principal amount owing pursuant a Distribution Note, without notice or penalty; provided, however, that unless otherwise expressly provided in a Distribution Note, the Trust shall have no obligation to pay any part of the principal amount owing thereunder prior to the Maturity Date thereof;
- (c) notwithstanding any other provision herein, the Trust shall not repay any indebtedness owing pursuant to a Distribution Note if the payment thereof would, at the relevant time, impair the ability of the Trust to carry on its day-to-day business, as determined by the Trustees, acting reasonably, and taking into account all of the Trust's current or pending commitments and liabilities; and
- (d) all Distribution Notes issued shall rank *pari passu* with each other Distribution Note issued as of the same Distribution Record Date (a "**Distribution Note Block**") and shall stand in priority to the Distribution Notes issued in subsequent Distribution Note Blocks.

#### 4.8 Withholding Taxes

- (a) The Trustees may deduct and withhold from Distributions payable to any Unitholder all amounts required by law to be deducted and withheld from such Distributions whether such Distributions are made in the form of cash, additional Trust Units or otherwise. All withheld amounts shall be remitted to the appropriate governmental authority. An amount so deducted and withheld shall be treated for all purposes as having been paid to the Unitholder in respect of whom such deduction and withholding was made. If the amount required to be deducted or withheld exceeds the cash, if any, payable to the Unitholder, the Trustees may sell property that is transferable to the Unitholder, or deduct

or withhold from any other amount payable to the Unitholder to obtain the funds to pay the amount required to be deducted or withheld and pay all of the Trustees' reasonable expenses with regard thereto, and the Trustees shall have the irrevocable power of attorney to do so. No liability shall accrue to the Trust or to any Trustee if any property is disposed of pursuant to this section 4.8(a) is sold at a loss to such affected Unitholder or sold for less than what might otherwise have been obtained if sold at a different time or under different circumstances.

- (b) Each holder of a Trust Unit, by its acceptance of Trust Units, agrees that it shall indemnify and hold harmless the Trust, the Trustees, the Administrator, the Westpoint Capital LPs and their respective general partners for any amount required to be deducted or withheld as provided in section 4.8(a) and that such Unitholder is entitled to subsequent Distributions from the Trust only to the extent that such Distributions are, in the sole opinion of the Trustees, in excess of amounts sufficient to discharge the required deduction or withholding. Each Unitholder, by its acceptance of Trust Units, grants the Trustees the power of attorney to do so.

#### 4.9 Payments of Cash

Any payment of cash by the Trust to a Unitholder pursuant to this Article 4 or any other provision of this Schedule of Units Rights or the Declaration of Trust will be conclusively deemed to have been made upon (i) mailing of a cheque in a postage pre-paid envelope, addressed to the Unitholder at the Unitholder's address appearing in the register, unless such cheque is dishonoured upon presentment or (ii) wire transfer or electronic funds transfer to the bank account designated by the Unitholder in writing. Upon such payment, the Trust will be discharged from all liability to the Unitholder in respect of such payment; provided, however, that, if paid via cheque and such cheque is lost or destroyed then, upon the presentation of evidence satisfactory to the Trustees of such loss or destruction, together with such indemnity as the Trustees may reasonably require, the Trust will issue a replacement cheque to the Unitholder.

#### 4.10 Unclaimed Distributions

In the event that the Trustees hold any distributable amount that is unclaimed or that cannot be paid for any reason, the Trustees will be under no obligation to invest or reinvest the same, but will only be obliged to hold the same in a current interest-bearing account pending payment with interest earned (and less applicable taxes) to the Person or Persons entitled thereto. The Trustees will, as and when required by law, and may at any time prior to such required time, pay all or part of such distributable amount so held to the appropriate government official or agency, whose receipt shall be a good and sufficient discharge and release of the Trustees.

#### 4.11 Rights Plans, Distribution Reinvestment and Unit Purchase Plan

Subject to any required regulatory approvals (and any Unitholder approval imposed by Applicable Laws), the Trustees may establish one or more Unitholder rights plans, distribution reinvestment plans, Trust Unit purchase plans, Trust Unit option plans or other compensation, benefit or incentive plans at any time and from time to time.

#### 4.12 Enforceability of Right to Receive Distributions

For greater certainty, it is hereby declared that, each Unitholder shall, from and after the applicable Participation Date, have the legal right to enforce payment of any amount payable to such Unitholder as a result of any Distribution which is declared or made payable to such Unitholder pursuant to this Article 4 as of the date on which such amounts become payable.

#### 4.13 Limitation

Notwithstanding any other provision herein, the Trust shall neither declare nor pay a Distribution on any Trust Units if doing so would:

- (a) cause the Trust to cease to be a "mutual fund trust" for the purposes of the Tax Act; or
- (b) impair the ability of the Trust to carry on its business or otherwise satisfy its liabilities as they fall due, as determined by the Trustees, acting reasonably and taking into account all of the Trust's obligations and commitments.

### ARTICLE 5 SUBSCRIPTION BLOCKS

#### 5.1 Subscription Blocks

Each Class A Unit and Class B Unit within a Subscription Block has the identical Discount Date and Participation Date as each other Class A Unit and Class B Unit within such Subscription Block.

### ARTICLE 6 REDEMPTIONS AND PRIORITIES

#### 6.1 Right of Redemption

Subject to the provisions of this Article 6, a Unitholder shall be entitled to require the Trust to redeem at any time or from time to time at the demand of the Unitholder all or part of the Class A Units registered in the name of the Unitholder at the prices determined and payable in accordance with the provisions hereof. The Trustees shall have the discretion to determine and designate whether any payments made in respect of redemptions are on account of income, capital gains, capital or all or any of the foregoing.

Concurrent with the redemption of any Class A Units pursuant to this Article 6, the Trust will redeem, and a Unitholder shall, and shall be deemed to, tender for redemption a proportionate number of the Class B Units, if any, forming a part of the applicable Subscription Block(s).

#### 6.2 Exercise of Redemption Right

- (a) To exercise a Unitholder's right to require redemption under this Article 6, a duly completed redemption request in the form attached hereto as Appendix I (a "**Redemption Request**"), executed by such Unitholder or his duly authorized attorney, shall be sent to the Trust at the head office of the Trust or at any of the principal offices of the Trust's transfer agent. No form or manner of completion or execution shall be sufficient unless the same is in all respects satisfactory to the Trustees and is accompanied by any further evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the Person giving such notice.
- (b) If the Redemption Request is signed by an attorney, it shall be accompanied by evidence of the authority of such attorney satisfactory to the Trust or, as applicable, the Trust's transfer agent. The Trustees shall have the authority to authorize the delivery of Redemption Requests by email, fax or other electronic means.
- (c) Trust Units shall be deemed to have been tendered for redemption on the date and time at which the Trust approves and accepts the Redemption Request (the "**Acceptance Time**"), promptly following receipt of a duly executed Redemption Request and such other documents or evidence as the Trustees may reasonably require, including with respect to the identity, capacity or authority of the Person giving such notice.

- (d) Subject to section 6.12 hereof, from and after the applicable Acceptance Time, a Redeeming Unitholder will cease to have any voting rights or other entitlements with respect to the Units for which the Redemption Request has been tendered and with respect to the Class B Units, if any, deemed to be redeemed in accordance with section 6.1 hereof, other than:
  - i. the right to be paid the Redemption Price therefor in accordance with section 6.4; and
  - ii. the right to receive any Distributions declared in respect thereof in the period ending on the last day of the calendar month immediately preceding the Acceptance Time.

### 6.3 Redemption Price

Upon receipt by the Trust of a Redemption Request in accordance with section 6.2, the holder of the Trust Units tendered for redemption shall, from and after the Acceptance Time, be entitled to receive a price per Trust Unit equal to the Fair Market Value thereof as of the Valuation Date, less the applicable Discount (if any) (hereinafter called the “Redemption Price”).

The Trustees will, on an annual basis following receipt of the Trust’s audited financial statements, and at the end of each fiscal quarter, conduct a good faith review of the Trust’s financial position, including the value of its assets and liabilities. Any determination of Fair Market Value shall be made by the Trustees in good faith, in their sole discretion, and shall be conclusive and binding on the Unitholders.

### 6.4 Payment of Redemption Price

- (a) Subject to section 6.6 herein, the Redemption Price payable in respect of the Trust Units tendered for redemption during any calendar month shall be paid to the Redeeming Unitholder on the Redemption Date as follows:
  - i. firstly, in cash, if and to the extent permitted by section 6.4(b), by the mailing of a cheque in a postage pre-paid envelope, addressed to the Unitholder at the Unitholder’s last address appearing in the register, or by wire transfer or electronic funds transfer to the bank account designated by the Unitholder in writing; and
  - ii. secondly, by the issuance of a Redemption Note having an aggregate principal amount equal to the Redemption Price or such balance thereof as remains unpaid following partial payment pursuant to section 6.4(a)i. above.
- (b) Notwithstanding any other provision herein, the Trust shall pay the Redemption Price in cash pursuant to section 6.4(a)i only in circumstances where:
  - i. the Trust has duly satisfied all payments contemplated by sections 6.8(a) through 6.8(c) hereof to be made in priority to Redemption Requests standing in the Cash Redemption Queue; and
  - ii. such cash redemption would not impair the ability of the Trust to carry on its business or otherwise satisfy its liabilities as they fall due, as determined by the Trustees, acting reasonably and taking into account all of the Trust’s obligations and commitments.
- (c) In circumstances where the Trust is in receipt of more than one Redemption Request and is permitted, as of the relevant Redemption Date, to satisfy some or all of such

Redemption Requests in cash pursuant to section 6.4(a)i, such redemptions shall be completed and such cash payments shall be made, in priority and based on the order in which the Redemption Requests were received by the Trust, such priority and order determined by the date and time of receipt stamped on each such Redemption Request, which determination as to priority and order shall be binding on the Unitholders and not subject to dispute or appeal (the "Cash Redemption Queue"). Any Redemption Request, or portion thereof, for which the Redemption Price cannot be fully satisfied in cash shall be paid on the Redemption Date pursuant to section 6.4(a)ii.

- (d) Payment of the Redemption Price shall be conclusively deemed to have been made, as applicable:
- i. upon the mailing of a cheque in a postage prepaid envelope addressed to the Unitholder (unless such cheque is dishonoured upon presentment); and/or
  - ii. upon the wire transfer or electronic funds transfer being confirmed as sent; and/or
  - iii. upon the issuance of a Redemption Note;

provided that the aggregate amount of such payments is equal to the Redemption Price.

Upon such payment(s), the Trust shall be discharged from all liability to the Unitholder in respect of the Trust Units so redeemed, except with respect to any unpaid Distributions declared payable on such Trust Units prior to the Acceptance Time and the payment of amounts outstanding pursuant to any Trust Notes.

- (e) A Redeeming Unitholder to whom a Trust Note has been issued shall be entitled to receive a copy of such Trust Note by providing a written request to the Trust at its head office.

## 6.5 Terms of Redemption Notes

The terms and conditions of the Redemption Notes shall be determined in the discretion of the Trustees, subject to the following:

- (a) Redemption Notes shall be unsecured and shall, except to the extent otherwise expressly provided herein, be subordinated and rank subsequent in priority to all other *bona fide* debts of the Trust.
- (b) Subject to the right of the Trust to at any time and from time to time, repay all or a part the principal amount owing pursuant to a Redemption Note, without notice or penalty, the Trust shall make payments to each holder of Redemption Notes in an amount equal to the Redemption Note Principal Payment Amount, which payments shall rank *pari passu* with the Redemption Note Principal Payment Amounts payable to all other holders of Redemption Notes, regardless of their respective Issue Dates, and the aggregate Redemption Note Principal Payment Amounts payable to all holders of Redemption Notes shall rank *pari passu* with the Distributions of Remaining Distributable Cash Flow to Class A Unitholders made pursuant to section 4.2(e) hereof.
- (c) Unless otherwise expressly agreed by a Unitholder in writing, Redemption Notes shall have a Maturity Date no later than the 3<sup>rd</sup> anniversary of the Issue Date thereof.
- (d) Where there is more than one Redemption Note outstanding, the Redemption Notes shall be placed in a queue, by order of priority based on the applicable Acceptance Time (the

"Redemption Note Queue"). Subject to section 6.5(e) hereof, the Trustees shall, on a monthly basis, allocate and pay an amount equal to 2% of the net asset value of the Trust (the "Target Terminal Payment Amount") to the holders of Redemption Notes on account of the Terminal Payments owing thereunder and based upon their order of priority within the Redemption Note Queue. In circumstances where, pursuant to section 6.5(e), the Trust is unable to allocate and pay the Target Terminal Payment Amount in any given month, the Trustees shall allocate and pay such lesser amount as the Trustees determine prudent in the circumstances, subject always to the order of priority within the Redemption Note Queue.

- (e) Notwithstanding any other provision herein, the Trust shall not repay any indebtedness owing pursuant to a Redemption Note if the payment of such Redemption Note would, at the relevant time, impair the ability of the Trust to carry on its business, as determined by the Trustees, acting reasonably, and taking into account all of the Trust's current or pending commitments and liabilities.

#### 6.6 No Redemption in Certain Circumstances

Notwithstanding any other provision herein:

- (a) the Trust shall not be permitted to redeem Trust Units if, at the relevant time, the redemption of such Trust Units would cause the Corporation to cease to be a "mutual fund trust" for the purposes of the Tax Act; and
- (b) the Trust shall not accept any Redemption Requests following the commencement of the liquidation, dissolution or winding-up of the Trust.

#### 6.7 Subordination of Trust Notes

Trust Notes shall be unsecured and shall be subordinated and rank subsequent in priority to all other *bona fide* debts of the Trust.

#### 6.8 Priority of Payments

Notwithstanding any other provision herein, payments shall be made by the Trust to Unitholders and Noteholders in accordance with the following order of priority:

- (a) firstly, to Noteholders holding Matured Notes;
- (b) secondly, to Unitholders on account of the Distributions payable pursuant to sections 4.2 and 4.3 hereof and to Noteholders on account of the Redemption Note Principal Payment Amounts, on a *pari passu* basis;
- (c) thirdly, to Noteholders holding Redemption Notes on account of Terminal Payments owing thereunder in order of priority of such Redemption Notes within the Redemption Note Queue; and
- (d) finally, to Redeeming Unitholders as payment of their Redemption Price in order of their respective priorities within the Cash Redemption Queue.

For greater certainty, (i) no Terminal Payment shall be made pursuant to section 6.8(c) above to any Noteholder in circumstances where there remains outstanding any Redemption Notes ranking in priority to such Redemption Note in the Redemption Note Queue, and (ii) no payments shall be made to any holder of a Distribution Note prior to the Maturity Date thereof in circumstances where there remains outstanding any payments contemplated by this section 6.8.

#### 6.9 Purchase for Cancellation

The Trust may from time to time purchase for cancellation some or all of the Trust Units, as applicable, in the market, by private agreement or upon any recognized stock exchange on which such Trust Units are traded or pursuant to tenders received by the Trust upon request for tenders addressed to all holders of record of Trust Units, provided in each case that the Trustees have determined that such purchases are in the best interests of the Trust.

#### 6.10 Trustee Redemption Rights

The Trust may redeem all or part of the Class C Units held by a Unitholder, as and when determined by the Trustees, which Class C Units shall be redeemed at the original subscription price therefor. The Trust may redeem all of the issued and outstanding Class A Units and/or Class B Units in the event that the Trust and its subsidiaries dispose of all or substantially all of their property and assets and upon the Trustees concluding that no further Distributable Cash Flow or other amounts are payable to the Unitholders hereunder in respect of such class of Trust Units and, in such an event, the redemption price for each Class A Unit shall be the Redemption Price therefor and the aggregate redemption price for all of the Class B Units within a Subscription Block shall be one cent (\$0.01), and such funds shall be payable within 90 days from the date of the notice of redemption provided by the Trustees (hereinafter, a "**Call Notice**") to the Class A Unitholders. In such a case, the Unitholders will cease to have any voting rights or other entitlements with respect to the Trust Units subject to the Call Notice as of the Redemption Date, other than:

- (a) the right to be paid the Redemption Price therefor in accordance with section 6.4; and
- (b) the right to receive any Distributions declared in respect thereof in the period ending on the last day of the calendar month immediately preceding the Redemption Date.

#### 6.11 Cancellation of all Redeemed Units

All Trust Units which are redeemed under this Article 6 shall be cancelled and such Trust Units shall no longer be outstanding.

#### 6.12 Revocation of Redemption Request

Any Unitholder who wishes to revoke a previously delivered Redemption Request may, at any time prior to the Redemption Date, submit, in writing, a request to revoke such Redemption Request (a "**Revocation Notice**") to the Trust at its head office or at such other place or places as the Trustees from time to time designate, which such Revocation Notice shall be signed by such Unitholder or his duly authorized attorney. The Trust shall have the sole discretion to either accept or reject a Revocation Notice and shall advise the Unitholder of its decision, in writing. In the event that the Trust accepts a duly delivered Revocation Notice, the Trust Units subject to such Revocation Notice will remain outstanding and, subject to the issuance of a further Redemption Request or a Call Notice, shall be not redeemed.

#### 6.13 Allocations to Redeeming Unitholders

Redeeming Unitholders shall be allocated a pro rata portion of the Income of the Trust and Net Realized Capital Gains based on the number of full calendar months that such Redeeming Unitholders held Trust Units in the relevant taxation year (which, for greater certainty, includes the month in which the Acceptance Date occurs). To the extent that any assets of the Trust and/or any Westpoint LP are disposed of in order to satisfy one or more Redemption Requests, any income or gains shall be allocated and designated amongst those Redeeming Unitholders in the relevant taxation year.

## ARTICLE 7 PARTICIPATION

- 7.1 In the event of liquidation, dissolution or winding-up of the Trust, the rights of holders Trust Notes shall rank in priority to the rights of Unitholders, including in respect of their rights to receive Distributable Cash Flow; provided, however, that upon full repayment of a Trust Note, such Noteholder shall not have any other or further right to participate in the remaining property or assets of the Trust.
- 7.2 In the event of liquidation, dissolution or winding-up of the Trust, the rights of holders of all issued Trust Notes shall rank *pari passu* within one another, regardless of the respective Issue Dates thereof.
- 7.3 If, following the full repayment of all Trust Notes, the assets of the Trust shall be insufficient to permit payment in full to the holders of the Class A Units and the Class B Units of the full Redemption Price therefor, following the allocation and payment of Distributable Cash Flow, if any, in accordance with section 4.2 hereof, the assets of the Trust shall be distributed *pro rata* amongst the Class A Unitholders.
- 7.4 Class C Unitholders shall not be entitled to receive any assets of the Trust on a liquidation, dissolution or winding-up.

## ARTICLE 8 MISCELLANEOUS

### 8.1 Power of Attorney

With respect to the redemptions contemplated by Article 6 herein, each Unitholder and Noteholder hereby irrevocably nominates, constitutes and appoints each Trustee, with full power of substitution, as its agent and true lawful attorney to act on behalf of and with full power and authority in such Unitholder 's name, place and stead to execute, complete, acknowledge, deliver or endorse, as and where required, any agreement, document, instrument, stock transfer or certificate contemplated by this Schedule of Unit Rights or otherwise necessary or desirable to from time to time effect the redemptions under Article 6.

The power of attorney granted hereby is irrevocable and is a power coupled with an interest and will survive the mental infirmity, disability or legal incapacity of a Unitholder or Noteholder and extends to and is binding upon the heirs, executors, administrators and other legal representatives and successors and assigns of a Unitholder or Noteholder. Each Unitholder and Noteholder agrees to be bound by any representation or action made or taken by a Trustee pursuant to this power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm the actions of a Trustee taken in good faith under this power of attorney in accordance with the *Powers of Attorney Act* (Alberta) and similar legislation in other jurisdictions. Each Trustee, when acting as lawful attorney for a Unitholder or Noteholder pursuant to this section, shall not be liable for any error of judgment, or for any act done or omitted by it in good faith, or for any mistake of fact or law, or for anything which they may do or omit from doing in connection therewith, except for their own willful misconduct or fraud.

### 8.2 Business Days

Notwithstanding any other provision herein, where the time for doing an act falls or expires on a day which is not a Business Day, the time for doing such act is extended to the next Business Day.

### 8.3 Communications

Notwithstanding any other provision herein, any notice or confirmation to be given in writing by the Trust hereunder may be given by way of mail, courier, fax or email.



APPENDIX I

FORM OF REDEMPTION REQUEST

To: WESTPOINT INVESTMENT TRUST (the "Trust")

The undersigned (herein, the "Unitholder"), in accordance with section 6.2 of the Schedule of Unit Rights, as amended from time to time, hereby gives notice to the Trust that the Unitholder requests the Trust to redeem the following Trust Units owned by, or on behalf of, the Unitholder:

Number of Units to be Redeemed

Unit Certificate Number

# of Class A Units to be redeemed \_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Signature of Unitholder (or authorized signatory if  
the Unitholder is a Corporation)

\_\_\_\_\_  
Name of Unitholder

Please email this form to [invest@westpointcapital.ca](mailto:invest@westpointcapital.ca) and include a copy of a VOID cheque (in the case of a non-registered investment) so that the redemption funds may be returned via direct deposit.



**WESTPOINT**  
CAPITAL

**REDEMPTION NOTE**

ISSUE DATE: July 1, 2015

CDN \$750,001.00  
("Principal Amount")

FOR VALUE RECEIVED, WESTPOINT INVESTMENT TRUST (the "Trust") hereby promises to pay to or to the order of Robert Roberts (the "Holder") the Principal Amount, without interest, in accordance with the following:

1. The Trust shall be required to make, and the Holder shall be entitled to receive, repayment of the outstanding Principal Amount in accordance with the Declaration of Trust dated June 1, 2015, as amended from time to time, at the times and in the amounts set forth therein; provided, however, that the entire Principal Amount shall be repaid in full no later than three years after the Issue Date.
2. The indebtedness and liabilities of the Trust under this Redemption Note shall be unsecured and are hereby subordinated and postponed in right of payment to any and all *bona fide* indebtedness and liabilities now or from time to time hereafter owing by the Trust, direct or indirect, absolute or contingent, including but not limited to trade payables, other operating or capital liabilities, and indebtedness under or in connection with any one or more loans or other credit facilities from time to time made available to the Trust or any of its subsidiaries (collectively, the "Indebtedness"), and the Holder agrees, from time to time, to do all such acts and things and execute and deliver all such instruments, agreements and documents as may from time to time reasonably be required by any holder of any Indebtedness to evidence, confirm and give full force and effect to the subordination and postponement in favour of any Indebtedness contemplated herein.
3. This Redemption Note is delivered pursuant and subject to the term of the Declaration of Trust and in the event of any conflict or inconsistency between this Redemption Note and the Declaration of Trust, the provisions of the Declaration of Trust shall govern.
4. This Redemption Note is not a negotiable instrument and may not be assigned by the Holder without the prior written consent of the Trust, which consent may be arbitrarily withheld in the Trust's sole discretion. The Trust may assign this Redemption Note without the prior consent of the Holder.
5. This Redemption Note will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
6. This Redemption Note will be binding upon and will enure to the benefit of the Trust and the Holder and, as applicable, their respective heirs, executors, legal personal representatives, successors and permitted assigns.

IN WITNESS WHEREOF the Trust has executed this Redemption Note by its duly authorized Trustees.

WESTPOINT INVESTMENT TRUST

Per: M Kiel  
Name: Marnie Kiel

Per: [Signature]  
Name: Munir Virani

This is Exhibit " C " referred to in the affidavit / statutory declaration of Robert (Allen) Roberts  
Sworn before me this 3 day of August  
A.D. 20 23  
[Signature]  
Commissioner for Oaths in and for the Province of Alberta

**KENTIGERN A. ROWAN, K.C.**  
Barrister & Solicitor  
A Commissioner for Oaths  
in and for Alberta

**WESTPOINT INVESTMENT TRUST**

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**DECLARATION OF TRUST**

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**June 1, 2015**

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THIS DECLARATION OF TRUST made as of the 1<sup>st</sup> day of June, 2015

BETWEEN:

**MUNIR VIRANI, MARNIE LEE KIEL, MATTHEW EDWIN OBERLE and MIGUEL ANGEL SCHRAEDER**, all resident in the Province of Alberta, (the "**Initial Trustees**") of the trust (the "**Trust**") constituted by this declaration of trust, and each individual whom after the date hereof becomes a trustee of the Trust as herein provided (each individual, while a trustee of the Trust, hereinafter called a "**Trustee**", and collectively, at any time, the individuals each of whom is at that time a Trustee, hereinafter called the "**Trustees**")

OF THE FIRST PART

- and -

**HENRY KHA**, an individual resident in the Province of Alberta (hereinafter called the "**Initial Unitholder**") and all Persons whom after the date hereof become holders of Trust Units as herein provided (collectively, at any time, each Person who is at that time a holder of a Trust Unit, hereinafter called the "**Unitholders**")

OF THE SECOND PART

#### DECLARATION OF TRUST

WHEREAS:

- A) The Initial Unitholder desires to create a trust to invest, directly and indirectly, in a portfolio of loans, real property and related assets and other investments;
- B) For the purposes of settling the Trust, the Initial Unitholder is delivering to the Initial Trustees One Hundred (\$100.00) Dollars in cash (the "**Initial Contribution**") and, as consideration therefor, the Trust is issuing the Initial Unitholder 100 Class C Units;
- C) The Initial Trustees have agreed to hold the Initial Contribution and all amounts and assets subsequently received under this Declaration of Trust or in respect of the investment of these assets in accordance with the provisions hereinafter set forth;
- D) The Initial Unitholder and the Initial Trustees desire that the beneficiaries of the Trust, including the Initial Unitholder, shall be the holders of the Trust Units;
- E) The Initial Unitholder and the Initial Trustees desire that this Trust shall qualify as a "unit trust" and as a "mutual fund trust" pursuant to paragraph 108(2) and subsection 132(6) of the Tax Act;
- F) The Initial Trustees intend that additional Trust Units will be issued from time to time following the creation of the Trust, with the proceeds raised from the issuance of such additional Trust Units being utilized for the purchase of specific Trust Assets, including the purchase of Master LP Units, and that Unitholders will be entitled to income generated from those Trust Assets as a result of owning Trust Units.
- G) Following the creation of the Trust, the Trust intends to undertake certain transactions pursuant to a plan of arrangement, which transactions are expected to be dated effective on or about July 1, 2015, or such other date as determined by the Trustees, and as same may be amended from time to time, pursuant to which the Trust will issue additional Trust Units to investors, namely Class A Trust Units and Class B Trust Units;

- H) It is the intention of the Initial Trustees that this Declaration of Trust set out the rights and obligations that are common to all Unitholders as well as those rights and obligations that are specific to each class of Trust Units and, as applicable, the entitlement to income generated from those Trust Assets that are specific to each class of Trust Units;
- I) The parties hereto desire to set out the agreements, terms and conditions which shall govern their mutual and respective, rights, powers and obligations with respect to the settlement and administration of the Trust;

NOW THEREFORE, the undersigned Initial Trustees, being all of the Trustees, hereby confirm and declare that they agree with the Initial Unitholder to hold in trust, as trustees, the Initial Contribution and any and all other property, real, personal or otherwise, tangible or intangible, which has been at the date hereof or is hereafter transferred, conveyed or paid to or otherwise received by them as such Trustees or to which the Trust is otherwise entitled and all rents, income, profits and gains therefrom for the benefit of the Unitholders hereunder in accordance with and subject to the express provisions of this Declaration of Trust, the parties agree as follows:

## ARTICLE 1 - INTERPRETATION

### 1.1 Definitions

In this Declaration of Trust including the recitals hereto, unless the context otherwise requires, the following terms shall have the following meanings:

- (a) “**Administration Agreement**” means the administration agreement dated on or about the date hereof between the Administrator and the Trust, as amended or restated from time to time;
- (b) “**Administrator**” means, as of the date hereof, Westpoint Capital Management Corporation, a corporation duly incorporated under the laws of the Province of Alberta or such other administrator as may from time to time be appointed by the Trustees;
- (c) “**affiliate**”, when used to indicate a relationship with a Person, shall have the meaning ascribed thereto in the *Securities Act* (Alberta), as amended from time to time;
- (d) “**Applicable Law**” means, with respect to a Person, property, transaction or event, all securities, tax and other laws, statutes, regulations, treaties, bylaws, ordinances, judgments and decrees, to the extent same are binding and applicable to such Person, property, transaction or event;
- (e) “**Auditors**” means the firm of chartered accountants appointed as the auditors of the Trust from time to time in accordance with the provisions hereof;
- (f) “**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in the Province of Alberta;
- (g) “**Cash Flow**” has the meaning ascribed thereto in the Schedule of Unit Rights;
- (h) “**Class A Unitholders**” means those Unitholders owning Class A Trust Units;
- (i) “**Class B Unitholders**” means those Unitholders owning Class B Trust Units;
- (j) “**Class C Unitholders**” means those Unitholders owning Class C Trust Units;
- (k) “**Discount**” has the meaning ascribed thereto in the Schedule of Unit Rights;
- (l) “**Discount Date**” has the meaning ascribed thereto in the Schedule of Unit Rights;
- (m) “**Distributable Cash Flow**” has the meaning ascribed thereto in the Schedule of Unit Rights;



- (n) **"Distribution Period"** has the meaning ascribed thereto in the Schedule of Unit Rights;
- (o) **"Distribution Record Date"** has the meaning ascribed thereto in the Schedule of Unit Rights;
- (p) **"Fair Market Value"** has the meaning ascribed thereto in the Schedule of Unit Rights;
- (q) **"generally accepted accounting principles in Canada"** means accounting principles generally accepted in Canada as relating to entities carrying on a similar business to the Trust;
- (r) **"including"** means including without limiting the generality of the foregoing, unless otherwise expressly stated such as "including only", and **"includes"** shall have a corresponding meaning;
- (s) **"Income of the Trust"** has the meaning ascribed thereto in the Schedule of Unit Rights;
- (t) **"Initial Contribution"** means the amount of One Hundred (\$100.00) Dollars paid by the Initial Unitholder to the Trust as of the date hereof for the purpose of settling the Trust constituted by this Declaration of Trust;
- (u) **"Investment Guidelines"** has the meaning ascribed thereto in Section 4.1;
- (v) **"loan"** includes any mortgage, charge, hypothec, bond, debenture, note or other evidence of indebtedness, including any security issued by a borrower in connection therewith;
- (w) **"Master LP"** means Westpoint Master Limited Partnership;
- (x) **"Master LP Units"** means limited partnership units of Master LP;
- (y) **"mortgage"** means a loan secured, directly or indirectly, by real property;
- (z) **"Net Realized Capital Gains"** has the meaning ascribed thereto in the Schedule of Unit Rights;
- (aa) **"Non-Resident"** means a person who is not a Resident and a non-Canadian partnership;
- (bb) **"Non-Voting Unitholders"** means all Unitholders other than the Voting Unitholders;
- (cc) **"Ordinary Resolution"** has the meaning ascribed thereto in Section 12.6;
- (dd) **"Permitted Investments"** has the meaning ascribed thereto in Section 4.2(a);
- (ee) **"Person"** means and includes any individual, general partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, joint stock company, association, trust, trust company, bank, pension fund, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or other organization or entity, whether or not a legal entity, however designated or constituted;
- (ff) **"real property"** means property which in law is real property and includes, as the context requires, whether or not the same would in law be real property, raw land, leaseholds, mortgages, undivided joint interests in real property (whether by way of tenancy in common, joint tenancy, co-ownership, joint venture or otherwise), any interests in any of the foregoing and securities of corporations, trusts or partnerships whose sole or principal purpose and activity is to invest in, hold and/or deal in real property;
- (gg) **"Redeeming Unitholder"** has the meaning ascribed thereto in the Schedule of Unit Rights;
- (hh) **"Register"** has the meaning ascribed thereto in Section 13.3;

- (ii) “**Resident**” means a resident of Canada for purposes of the Tax Act and a Canadian partnership within the meaning of the Tax Act;
- (jj) “**Schedule of Unit Rights**” means Schedule “A” to this Declaration of Trust, as amended from time to time;
- (kk) “**Securities**” includes bonds, debentures, notes or other evidence or instruments of indebtedness, shares, stocks, options, warrants, special warrants, instalment receipts, subscription receipts, rights, subscriptions, partnership interests, units, joint venture interests or other evidence of title to or interest in the capital, assets, property, profits, earnings or royalties, of any Person;
- (ll) “**Special Resolution**” has the meaning ascribed thereto in Section 12.6;
- (mm) “**Subscription Funds**” means, collectively, the cash and other property received by the Trust from time to time as consideration for the issuance of Trust Units;
- (nn) “**subsidiary**” includes, with respect to any Person, any other Person controlled, directly or indirectly, by such Person;
- (oo) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;
- (pp) “**Taxation Year**” means the taxation year of the Trust for the purposes of the Tax Act;
- (qq) “**this Declaration of Trust**”, “**this Declaration**”, “**hereto**”, “**herein**”, “**hereof**”, “**hereby**”, “**hereunder**” and similar expressions refer to this instrument and not to any particular Section or portion hereof, and include any and every instrument supplemental or ancillary hereto;
- (rr) “**Trust**” means Westpoint Investment Trust, the trust established by this Declaration of Trust as the same may be amended or restated from time to time;
- (ss) “**Trust Assets**” at any time, means the monies, receivables, loans, real properties and other assets as are at such time held, directly or indirectly, by the Trust or by the Trustees on behalf of the Trust, including (i) the Initial Contribution; (ii) all Subscription Funds; (iii) shares of Westpoint Management Corporation; (iv) Master LP Units and units of any other Westpoint LP held by Master LP; (v) any Permitted Investments held from time to time, including mortgage assets, real property and tax lien certificates; (vi) any proceeds of disposition of any of the foregoing property; and (vii) all income, dividends, distributions, interest, profit, return of capital, gains and accretions and all substituted assets, rights and benefits of any kind or nature whatsoever arising directly or indirectly from or in connection with or accruing to such foregoing property or such proceeds of disposition, including, for certainty, all assets that may be acquired from time to time, directly or indirectly, by Master LP;
- (tt) “**Trust Note**” has the meaning ascribed thereto in the Schedule of Unit Rights;
- (uu) “**Trust Units**” or “**Units**” means trust units of the Trust;
- (vv) “**Trustees’ Regulations**” has the meaning ascribed thereto in Section 9.3, and include the Investment Guidelines established from time to time pursuant to Section 4.1;
- (ww) “**Unit Certificate**” means a certificate evidencing one or more Trust Units, issued and certified in accordance with the provisions hereof;
- (xx) “**Unitholders**” means at any time the Persons whose names appear on the Register as holders of one or more Trust Units;

- (yy) **"Voting Unitholders"** means the holders of Class C Trust Units and/or such other class or classes of Trust Units as may from time to time be issued with voting rights attached thereto; and
- (zz) **"Westpoint LPs"** means, collectively, Master LP and those limited partnerships in which Master LP from time to time holds a limited partnership interest.

The foregoing is not an exhaustive list of the defined terms and expressions used in this Declaration of Trust, and additional terms and expressions may be defined throughout this Declaration of Trust, including in the Schedule of Unit Rights.

Unless otherwise specified, or the context otherwise requires, any term in this Declaration of Trust which is defined in the Tax Act shall have, for the purposes of this Declaration of Trust, the meaning ascribed thereto in the Tax Act.

#### 1.2 Control

A Person is considered to control another Person if the Person, directly or indirectly, has the power to direct the management and policies of the other Person by virtue of:

- (a) the ownership or direction of voting securities of the other Person;
- (b) a written agreement or trust instrument;
- (c) being the general partner of, or controlling the general partner of, the other Person; or
- (d) being the trustee of the other Person.

#### 1.3 Incorporation of Recitals and Schedules

The recitals herein and schedules hereto are expressly incorporated into, and form an integral part of, this Declaration of Trust.

#### 1.4 References to Acts Performed by the Trust

For greater certainty, where any reference is made in this Declaration of Trust to an act to be performed by the Trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by the Trustees on behalf of the Trust or by some other Person duly authorized to do so by the Trustees or pursuant to the provisions hereof. Where any reference is made in this Declaration of Trust to actions, rights or obligations of the Trustees, or any one of them, that reference shall be construed and applied for all purposes to refer to actions, rights or obligations of the Trustees in their capacity as Trustees of the Trust, and not in any other capacity, unless the context otherwise requires.

#### 1.5 Tax Act

Any reference herein to a particular provision of the Tax Act shall include a reference to that provision as it may be renumbered or amended from time to time. Where there are proposals for amendments to the Tax Act which have not been enacted into law or proclaimed into force on or before the date on which such proposals are to become effective, the Trustees may take such proposals into consideration and apply the provisions hereof as if such proposals had been enacted into law and proclaimed into force.

#### 1.6 Number and Gender

In this Declaration of Trust, unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular number include the plural, and *vice versa*; words importing a gender shall include the feminine, masculine and neuter genders; and words importing persons include an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative.

1.7 Headings for Reference Only

The division of this Declaration of Trust into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Declaration of Trust.

1.8 Day Not a Business Day

In the event that any day on which any amount is to be determined or any action is required to be taken hereunder is not a Business Day, then such amount shall be determined or such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day except as otherwise provided herein.

1.9 Time of the Essence

Time shall be of the essence in this Declaration of Trust.

1.10 Currency

All references in this Declaration of Trust to "dollars" or "\$" are to Canadian dollars, unless otherwise noted.

1.11 Governing Law

This Declaration of Trust shall be construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be treated in all respects as an Alberta contract. The parties hereto hereby irrevocably submit and attorn to the jurisdiction of the courts of the Province of Alberta.

**ARTICLE 2 - DECLARATION OF TRUST**

2.1 Establishment of the Trust

The Trustees declare and agree to hold and administer the Trust Assets in trust for the use and benefit of the Unitholders, their successors, permitted assigns and personal representatives upon the trusts and subject to the terms and conditions hereinafter declared and set forth, such trust to constitute the Trust hereunder.

2.2 Initial Contribution

The Trustees hereby acknowledge and confirm that the Initial Unitholder has made the Initial Contribution to the Trustees for the purpose of settling the Trust.

2.3 Name of the Trust

- (a) The Trust shall be known and designated as "Westpoint Investment Trust" and, whenever practicable, lawful and convenient, the property of the Trust shall be held and the affairs of the Trust shall be conducted and transacted under that name.
- (b) If the Trustees determine that the use of such name is not practicable, legal or convenient, the Trust may use such other designation or may adopt such other name as the Trustees deem appropriate, and the Trust may hold property and conduct and transact its affairs under such other designation or name.
- (c) Without limiting the foregoing, the Trustees or any other duly authorized Person may enter into agreements and other documents for and on behalf of the Trust under the name "Westpoint Investment Trust" and the Trustees hereby acknowledge and confirm that any such agreements or other documents so entered into under the name "Westpoint Investment Trust" shall for all purposes be and be deemed to have been entered into by, and be binding on, the Trustees, as trustees for and on behalf of the Trust.

- (d) Notwithstanding any other provision contained herein, any amendment to this Section 2.3 requires the unanimous approval of the Trustees.

#### 2.4 Head Office

The head office of the Trust hereby created shall be located at #201, 1230 - 91 Street SW, Edmonton, AB, T6X 0P2, or such other place or places in Canada as the Trustees may from time to time designate. The Trust may have such other offices or places for the conduct of its affairs as the Trustees may from time to time determine as necessary or desirable.

#### 2.5 Nature of the Trust

The Trust is an unincorporated open-ended, limited purpose mutual fund trust established for the purposes specified in Section 4.1. Subject to any tax designations as the Trustees see fit, the Trust is not, shall not be deemed to be and shall not be treated as, a general partnership, limited partnership, syndicate, association, joint venture, company, corporation or joint stock company, nor shall the Trustees or any individual Trustee or the Unitholders or any of them or any Person be, or be deemed to be, treated in any way whatsoever as liable or responsible hereunder as partners or joint venturers. Neither the Trustees nor any officer or other employee of the Trust shall be, or be deemed to be, agents of the Unitholders. The relationship of the Unitholders to the Trustees shall be solely that of beneficiaries of the Trust and their rights shall be limited to those conferred upon them by this Declaration of Trust.

#### 2.6 Rights of Unitholders

The rights of each Unitholder to call for a distribution or division of assets, monies, funds, income and capital gains held, received or realized by the Trustees are limited to those contained herein and, except as provided herein, no Unitholder shall be entitled to call for any partition or division of the Trust's property or for a distribution of any particular Trust Asset forming part of the Trust's property or of any particular monies or funds received by the Trustees. The legal ownership of the property of the Trust and the right to conduct the activities of the Trust are vested exclusively in the Trustees, and no Unitholder has or is deemed to have any right of ownership in any of the property of the Trust, except as specifically provided herein. Except as specifically provided herein, no Unitholder shall be entitled to interfere with or give any direction to the Trustees with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Trustees under this Declaration of Trust. The Trust Units shall be personal property and shall confer upon the holders thereof only the interest and rights specifically set forth in this Declaration of Trust.

#### 2.7 Limited Liability of Unitholders

- (a) 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 in connection with: (i) the Trust Assets or the ownership, use, operation, acquisition or disposition thereof or exercise or enjoyment of the rights, privileges, conditions or benefits attached thereto, associated therewith or derived therefrom; (ii) the obligations or the activities or affairs of the Trust; (iii) any actual or alleged act or omission of the Trustees or by any other Person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to this Declaration of Trust); (iv) any actual or alleged act or omission of the Trustees or of any other Person in the performance or exercise, or purported or attempted performance or exercise, of any obligation, power, discretion or authority conferred upon the Trustees or such other Person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to this Declaration of Trust); (v) any transaction entered into by the Trustees or by any other Person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to this Declaration of Trust); or (vi) except as otherwise expressly provided herein, any taxes, levies, imposts or charges or fines, penalties or interest in respect thereof payable by the Trust or by the Trustees or by any other Person (except the Unitholder to the extent required by Applicable Law) on behalf of or in connection with the activities or affairs of the Trust (collectively, "**Trust Liabilities**").

- (b) No Unitholder, in its capacity as a Unitholder, shall be liable to indemnify the Trustees or any other Person with respect to any Trust Liabilities.
- (c) To the extent that, notwithstanding the provisions of this Section 2.7, any Unitholder, in its capacity as such, may be determined by a judgment of a court of competent jurisdiction to be subject to or liable in respect of any Trust Liabilities, such judgment and any writ of execution or similar process in respect thereof, shall be enforceable only against, and shall be satisfied only out of, that Unitholder's share of the Trust Assets represented by its Units.

### ARTICLE 3 - ISSUE AND SALE OF TRUST UNITS

#### 3.1 Nature of Trust Units

- (a) The beneficial interests in the Trust shall initially be divided into interests of three (3) classes, described as "**Class A Trust Units**", "**Class B Trust Units**" and "**Class C Trust Units**" which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out in the Schedule of Unit Rights or within any amendment or addendum to this Declaration of Trust. Notwithstanding anything else herein, the Trustees shall have the ability to amend the Schedule of Unit Rights from time to time to create and issue further classes of Trust Units, on such terms and conditions and with such rights and subject to such limitations, restrictions and conditions as they determine in their sole and unfettered discretion; provided that such new class(es) of Trust Units are issued in respect of a distinct set of Trust Assets and do not otherwise adversely affect or modify the rights or entitlements of existing Unitholders to receive Distributions. Each class of Trust Units, including the Class A Trust Units, Class B Trust Units and Class C Trust Units, and any further class of Trust Units created by the Trustees shall be described collectively as "**Trust Units**".
- (b) The interest of each Unitholder shall be determined by the number of Trust Units and the class of such Trust Units registered in the name of the Unitholder.
- (c) Each Trust Unit is transferable only in accordance with this Declaration of Trust and in accordance with Applicable Law.
- (d) Except as set out in any amendment or addendum to this Declaration of Trust, each Trust Unit outstanding from time to time shall be entitled to share in the distributions of the Trust pursuant to and in accordance with the Schedule of Unit Rights.
- (e) Each Trust Unit shall entitle the holder of record thereof to one (1) vote upon those matters for which such class of Units are entitled to vote, as set out in this Declaration of Trust (including in the Schedule of Unit Rights), whether at a meeting of Unitholders or in respect of any written resolution of Unitholders.

#### 3.2 Authorized Number of Trust Units

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

#### 3.3 Issue of Units to Initial Unitholder

- (a) Concurrently with the execution and delivery of this Declaration of Trust by the parties hereto, the Initial Trustees shall enter the Initial Unitholder on the register of the Trust as the holder of one hundred (100) Class C Trust Units (the "**Initial Units**").
- (b) Immediately after the first issuance of additional Class C Trust Units by the Trust to any other Person, the Trust will purchase the Initial Units from the Initial Unitholder, and the Initial Unitholder shall sell the Initial Units to the Trust for a purchase price of One Hundred (\$100.00) Dollars and, upon the completion of such purchase and sale, the Initial Units shall be cancelled and shall no longer be outstanding for any of the purposes of this Declaration of Trust.

### 3.4 Future Issue of Trust Units

- (a) Subject to the terms of this Declaration of Trust, Trust Units may be issued by the Trust at the times, to the Persons, for the consideration and on the terms and conditions that the Trustees determine and, without limiting the generality of the foregoing, the Trustees may, subject to Applicable Law, authorize the Trust to pay a reasonable commission to any Person in consideration of such Person purchasing or agreeing to purchase Trust Units from the Trust or from any other Person or procuring or agreeing to procure purchasers for Trust Units. At the option of the Trustees, Trust Units may be issued from time, including (i) to raise capital to facilitate the acquisition, investment or reinvestment in Trust Assets, (ii) to raise capital for contingent liabilities, to establish reserves or for any other reason in furtherance of the Trust's business; and/or (iii) in satisfaction of any distribution of the Trust to Unitholders on a *pro rata* basis amongst the Unitholders owning those classes of Units that are to receive such a distribution. Without limitation of the foregoing, the Trustees may create and issue, rights, warrants (including so-called "special warrants" which may be exercisable for no additional consideration), notes or other evidences of indebtedness, convertible Securities or options to subscribe for Trust Units or Securities that are convertible into or exchangeable for Trust Units which rights, warrants, notes or other evidences of indebtedness, options or convertible Securities so created may be exercisable at such subscription price or prices and at such time or times and on such terms and conditions as the Trustees may determine. The rights, warrants, options or convertible Securities so created may be issued for such consideration or for no consideration, all as the Trustees may determine. An instalment receipt, right, warrant, option or convertible security shall not be a Trust Unit and the holder thereof shall not be a Unitholder.
- (b) Trust Units are only to be issued as fully paid in money, property (including an obligation to pay consideration in instalments), distributions or past services, and are not to be subject to future calls or assessments, except that Trust Units to be issued under an offering may be issued for consideration payable in instalments and the Trust may take a security interest over such Trust Units for unpaid instalments. The Trustees shall, in their sole discretion, determine the fair economic value in the context of Trust Units to be issued for consideration other than cash or in satisfaction of any distribution of the Trust to Unitholders. In determining whether property or past services are the fair equivalent of monetary consideration, the Trustees may take into account reasonable charges and expenses of organization and reorganization and payments for property and past services reasonably expected to benefit the Trust, and the resolution of the Trustees allotting and issuing such Trust Units shall express the fair equivalent in money of the other consideration received.

### 3.5 No Pre-Emptive Rights

No Person shall be entitled, as a matter of right, to subscribe for or purchase any Trust Unit.

### 3.6 Limitation of Non-Resident Ownership

- (a) At no time may Non-Residents be the beneficial owners of more than forty-nine (49%) percent of all outstanding Trust Units or any one class of Trust Units. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Trust Units are resident. If the Trustees become aware that the beneficial owners of such number of the Trust Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, the Trustees or the Administrator may make a public announcement thereof and shall not accept a subscription for Trust Units from or issue or register a transfer of Trust Units to a Person unless the Person provides a declaration in form and content satisfactory to the Trustees that the Person is not a Non-Resident. If, notwithstanding the foregoing, the Trustees determine that more than such number of the Trust Units are held or beneficially-owned by Non-Residents, the Trustees may send a notice to Non-Resident holders of Trust Units chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell or redeem their Trust Units or a portion thereof within a specified period of not less than sixty (60) days. If the Unitholders receiving such notice have

not sold or redeemed the specified number of Trust Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trust may, on behalf of such Unitholders, sell or redeem such Trust Units and, in the interim, shall suspend the voting and distribution rights attached to such Trust Units. Upon such sale or redemption, the affected holders shall cease to be holders of Trust Units and their rights shall be limited to receiving the net proceeds of sale or redemption upon surrender of the Unit Certificates representing such Trust Units. For greater certainty, Trust Units shall be redeemed pursuant to this Section 3.6(a) at a redemption price equal to the Fair Market Value thereof and any Discount contemplated in the Schedule of Unit Rights shall apply to the extent that such redemption is completed prior to the applicable Discount Date.

- (b) Unless and until the Trustees shall have been required to do so under the terms hereof, the Trustees shall not be bound to do or take any proceeding or action with respect to this Section 3.6 by virtue of the powers conferred on them hereby. The Trustees shall not be deemed to have notice of any violation of this Section 3.6 unless and until they have been given written notice of such violation. The Trustees shall not be required to actively monitor the holdings of Non-Residents in the Trust. The Trustees shall not be liable for any violation of the Non-Resident ownership restriction which may occur during the term of the Trust.
- (c) The Trustees shall have the sole right and authority to make any determination required or contemplated under this Section 3.6. The Trustees shall make all determinations necessary for the administration of the provisions of this Section 3.6 and, without limiting the generality of the foregoing, if the Trustees consider that there are reasonable grounds for believing that a contravention of the Non-Resident ownership restriction has occurred or will occur, the Trustees shall make a determination with respect to the matter. Any such determination shall be conclusive, final and binding except to the extent modified by any subsequent determination by the Trustees. Notwithstanding the foregoing, the Trustees may delegate, in whole or in part, their power to make a determination in this respect to any officer of the Trust.

#### ARTICLE 4 - OBJECTIVES, INVESTMENTS AND ACTIVITIES OF THE TRUST

##### 4.1 Purpose of the Trust

The Trust is a limited purpose trust and its operations and activities shall be investing its funds subject to the provisions of this Article 4 and subject to such investment guidelines and restrictions as the Trustees may establish or amend from time to time in their sole discretion (hereinafter, collectively referred to as "**Investment Guidelines**"); **provided that notwithstanding any provision in this Declaration of Trust, the Trust shall not undertake any activity, take any action or make or retain any investment which would result (or fail to take any action where such failure would result) in (i) the Trust ceasing to qualify as a "mutual fund trust" for the purposes of the Tax Act; or (ii) the Trust not being treated as a "unit trust" for purposes of paragraph 108(2)(a) of the Tax Act.**

##### 4.2 Investment Objectives and Activities

The Trust's primary investment objective is to acquire, invest and reinvest, directly or indirectly through subsidiaries, in Trust Assets and to earn investment income either directly from such Trust Assets or indirectly through its ownership of such subsidiaries. The Trust may enter into joint ventures, partnerships, syndication agreements or other arrangements with third parties to facilitate such investment objectives.

The Trust may, from time to time, in addition to the investment activities otherwise contemplated by this Declaration of Trust and/or the Investment Guidelines, engage in one or more of the following activities:

- (a) to the extent that any monies or other property received by the Trust or the Trustees are not to be immediately used by the Trustees in the manner set out in the Investment Guidelines or for the purpose of making distributions in accordance with the Schedule of Unit Rights, the Trustees are hereby authorized to and, where prudent to do so, shall invest such monies in: (i) short-term debt obligations of or guaranteed by the Government of Canada or a province of Canada; (ii) short term commercial paper obligations of an issuer whose short term commercial



paper is rated R-1 or higher by Dominion Bond Rating Service Limited or A-1 or higher by Standard & Poor's Ratings Services; (iii) short-term interest-bearing accounts and short-term certificates of deposit issued or guaranteed by a Canadian chartered bank or provincial credit union; or (iv) any combination thereof (collectively, "Permitted Investments");

- (b) disposing of all or any part of the Trust Assets and reinvesting the proceeds thereof in new investments in accordance with the Investment Guidelines (including new investments that are not identical to those the Trust already owns);
- (c) repurchasing or redeeming Trust Units or other Securities of the Trust, subject to the provisions of this Declaration of Trust and Applicable Law;
- (d) satisfying the obligations, liabilities or indebtedness of the Trust;
- (e) entering into and performing its obligations under any agreements and instruments as may be necessary or desirable from time to time in connection with the acquisition of real property by the Trust and its subsidiaries;
- (f) undertaking all other usual and customary actions for the conduct of the activities of the Trust in the ordinary course as are approved by the Trustees from time to time, or as are contemplated by this Declaration of Trust; and
- (g) undertaking such other activities, or taking such actions, as shall be ancillary or incidental to the foregoing and approved by the Trustees from time to time.

#### 4.3 Ownership of Trust Assets

For the purposes of Sections 4.2 and 4.4, the assets, liabilities and transactions of a corporation, limited partnership or other entity wholly or partially owned by the Trust will be deemed to be those of the Trust on a proportionate consolidated basis. In addition, any reference in the Investment Guidelines to investments in real property will be deemed to include an investment in a joint venture arrangement in respect of real property or any indirect ownership interest therein.

#### 4.4 Financing of Trust Operations

The Trust is authorized, from time to time:

- (a) to issue debt Securities, to obtain third-party financing and to borrow, mortgage, pledge, charge, grant a security interest in or otherwise encumber any of the Trust Assets as security; and/or
- (b) to issue Trust Units and other Securities of the Trust (including promissory notes, Securities under a trust indenture, warrants, options or other rights to acquire Trust Units or other Securities of the Trust),

for any proper purposes, including: (i) obtaining funds to conduct the activities of the Trust or any subsidiary thereof, including to accomplish all or any of the objectives contemplated by this Article 4; and (ii) repayment of any indebtedness or borrowings of the Trust or any subsidiary thereof, including Trust Notes.

In addition, the Trust is authorized to guarantee (as guarantor, surety or co-principal obligor) the payment of any indebtedness, liability or obligation of any affiliate of the Trust pursuant to any good faith debt on borrowed money incurred by such affiliate, and to mortgage, pledge, charge, grant a security interest in or otherwise encumber all or any part of the Trust Assets as security for such guarantee; provided, however, that any such guarantee shall only be provided in circumstances where the indebtedness, liability or obligation so guaranteed relates to Trust Assets or other property acquired for the benefit of the Trust.

## ARTICLE 5 - DISTRIBUTIONS

### 5.1 Computation and Distributions of Distributable Cash Flow

- (a) Cash Flow shall be determined pursuant to the provisions of the Schedule of Unit Rights.
- (b) Distributable Cash Flow shall be allocated amongst the Unitholders and paid in accordance with the Schedule of Unit Rights.

## ARTICLE 6- REDEMPTION OF TRUST UNITS

### 6.1 Right of Redemption

Subject to the provisions of the Schedule of Unit Rights, each Unitholder shall be entitled to require the Trust to redeem at any time or from time to time at the demand of the Unitholder all or any part of the Trust Units registered in the name of the Unitholder at the prices determined and payable in accordance with the conditions set forth in the Schedule of Unit Rights.

## ARTICLE 7- TRUSTEES

### 7.1 Composition of the Board of Trustees

The Trustees shall consist of not less than three (3) and not more than ten (10) Trustees, with the number of Trustees from time to time within such range being fixed by resolution of the Trustees. At all times, a majority of the Trustees shall be Residents.

### 7.2 Calling and Notice of Meetings

Meetings of the Trustees shall be called and held at such time and at such place as the Trustees, the chairman of the Trustees or any two Trustees may determine, and any one Trustee or officer of the Trust may give notice of meetings when directed or authorized by such Persons. Notice of each meeting of the Trustees shall be given to each Trustee not less than forty-eight (48) hours before the time when the meeting is to be held, provided that if a quorum of Trustees is present, the Trustees may without notice hold a meeting immediately following an annual meeting of Unitholders. Notice of a meeting of the Trustees may be given verbally, in writing or by telephone, fax, email or other means of electronic communication. A notice of a meeting of Trustees need not specify the purpose of or the business to be transacted at the meeting. Notwithstanding the foregoing, the Trustees may by resolution from time to time fix a day or days in any month or months for regular meetings of the Trustees at a place and hour to be named, in which case, provided that a copy of such resolution is sent to each Trustee forthwith after being passed and forthwith after each Trustee's appointment, no other notice shall be required for any such regular meeting. A Trustee who attends a meeting of Trustees, in person, by telephone or by similar communications equipment by which all persons participating in the meeting can hear each other at the same time, is deemed to have waived notice of such meeting except when the Trustee attends the meeting for the purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

### 7.3 Place of Meetings

Meetings of the Trustees may be held at any place in Canada. A Trustee who attends a meeting of Trustees, in person or by telephone, is deemed to have consented to the location of the meeting except when he or she attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not lawfully called or convened.

### 7.4 Meetings by Telephone

Trustees may participate in a meeting of the trustees by means of a telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting. Telephonic meetings may only take place by means of a call or communication originated inside Canada, and is properly constituted only if (1) the

majority of the participants are Residents, and (2) a majority of the participants meeting in person or by such call or communication participate from or at a location inside Canada, and is deemed to be held at the place from where such call or communication originated.

#### 7.5 Quorum

The quorum for the transaction of business at any meeting of the Trustees shall consist of a majority of the number of Trustees then holding office and, notwithstanding any vacancy among the number of Trustees, a quorum of Trustees may exercise all of the powers of the Trustees, provided that a majority of the Trustees comprising such quorum shall be Residents.

#### 7.6 Chairman

The chairman of the Trustees ("**Chairman**") shall be chosen by the Trustees from amongst themselves. The Chairman of any meeting of the Trustees shall be the Trustee present at the meeting who holds the office of chairman of the Trustees or, if such person is not present, the Trustees present shall choose one (1) of their numbers to be Chairman for that particular meeting. The Chairman shall be a Resident. In the event that (i) there is an equal number of Trustees on the board of trustees; or (ii) there is an equality of votes on any matter, the Chairman shall have a second or casting vote.

#### 7.7 Action by the Trustees

At all meetings of the Trustees every question shall be decided by a majority of the votes cast on the question. The powers of the Trustees may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all Trustees who would be entitled to vote on that resolution at a meeting of the Trustees. Resolutions in writing may be signed in counterparts, including by facsimile, each of which shall be deemed to be an original and all originals together shall be deemed to be one and the same instrument.

#### 7.8 Adjourned Meeting

Any meeting of the Trustees may be adjourned from time to time by the Chairman with the consent of the Trustees present at the meeting to a fixed time and place. Further notice of the adjourned meeting need not be given. The adjourned meeting shall be duly constituted if a quorum is present and if it is held in accordance with the terms of the adjournment. If there is not a quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated upon its adjournment.

#### 7.9 Remuneration and Expenses

The Trustees shall be paid such reasonable remuneration for their services as the Trustees may from time to time determine. The Trustees shall also be entitled to be reimbursed for reasonable travel and other expenses properly incurred by them in attending meetings of the Trustees or any committee thereof or in connection with their services as Trustees. Nothing herein contained shall preclude any Trustee from serving the Trust in any other capacity and receiving remuneration therefor. The Trustees shall be eligible to participate in any incentive plan for employees and/or officers adopted by the Trust.

#### 7.10 Officers

The Trustees may from time to time appoint one or more officers of the Trust, including without limitation a chairman and secretary of the Trustees, and, without prejudice to rights under any employment contract, may remove any officer of the Trust. The powers and duties of each officer of the Trust shall be those determined from time to time by the Trustees and, in the absence of such determination, shall be those usually applicable to the office held. A majority of the officers of the Trust shall be Residents.

## ARTICLE 8 - APPOINTMENT, RESIGNATION AND REMOVAL OF THE TRUSTEES

### 8.1 Qualification of Trustees

The following persons are disqualified from being a Trustee of the Trust:

- (a) anyone who is less than eighteen (18) years of age;
- (b) anyone who is of unsound mind and has been so found by a court in Canada or elsewhere;
- (c) a Person who is not an individual; and
- (d) a Person who has the status of bankrupt.

### 8.2 Appointment of Trustees

The Initial Trustees have been appointed as the Trustees of the Trust and their term of office shall, subject to Section 8.5, expire (subject to further appointment) at the close of the first annual meeting of Voting Unitholders. Except as otherwise provided herein, Trustees shall be appointed (including the reappointment of incumbent Trustees) at each annual meeting of Voting Unitholders and may be appointed at a special meeting of Voting Unitholders, in each case to hold office, subject to Section 8.5, for a term expiring at the close of the next annual meeting of Voting Unitholders following such an appointment. Any such appointment (other than by the Initial Trustees) shall be made either by a resolution approved by a majority of the votes cast at a meeting of Voting Unitholders or shall be made by resolution in writing in the manner set out in Section 12.10. Notwithstanding the foregoing:

- (a) if no Trustees are appointed at the annual meeting of Voting Unitholders held immediately before the term of office of the existing Trustees expires, such existing Trustees shall continue to hold the office of Trustees under this Declaration of Trust until successors have been appointed or they cease to hold office;
- (b) subject to Section 7.1, the Trustees may, prior to the first annual meeting of Voting Unitholders, appoint up to five (5) additional Trustees and, thereafter, between annual meetings of the Voting Unitholders, appoint the greater of two (2) additional Trustees or one-third (1/3) of the number of Trustees who held office immediately at the expiration of the immediately preceding annual meeting of Voting Unitholders, in each case for a term to expire (subject to further appointment) at the close of the next annual meeting of Voting Unitholders; and
- (c) a majority of the Trustees holding office at any time shall be Residents.

### 8.3 Consent to Act

- (a) A person who is appointed a Trustee hereunder, other than the Initial Trustees whose consent to act is given by their signatures hereto, shall not become a Trustee until the person has, either before or after such appointment, executed and delivered to the Trust a consent substantially as follows:

"To: Westpoint Investment Trust (the "Trust")

And to: The Unitholders thereof

The undersigned hereby certifies that he or she is [is not] a resident of Canada for purposes of the *Income Tax Act* (Canada) and consents to act as a Trustee of the Trust and hereby agrees, upon the later of the date of this consent and the date of the undersigned's appointment as a Trustee of the Trust, to thereby become a party, as a Trustee, to the Declaration of Trust made the 1<sup>st</sup> day of June, 2015, as may be further amended and restated from time to time, constituting the Trust.

I am a resident of \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]"

- (b) Upon the later of a person being appointed a Trustee hereunder and executing and delivering to the Trust a consent substantially as set forth in Section 8.3(a), such person shall become a Trustee hereunder and shall be deemed to be a party (as a Trustee) to this Declaration of Trust, as amended from time to time.
- (c) The rights of the Trustees to control and exclusively administer the Trust and to have the title to the Trust Assets drawn up in their names or in the name of any other successor and all other rights of the Trustees at law will vest automatically in any Person who may hereafter become a Trustee upon such Person's due appointment and qualification without any further act and such Person will immediately thereupon have all the rights, privileges, powers, authorities, obligations and immunities of a Trustee hereunder.

8.4 Failure to Elect Minimum Number of Trustees

If, at a meeting of Voting Unitholders, such Voting Unitholders fail to elect the minimum number of Trustees required by this Declaration of Trust by reason of the disqualification or death of any nominee, the Trustees elected at the meeting may exercise all of the powers of the Trustees if the number of Trustees so elected constitutes a quorum.

8.5 Ceasing to Hold Office

A Trustee ceases to hold office when:

- (a) he or she dies or resigns;
- (b) he or she is removed in accordance with Section 8.6; or
- (c) he or she ceases to be duly qualified to act as a Trustee as provided under Section 8.1.

A resignation of a Trustee becomes effective thirty (30) days from the time a written resignation is sent to the Trust, or at the time specified in the resignation, whichever is later, provided that if, upon the resignation becoming effective, the number of remaining Trustees would be less than the number necessary to constitute a quorum for a meeting of Trustees, the resignation shall not be effective until the resigning Trustee's successor is duly appointed as a Trustee.

Upon a Trustee ceasing to hold office as such hereunder, such Trustee shall cease to be a party (as a Trustee) to this Declaration of Trust; provided, however, that such Trustee shall continue to be entitled to be paid any amounts owing by the Trust to the Trustee and to the benefits of the indemnity provided in Section 9.8. Upon the resignation or removal of any Trustee, or upon a Trustee otherwise ceasing to be a Trustee, the Trustee shall cease to have the rights, privileges and powers of a Trustee hereunder, shall execute and deliver such documents as the remaining Trustees shall require for the conveyance of any Trust property held in that Trustee's name, and to provide for or facilitate transition of the Trust's activities and affairs to a successor Trustee, shall account to the remaining Trustees as they may require for all property which that Trustee holds as Trustee, shall resign from all representative or other positions held by such Trustee on behalf of the Trust, including as a director or officer of any person in which the Trust owns any securities (directly or indirectly) and shall thereupon be discharged of his or her obligations as Trustee. Upon the incapacity or death of any Trustee,

his or her legal representative shall execute and deliver on his or her behalf such documents as the remaining Trustees may require as provided in this Section 8.5. In the event that a Trustee or his or her legal representatives, as applicable, are unable or unwilling to execute and deliver such required documents, each of the remaining Trustees is hereby appointed as the attorney of such Trustee for the purposes of executing and delivering such required documents.

If a Trustee ceases to hold office for any reason, and such cessation results in the board of Trustees not having a majority of Trustees who are Residents, the Trustees will, as soon as possible, fill the vacancy in accordance with Section 8.7 in order that a majority of Trustees shall be Residents, and if necessary, one or more Trustees who are not Residents, to be determined by the Trustees at any time, shall resign (temporarily or otherwise) so that a majority of Trustees shall be Residents.

#### 8.6 Removal of Trustees

A Trustee may be removed from office:

- (a) by an Ordinary Resolution of the Voting Unitholders at a meeting of Voting Unitholders called for that purpose; or
- (b) by resolution approved by a majority of the votes cast at a meeting of the Trustees;

provided that such removal would not result in the Trust losing its status as a "mutual fund trust" under the Tax Act. A vacancy created by such removal of a Trustee may be filled at the meeting of Voting Unitholders at which the Trustee is removed or, if not so filled, may be filled as set forth in Section 8.7.

#### 8.7 Filling Vacancies

Subject to Sections 8.2(b) and 8.6, a vacancy among the Trustees may be filled by votes of the number of Trustees required to constitute a quorum. If there is not a quorum of Trustees, or if there has been a failure to elect at a meeting of Voting Unitholders the number of Trustees required by or pursuant to this Declaration of Trust, the Trustees then in office shall forthwith call a special meeting of Voting Unitholders to fill such vacancy and, if they fail to call a meeting or if there are no Trustees then in office, the meeting may be called by any Voting Unitholder. A Trustee appointed to fill a vacancy holds office, subject to Section 8.5, until the close of the next annual meeting of the Voting Unitholders. The rights of the Trustees to control and exclusively administer the Trust and to have the title to the Trust Assets drawn up in their names or in the name of any other successor and all other rights of the Trustees at law shall vest automatically in any person who may hereafter become a Trustee upon such person's due appointment and qualification without any further act and such person shall thereupon have all the rights, privileges, powers, authorities, obligations and immunities of a Trustee hereunder whether or not conveyancing documents have been executed and delivered pursuant to Section 8.5 or otherwise.

#### 8.8 Validity of Acts

Any act of a Trustee is valid notwithstanding any irregularity in the appointment of the Trustees or any one of them or a defect in the qualifications of the Trustees or any one of them.

### **ARTICLE 9 - CONCERNING THE TRUSTEES**

#### 9.1 Powers of the Trustees

Subject to the specific limitations contained in this Declaration of Trust, the Trustees shall have, without further or other action or consent, and free from any power or control on the part of the Unitholders full, absolute and exclusive power, control and authority over the Trust Assets and over 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 acts and things as in their sole judgment and discretion are necessary or incidental to, or desirable for, carrying out the trust created under this Declaration of Trust. In construing the provisions of this Declaration of Trust, there shall be a presumption in favour of the powers and authority granted to the Trustees. The enumeration of any specific power or authority in this Declaration of Trust shall not be construed as limiting the general powers

or authority or any other specified power or authority conferred in this Declaration of Trust on the Trustees. Without limiting the generality of the foregoing, but subject to any express limitations contained in this Declaration of Trust, or any amendment or addendum, the Trustees may make any investments without being required to adhere to all of or any particular portion of the investment criteria or diversification requirements set forth in the *Trustee Act* (Alberta), as amended from time to time, or any successor legislation thereto, and may delegate management and authority to discretionary managers of investment funds as the Trustees in their discretion determine appropriate.

## 9.2 Specific Powers and Authorities

Subject only to the express limitations contained in this Declaration of Trust and in addition to any other powers and authorities conferred by this Declaration of Trust, or any amendment or addendum, or which the Trustees may have by virtue of any present or future statute or rule of law, the Trustees, without any action or consent by the Unitholders, shall have and may exercise 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 they may from time to time determine proper:

- (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 collect, sue for and receive all sums of money due to the Trust;
- (d) to effect payment of distributions to the Unitholders as provided in the Schedule of Unit Rights;
- (e) to invest funds of the Trust as provided in Article 4;
- (f) if the Trustees become aware by written notice that the beneficial owners of forty-nine (49%) percent or more of the Trust Units then outstanding are, or may be, Non-Residents or that such situation is imminent, the Trustees shall ensure that the limitations on non-resident ownership as provided in Section 3.6 are met;
- (g) to possess and exercise all the rights, powers and privileges pertaining to the ownership of securities, to the same extent that an individual 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;
- (h) where reasonably required, to engage or employ 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 or otherwise) in one or more capacities;
- (i) except as prohibited by Applicable Law, to delegate any of the powers and duties of the Trustees to any one or more agents, representatives, officers, employees, independent contractors or other persons without liability to the Trustees, except as provided in this Declaration of Trust;
- (j) 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;

- (k) to arrange for insurance contracts and policies insuring the Trust, its assets 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;
- (l) 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 Trustee is interested therein; provided, however, that should legal title to any of the Trust's property be held by and/or in the name of any person or persons other than a Trustee or the Trust, the Trustees 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;
- (m) to issue Trust Units for such consideration as the Trustees may deem appropriate in their sole discretion, such issuance to be subject to the terms and conditions of this Declaration of Trust;
- (n) in addition to the mandatory indemnification provided for in Section 9.9, 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 or any transfer agent or escrow agent, to such extent as the Trustees shall determine;
- (o) enact and from time to time amend or repeal by-laws not inconsistent with this Declaration of Trust containing provisions relating to the Trust, the Trust's property and the conduct of the affairs of the Trust, but not in conflict with any provision of this Declaration of Trust;
- (p) without limit as to amount, to issue any type of debt Securities or convertible debt Securities and to 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, pledge, assign or grant a security interest in any money owing to the Trust or its property or engage in any other means of financing the Trust;
- (q) 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's property, undertaking or Income of the Trust, or imposed upon or against the Trust's property, undertaking or Income of the Trust, or any part thereof and to settle or compromise disputed tax liabilities and for the foregoing purposes to make such returns, take such deductions, and make such designations, elections, estimations and determinations in respect of Distributable Cash Flow or Net Realized Capital Gains distributed to Unitholders in the year and any other matter as shall be permitted under the Tax Act (provided that to the extent necessary the Trustees will seek the advice of the Trust's 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;
- (r) to make any tax elections that the Trustees determine to be desirable;
- (s) to guarantee the obligations of any subsidiary or affiliate of the Trust pursuant to any good faith debt for borrowed money incurred by the subsidiary or affiliate, as the case may be, and pledging Securities issued by the subsidiary or affiliate, as the case may be, as security for such guarantee and provided that the Trustees determine that such guarantee is incidental to the Trust's direct or indirect investment in such subsidiary or affiliate; and
- (t) 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 any of the purposes for which the Trust is formed and to carry out the provisions of this Declaration of Trust.



### 9.3 Further Powers of the Trustees

Subject to the provisions hereof, the Trustees shall have the power to prescribe any form provided for or contemplated by this Declaration of Trust and the Trustees may make, adopt, amend or repeal regulations containing provisions relating to the conduct of the affairs of the Trust not inconsistent with law or with this Declaration of Trust (the "**Trustees' Regulations**"). The Trustees shall also be entitled to make any reasonable decisions, designations or determinations not contrary to this Declaration of Trust which they may determine are necessary or desirable in interpreting, applying or administering this Declaration of Trust or in administering, managing or operating the Trust. Any Trustees' Regulations, decisions, designations or determinations made pursuant to this Section shall be conclusive and binding upon all persons affected thereby. The Trustees shall also have such additional powers as may be approved by a resolution of the Unitholders passed at a meeting of Unitholders by a majority of the votes cast at that meeting.

### 9.4 Securities Held in Trust

The Securities held from time to time by the Trustees as part of the Trust Assets may be voted by the Trustees at any and all meetings of securityholders of such Persons in which the Trust holds Securities, at which the holders of such Securities are entitled to vote in such manner as the Trustees, in their sole discretion, consider to be in the best interests of the Unitholders.

### 9.5 Banking

The banking activities of the Trust, or any part thereof, including, but without restricting the generality of the foregoing, the operation of the Trust's accounts; the making, signing, drawing, accepting, endorsing, negotiation, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for orders relating to any 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 activities and defining the rights and powers of the parties thereto; and the authorizing of any officer of such bank to do any act or thing on the Trust's behalf to facilitate such banking activities, shall be transacted with such bank, trust company, or other firm or corporation carrying on a banking business as the Trustees may designate, appoint or authorize from time to time and shall be transacted on the Trust's behalf by one or more officers of the Trust as the Trustees may designate, appoint or authorize from time to time.

### 9.6 Standard of Care and Duties

The Trustees shall act honestly and in good faith with a view to the best interests of the Trust and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. No Trustee shall be liable in carrying out his or her duties under this Declaration of Trust except in cases where the Trustee fails to act honestly and in good faith with a view to the best interests of the Trust or to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The duties and standard of care of the Trustees provided as aforesaid are intended to be similar to, and not to be any greater than, those imposed on a director of a corporation governed by the *Business Corporations Act* (Alberta). 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 shall not be required to devote their entire time to the investments or business or affairs of the Trust.

### 9.7 Fees and Expenses

As part of the expenses of the Trust, the Trustees may pay or cause to be paid out of the Trust's property, reasonable fees, costs and expenses incurred in connection with the administration and management of the Trust, including (without limitation) real property and brokerage commissions in respect of investments and dispositions of real property made by the Trust, fees of auditors, accountants, lawyers, engineers, appraisers and other agents, consultants and professional advisors employed by or on behalf of the Trust, fees of stock exchanges and the cost of reporting or giving notices to Unitholders. All costs, charges and expenses properly incurred by the Trustees on behalf of the Trust shall be payable out of the Trust Assets.

9.8 Limitations of Liability of Trustees

Subject to the standard of care, diligence and skill set forth in Section 9.6 (the "Standard of Care"):

- (a) none of the Trustees nor any officers of the Trust shall be liable to any Unitholder for 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 incurred by reason of the sale of any asset; the loss or disposition of monies or Securities; or any other action or failure to act including, without limitation, the failure to compel in any way any former Trustees to redress any breach of trust or any failure by any Person to perform the duties delegated to it under this Declaration of Trust or any failure by the Trust to pay monies owed to the Trust, except for a breach of the Standard of Care. If the Trustees have retained an appropriate expert, advisor or legal counsel with respect to any matter connected with their duties under this Declaration of Trust, the Trustees may act or refuse to act based on the advice of such expert, advisor or legal counsel and, notwithstanding any provision of this Declaration of Trust, including, without limitation, the Standard of Care, the Trustees shall not be liable for any action or refusal to act based on the advice of any such expert, advisor or legal counsel that it is reasonable to conclude is within the expertise of such expert, advisor or legal counsel to give; and
- (b) none of the Trustees nor the officers nor any agent of the Trust shall be subject to any liability whatsoever in tort, contract or otherwise, in connection with the Trust Assets or the affairs of the Trust, including 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. 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 Trustee for or in respect to the affairs of the Trust. No property or assets of the Trustees, owned in their personal capacities or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under this Declaration of Trust or under any other related agreements. No recourse may be had or taken, directly or indirectly, against the Trustees in their personal capacity or any successor of the Trustees. The Trust shall be solely liable therefore and resort shall be had solely to the Trust Assets for payment or performance thereof. In the exercise of the powers, authorities or discretion conferred upon the Trustees under this Declaration of Trust, the Trustees are and shall be conclusively deemed to be acting as trustees of the Trust Assets.

9.9 Indemnification of Trustees

Each Trustee, each former Trustee, each officer of the Trust and each former officer of the Trust shall be entitled to be and shall be indemnified and reimbursed out of the Trust Assets in respect of any and all taxes (other than taxes on compensation), penalties or interest in respect of unpaid taxes or other governmental charges imposed upon the Trustee, former Trustee, officer or former officer in consequence of his or her performance of his or her duties hereunder and in respect of any and all costs, charges and expenses, including amounts paid to settle an action or satisfy a judgment reasonably incurred in respect of any civil, criminal or administrative action or proceeding to which the Trustee, former Trustee, officer or former officer is made a party or against whom any such claim, action or proceeding is commenced or proposed by reason of being or having been a Trustee or officer of the Trust or, at the request of the Trust, a director or officer of any direct or indirect subsidiary of the Trust; provided that a Trustee, former Trustee, officer or former officer shall not be indemnified out of the Trust Assets in respect of unpaid taxes or other governmental charges or in respect of such costs, charges and expenses that arise principally and directly out of his or her gross negligence, wilful default, fraud or breach of the Standard of Care. A Trustee, former Trustee, officer or former officer shall not be entitled to satisfy any right of indemnity or reimbursement granted herein, or otherwise existing under Applicable Law, except out of the Trust Assets, and no Unitholder or other Trustee or officer shall be personally liable to any Person with respect to any claim for such indemnity or reimbursement as aforesaid.

9.10 Conflicts of Interest

- (a) If a Trustee or an officer of the Trust is a party to a material contract or transaction or proposed material contract or transaction with the Trust, or is a director or officer or employee of, or has a material interest in, any Person who is a party to a material contract or transaction or proposed material contract or transaction with the Trust, such Trustee or officer of the Trust, as the case may be, shall disclose in writing to the Trustees or request to have entered in the minutes of meetings of Trustees the nature and extent of such interest.
- (b) The disclosure required pursuant to Section 9.10(a) in the case of a Trustee or officer shall be made:
  - (i) at the meeting of Trustees or the relevant committee, as the case may be, at which a proposed contract or transaction is first considered;
  - (ii) if the Trustee or officer was not then interested in a proposed contract or transaction, at the first such meeting after he or she becomes so interested;
  - (iii) if the Trustee or officer becomes interested after a contract is made or a transaction is entered into, at the first meeting after he or she becomes so interested; or
  - (iv) if a person who is interested in a contract or transaction later becomes a Trustee or officer, at the first such meeting of Trustees after he or she assumes that capacity.
- (c) Notwithstanding Section 9.10(b), where this section applies to any person in respect of a material contract or transaction or proposed material contract or transaction that, in the ordinary course of the business of the Trust, would not require approval by the Trustees or the Unitholders, such person shall disclose in writing to the Trustees or request to have entered in the minutes of meetings of Trustees the nature and extent of his or her interest forthwith after that person becomes aware of the contract or transaction or proposed contract or transaction.
- (d) A Trustee required to make disclosure under Section 9.10(a) shall not vote on any resolution to approve the contract or transaction unless the contract or transaction is:
  - (i) one relating primarily to his remuneration as a Trustee, officer, employee or agent of the Trust; or
  - (ii) one for indemnity under Section 9.9 hereof or for the purchase of liability insurance.
- (e) For the purposes hereof, a general notice to the Trustees by a Trustee or an officer of the Trust or any other person referred to in this Section 9.10 disclosing that he or she is a director, officer or employee of or has a material interest in a person and is to be regarded as interested in any contract made or any transaction entered into with that person, is a sufficient disclosure of interest in relation to any contract so made or transaction so entered into.
- (f) Where a material contract is made or a material transaction is entered into between the Trust and any one or more of its Trustees or officers, or between the Trust and another person of which a Trustee or officer of the Trust is a director or officer or in which he or she has a material interest:
  - (i) the Trustee or officer, as applicable, is not accountable to the Trust or to the Unitholders for any profit or gain realized from the contract or transaction; and
  - (ii) the contract or transaction is neither void nor voidable by reason only of that relationship or by reason only that the Trustee is present at or is counted to determine the presence of a quorum at the meeting of Trustees or committee of Trustees that authorized the contract or transaction,

if the Trustee disclosed his or her interest in accordance with this Section 9.10 and the contract or transaction was reasonable and fair to the Trust at the time it was so approved.

- (g) Notwithstanding anything in this Section, but without limiting the effect of subsection 9.10(f) hereof, a Trustee or officer of the Trust, acting honestly and in good faith, is not accountable to the Trust or to the Unitholders for any profit or gain realized from any such contract or transaction by reason only of his or her holding the office of Trustee or officer, and the contract or transaction, if it was reasonable and fair to the Trust at the time it was approved, is not by reason only of the Trustee's or officer's interest therein void or voidable, where:
  - (i) the contract or transaction is confirmed or approved at a meeting of Voting Unitholders duly called for that purpose;
  - (ii) the nature and extent of the Trustee's or officer's interest in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting or in any information circular required to be provided by this Declaration of Trust or by law; and
  - (iii) the contract or transaction was reasonable and fair to the Trust when it was approved or confirmed.
- (h) Subject to subsections 9.10(f) and (g) hereof, where any Trustee or officer of the Trust fails to disclose his or her interest in a material contract or transaction in accordance with this Declaration of Trust or otherwise fails to comply with this Section, the Trustees or any Unitholder owning Class C Trust Units, in addition to exercising any other rights or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the contract or transaction and directing that the Trustee or officer account to the Trust for any profit or gain realized.
- (i) Notwithstanding the foregoing, Sections 9.10(a) through (h) do not apply to the Initial Trustees with respect to the entering into of the Administration Agreement, including any amendments thereto.

#### 9.11 Conditions Precedent

The obligation of the Trustees to commence or continue any act, action, suit or proceeding or to represent the Trust in any action, suit or proceeding shall be conditional upon sufficient funds being available to the Trustees from the Trust's property to commence or continue such act, action, suit or proceeding or to represent the Trust in any action, suit or proceeding and an indemnity reasonably satisfactory to the Trustees to protect and hold harmless the Trustees against the costs, charges and expenses and liabilities to be incurred therein and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Declaration of Trust shall require the Trustees to expend or risk their own funds or otherwise incur financial liability in the performance of their duties or in the exercise of any of their rights or powers unless they are given an indemnity and funding satisfactory to the Trustees, acting reasonably.

#### 9.12 Reliance Upon Trustees and Officers

Any Person dealing with the Trust in respect of any matters pertaining to the Trust Assets and any right, title or interest therein or to the Trust or to Securities of the Trust shall be entitled to rely on a certificate, statutory declaration or resolution executed or certified by the Trustees or any officer of the Trust appointed by the Trustees as to the capacity, power and authority of the Trustees or any Person to act for and on behalf of and in the name of the Trust. No Person dealing with the Trustees or officers of the Trust shall be bound to see the application of any funds or property passing into the hands or control of the Trustees or officers of the Trust. The receipt of the Trustees or officers of the Trust for monies or other consideration shall be binding upon on the Trust.

## ARTICLE 10 - COMMITTEES OF TRUSTEES

### 10.1 Delegation

Except as prohibited by Applicable Law, the Trustees may appoint from their number one or more committees of Trustees and may delegate to such committee of Trustees such authority as the Trustees may in their sole discretion deem necessary or desirable to effect the administration of the duties of the Trustees under this Declaration of Trust, without regard to whether such authority is normally granted or delegated by Trustees, provided that a majority of the Trustees appointed to any committee shall be Residents.

### 10.2 Special Committee

The Trustees may, from time to time, appoint a special committee (the "**Special Committee**") to consist of not less than two (2) Trustees. The duties of the Special Committee will be to:

- (a) review and recommend to the board of Trustees whether to approve or reject proposed transactions, including all proposed property transactions (including acquisitions, financings, redevelopments or dispositions), including any fees payable to the Administrator in connection with such transactions by the Trust or any of its subsidiaries or affiliates;
- (b) receive and, if appropriate, approve and make recommendations to the board of Trustees regarding the annual and special budgets submitted for approval by the Administrator;
- (c) determine and decide, in the sole discretion of the Special Committee, to terminate the Administration Agreement;
- (d) develop and review the governance of the Trust; and
- (e) assume such other duties as the board of Trustees may delegate from time to time.

Questions arising at any meeting of the Special Committee shall be decided by a majority of the votes cast. Decisions may be taken by written consent signed by all of the members of the Special Committee. Any member of the Special Committee may call a meeting of the Special Committee upon not less than forty-eight (48) hours' notice. Where for any reason a member of the Special Committee is disqualified from voting on or participating in a decision, any other independent and disinterested Trustee not already a member of the Special Committee may be designated by the Trustees to act as an alternate. Notwithstanding the appointment of the Special Committee, the Trustees may consider and approve any matter which the Special Committee has the authority to consider or approve.

### 10.3 Procedure

Unless otherwise determined by the Trustees, a quorum for meetings of any committee shall be a majority of its members. Each committee shall have the power to appoint its chairman and the rules for calling, holding, conducting and adjourning meetings of the committee shall be the same as those governing meetings of the Trustees. Each member of a committee shall serve during the pleasure of the Trustees and, in any event, only so long as he or she shall be a Trustee. The Trustees may fill vacancies in a committee by appointment from among their members. Provided that a quorum is maintained, the committee may continue to exercise its powers notwithstanding any vacancy among its members.

## ARTICLE 11 - AMENDMENT

### 11.1 Amendment

The provisions of this Declaration of Trust may be amended by the Trustees without the consent, approval or ratification of the Unitholders or any other person at any time and for any purpose, including but not limited to:

- (a) ensuring continuing compliance with Applicable Laws (including the Tax Act), regulations, requirements or policies of any governmental or other authority having jurisdiction over (A) the

Trustees or over the Trust (B) the status of the Trust as a "mutual fund trust" under the Tax Act; or (C) the distribution of Trust Units;

- (b) providing additional protection, in the opinion of the Trustees, for the Unitholders;
- (c) removing any conflicts or inconsistencies in this Declaration of Trust or between this Declaration of Trust and the disclosure in any offering document of the Trust in relation to an issuance of Units, or Securities, or making corrections of a minor or clerical nature or to rectify any typographical mistakes, ambiguities, defective provisions, manifest errors, mistakes or omissions, which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders;
- (d) making amendments which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation, securities or other laws, subject to confirmation by the Voting Unitholders at the next meeting of Voting Unitholders; and/or
- (e) as contemplated by Section 3.1(a) hereof.

#### 11.2 Supplemental Indenture

The Trustees may, in accordance with the provisions hereof, execute and deliver indentures, addendums or instruments supplemental hereto or restatements of such indentures, addendums or instruments which thereafter shall form part of this Declaration of Trust, and any such indenture, addendum or instrument supplemental to this Declaration of Trust shall be binding on all parties, including without limitation, all Unitholders on the later of (i) the date of execution, and (ii) the effective date of any required approval by Unitholders, of that indenture, addendum or instrument. It is the intention of the Trustees to create and execute addendums for each additional class of Trust Units hereafter created by the Trustees, setting out the specific Trust Assets purchased with the proceeds from the issuance of such class of Trust Units, the entitlement of such Unitholders to the revenue generated from such specific Trust Assets and the rights and obligations of the Unitholders owning that class of Trust Units.

#### 11.3 Notification of Amendment

As soon as shall be practicable after the making of any amendment or the execution of any supplemental indenture pursuant to this Article 11, the Trustees shall furnish written notification of the substance of the amendment to the affected Unitholders.

### **ARTICLE 12 - MEETINGS OF UNITHOLDERS**

#### 12.1 Annual and Special Meetings of Unitholders

- (a) Annual meetings of the Voting Unitholders shall be called, commencing in 2016, or earlier, if determined by the Trustees, on a day on or before June 30 in each year, at a time and at a place in Canada set by the Trustees. The business transacted at such meetings shall include the presentation of the audited financial statements of the Trust for the immediately preceding fiscal year, the appointment of the Trustees for the ensuing year in accordance with Article 8, the appointment of Auditors and the transaction of such other business as the Voting Unitholders may be entitled to vote upon.
- (b) Special meetings of the Unitholders (i) may be called at any time by the Trustees, and (ii) shall be called by the Trustees upon a written request of Unitholders of any class holding, in the aggregate, not less than ten (10%) percent of any one class of Trust Units then outstanding, such request specifying in reasonable detail the business proposed to be transacted at the special meeting. For certainty, notwithstanding the proposed business to be transacted at any such special meeting, the matters for which Non-Voting Unitholders are entitled to vote upon and/or bind the Trust shall in all circumstances be limited to those matters contemplated by Section 12.5 hereof.

- (c) The chairperson of any annual or special meeting shall be the Chairman or any other Trustee specified by resolutions of the Trustees or, in the absence of any Trustee, any person appointed as chairperson of the meeting by the Unitholders present.
- (d) The Trustees, the officers of the Trust, the Auditors and any other person approved by the Trustees, the chairperson of the meeting or by resolution passed by a majority of the votes cast by Unitholders represented at the meeting may attend meetings of the Unitholders.

#### 12.2 Notice of Meetings

Notice of all meetings of Unitholders shall be given by unregistered mail, postage prepaid, addressed to each Unitholder entitled to vote thereat at his or her last address on the books of the Trust, mailed at least twenty-one (21) days and not more than fifty (50) days before the meeting, or via email to each such Unitholder at his or her last email address provided to the Trustees, if consented to by such Unitholder, sent within the aforesaid period prior to the meeting. Such notice shall specify the time when, and the place where, such meeting is to be held and shall specify the nature of the business to be transacted at such meeting in sufficient detail to permit a Unitholder to form a reasoned judgment thereon, together with the text of any Special Resolution, at the time of mailing of the notice, proposed to be passed. Any adjourned meeting may be held as adjourned without further notice. The accidental omission to give notice or the non-receipt of such notice by a Unitholder shall not invalidate any resolution passed at any such meeting.

Notwithstanding the foregoing, a meeting of Unitholders may be held at any time without notice if all the Unitholders entitled to vote at such meeting are present or represented thereat or those not so present or represented have waived notice. Any Unitholder (or a duly appointed proxy of a Unitholder) may waive any notice required to be given under the provisions of this Section, and such waiver, whether given before or after the meeting, shall cure any default in the giving of such notice.

#### 12.3 Quorum

At any meeting of the Unitholders, subject as hereinafter provided, a quorum shall consist of one (1) or more individuals, present in person or represented by proxy, holding not less in aggregate than twenty-five (25%) percent of the votes attached to any one class of the outstanding Trust Units entitled to vote thereat. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within thirty (30) minutes after the time fixed for the holding of such meeting, the meeting, if called by request of Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to such day being not less than fourteen (14) days later and to such place and time as may be appointed by the chairperson of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Unitholders present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

#### 12.4 Voting Rights of Unitholders

- (a) Each class of Trust Units shall have attached to it the voting rights set forth in the Schedule of Unit Rights. Notwithstanding any other provision herein, Non-Voting Unitholders shall only be entitled to vote upon those matters expressly set out in Section 12.5 herein and all other matters to be voted upon by the Unitholders hereunder shall be voted upon only by the Voting Unitholders.
- (b) At any meeting of Unitholders, any holder of Trust Units 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 Trustees for verification at least twenty-four (24) hours prior to the commencement of such meeting. When any Trust 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 Trust 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.

12.5 Resolutions of Non-Voting Unitholders Binding the Trustees

Notwithstanding any other provision herein, Non-Voting Unitholders shall only be entitled to pass resolutions that will bind the Trustees with respect to the following matters:

- (a) any merger, amalgamation, consolidation or other business combination of the Trust, except in conjunction with an internal reorganization or an acquisition of another entity by the Trust;
- (b) any amendment to the Schedule of Unit Rights (other than amendments contemplated by Section 3.1(a) hereof, which shall be made in the sole discretion of the Trustees); and
- (c) any other matters required by securities law or stock exchange rules, if applicable, or other laws or regulations that are required to be submitted to Unitholders for their approval.

Except with respect to the above matters set out in this Section 12.5, all of which shall be determined by Special Resolution, no action taken by the Non-Voting Unitholders or any resolution of the Non-Voting Unitholders at any meeting shall in any way bind the Trustees or the Trust.

12.6 Meaning of "Ordinary Resolution" and "Special Resolution"

- (a) Any action taken or resolution passed in respect of any matter at a meeting of Unitholders shall be by a resolution passed by a majority of the votes cast by Unitholders represented at the meeting (an "**Ordinary Resolution**"), unless the contrary is otherwise expressly provided under any specific provision of this Declaration of Trust.
- (b) The expression "**Special Resolution**" when used in this Declaration of Trust means, subject to this Article 12, a resolution proposed to be passed as a special resolution at a meeting of Unitholders (including an adjourned meeting) duly convened for that purpose and passed by the affirmative votes of the holders of at least sixty-six and two thirds (66  $\frac{2}{3}$ %) percent of the Trust Units represented at the meeting and voted on a poll upon such resolution.
- (c) Every question submitted to a meeting of Unitholders, other than a Special Resolution, shall, unless a poll vote is demanded, be decided by a show of hands. Votes on a Special Resolution shall always be given on a poll and no demand for a poll on a Special Resolution shall be necessary.

12.7 Meaning of "Outstanding"

Every Trust Unit issued, certified and delivered hereunder shall be deemed to be outstanding until it shall be cancelled or delivered to the Trustees for cancellation provided that:

- (a) when a new certificate has been issued in substitution for a Unit Certificate which has been lost, stolen, mutilated or destroyed, only one of such Unit Certificates shall be counted for the purposes of determining the number of Trust Units outstanding; and
- (b) for the purpose of any provision of this Declaration of Trust entitling holders of outstanding Trust Units to vote, sign consents, requisitions or other instruments or take any action under this Declaration of Trust, Trust Units owned directly or indirectly, legally or equitably, by the Trust or any affiliate thereof shall be disregarded, except that:
  - (i) for the purpose of determining whether the Trustees shall be protected in relying on any such vote, consent, requisition or other instrument or action only the Trust Units which the Trustees know are so owned shall be so disregarded; and
  - (ii) Trust Units so owned which have been pledged in good faith other than to the Trust or an affiliate thereof shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustees the pledgee's right to vote such Trust Units in his or her discretion free from the control of the Trust or any affiliate thereof.



For the purposes of this Section 12.7, the Trustees or the Administrator shall provide a certificate which will state the number of Units and the certificate numbers of certificates held in the Trust or any subsidiary thereof. The Trustees shall be entitled to rely on such certificate in order to disregard the votes of any of the parties mentioned above.

#### 12.8 Record Date for Voting

For the purpose of determining the Unitholders who are entitled to vote or act at any meeting or any adjournment thereof, the Trustees may fix a date not more than sixty (60) days and not less than twenty-one (21) days prior to the date of any meeting of Unitholders as a record date for the determination of Unitholders entitled to vote at such meeting or any adjournment thereof, and any Unitholder who was a holder of Trust Units at the time so fixed shall be entitled to vote at such meeting or any adjournment thereof even though the Unitholder has since that time disposed of his or her Trust Units, and no Unitholder becoming such after that time shall be so entitled to vote at such meeting or any adjournment thereof. In the event that the Trustees do not fix a record date for any meeting of Unitholders, the record date for such meeting shall be the date upon which notice of the meeting is given as provided under Section 12.2.

#### 12.9 Proxies

Whenever the vote or consent of Unitholders is required or permitted under this Declaration of Trust, such vote or consent may be given either directly by the Unitholder or by a proxy in such form as the Trustees may prescribe from time to time. A proxyholder need not be a Unitholder. The Trustees may solicit such proxies from the Unitholders or any of them in any matter requiring or permitting the Unitholders' vote, approval or consent. The Trustees may adopt, amend or repeal such rules relating to the appointment of proxyholders and the solicitation, execution, validity, revocation and deposit of proxies, as they in their discretion from time to time determine.

#### 12.10 Resolutions In Writing

Notwithstanding any other provision of this Declaration of Trust, a resolution in writing executed by Unitholders holding a proportion of the outstanding Trust Units equal to the proportion required to vote in favour thereof at a meeting of Unitholders to approve that resolution is valid as if it had been passed at a meeting of Unitholders.

#### 12.11 Binding Effect of Resolutions

Every resolution passed in accordance with the provisions of this Declaration of Trust at a meeting of Unitholders shall be binding upon all the Unitholders, whether present at or absent from such meeting, and each and every Unitholder shall be bound to give effect accordingly to every such resolution.

### **ARTICLE 13 - CERTIFICATES, REGISTRATION AND TRANSFER OF UNITS**

#### 13.1 Unit Certificates

- (a) Unit Certificates shall, subject to the provisions hereof, be in such form as is authorized from time to time by the Trustees.
- (b) If issued, Unit Certificates are issuable only in fully registered form.
- (c) The definitive form of the Unit Certificates shall:
  - (i) be in the English language;
  - (ii) be dated as of the date of issue thereof; and
  - (iii) contain such distinguishing letters and numbers as the Trustees shall prescribe.
- (d) In the event that the Unit Certificate is translated into the French language and any provision of the Unit Certificate in the French language shall be susceptible to an interpretation different

from the equivalent provision in the English language, the interpretation of such provision in the English language shall be determinative.

- (e) Each Unit Certificate shall be signed on behalf of the Trustees. The signature of the Trustees required to appear on such certificate may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid as if they had been signed manually.

### 13.2 Contents of Unit Certificates

- (a) Until otherwise determined by the Trustees, each Unit Certificate shall legibly set forth on the face thereof, *inter alia*, the following:
  - (i) the name of the Trust and the words "*A trust governed under the laws of the Province of Alberta created by a Declaration of Trust made the 1<sup>st</sup> day of June, 2015, as amended from time to time*" or words of like effect;
  - (ii) the name of the person to whom the Unit Certificate is issued as Unitholder;
  - (iii) the number of Trust Units represented thereby and whether or not the Trust Units represented thereby are fully paid;
  - (iv) that the Trust Units represented thereby are transferable;
  - (v) the words "*The Trust Units represented by this certificate are issued upon the terms and subject to the conditions of the Declaration of Trust, which Declaration of Trust is binding upon all holders of Trust Units and, by acceptance of this certificate, the holder assents to the terms and conditions of the Declaration of Trust. A copy of the Declaration of Trust, pursuant to which this certificate and the Trust Units represented thereby are issued may be obtained by a Unitholder on demand and without fee from the head office of the Trust*" or words of like effect;
  - (vi) the words "UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITIES BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (i) [INSERT THE DISTRIBUTION DATE], AND (ii) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY."

EVERY TRANSFER OF SECURITIES IS SUBJECT TO THE APPROVAL OF A MAJORITY OF THE BOARD OF TRUSTEES OF THE TRUST PURSUANT TO THE TERMS OF THE DECLARATION OF TRUST" and

- (vii) the words "*For information as to personal liability of a Unitholder, see the reverse side of this certificate*" or words of like effect.
- (b) Until otherwise determined by the Trustees, each such certificate shall legibly set forth on the reverse side thereof, *inter alia*, the following:
  - (i) "*The Declaration of Trust provides that no Unitholder shall be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person in connection with the assets of the Trust or the obligations or the affairs of the Trust and all such persons shall look solely to the assets of the Trust for satisfaction of claims of any nature arising out of or in connection therewith and the assets of the Trust only shall be subject to levy or execution*", or words of like effect; and
  - (ii) appropriate forms of notice of exercise of the right of redemption and of powers of attorney for transferring Trust Units.

The Unit Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Trustees may determine.

### 13.3 Register of Unitholders

A register (the "**Register**") shall be kept at the principal office of the Administrator, which Register shall contain the names and addresses of the Unitholders, the respective numbers of Trust Units held by them, the certificate numbers of certificates representing such Trust Units and a record of all transfers and redemptions thereof. Branch transfer registers shall be maintained at such other offices of the Administrator or the Trust as the Trustees may from time to time designate. Only Unitholders whose certificates are so recorded shall be entitled to receive distributions or to exercise or enjoy the rights of Unitholders hereunder. The Trustees shall have the right to treat the person registered as a Unitholder on the Register as the owner of such Trust Units for all purposes, including, without limitation, payment of any distribution, giving notice to Unitholders and determining the right to attend and vote at meetings of Unitholders.

### 13.4 Lost Certificates

In the event that any Unit Certificate for Trust Units is lost, stolen, destroyed or mutilated, the Trustees may authorize the issuance of a new Unit Certificate for the same number of Trust Units in lieu thereof, the costs of which shall be borne by the owner. The Trustees may in their sole discretion, before the issuance of such new Trust Unit Certificate, require the owner of the lost, stolen, destroyed or mutilated Unit Certificate, or the legal representative of the owner, to make an affidavit or statutory declaration setting forth such facts as to the loss, theft, destruction or mutilation as the Trustees may deem necessary, to surrender any mutilated certificate and to require the applicant to supply to the Trust a "lost certificate bond" or a similar bond in such reasonable sum as the Trustees or the Administrator may direct indemnifying the Trust for so doing.

### 13.5 Transfer of Trust Units

- (a) The Trust Units shall not be transferable without the Trustees' approval of the transfer in writing, such approval not to be unreasonably withheld and provided that the transferor and the transferee satisfy the Trustees with written evidence sufficient to the Trustees that the proposed transfer of Trust Units is a privately negotiated sale transaction that would not result in Units of the Trust being traded on a "public market" within the meaning of section 122.1(1) of the Tax Act and is in compliance with applicable securities legislation. The Trust Units shall be transferable without charge as between persons, but no transfer of Trust Units shall be effective as against the Trustees or shall be in any way binding upon the Trustees until the transfer has been recorded on the Register or one of the branch transfer registers maintained by the Trustees, the Trust or the Administrator. No transfer of a Trust Unit shall be recognized unless such transfer is of a whole Trust Unit.
- (b) Subject to the provisions of this Article 13, Trust Units shall be transferable on the Register or one of the branch transfer registers only by the holders of record thereof or their executors, administrators or other legal representatives or by their agents or attorneys duly authorized in writing, and only upon delivery to the Trust or to the Administrator of the certificate therefor, properly endorsed or accompanied by a duly executed instrument of transfer or power of attorney and accompanied by all necessary transfer or other taxes imposed by law, together with such evidence of the genuineness of such endorsement, execution and authorization and other matters that may reasonably be required by the Trustees or the Administrator. Upon such delivery the transfer shall be recorded on the Register or branch transfer registers and a new Unit Certificate for the Trust Units shall be issued to the transferee and a new Unit Certificate for the balance of Trust Units not transferred shall be issued to the transferor.
- (c) Unit Certificates representing any number of Trust Units may be exchanged without charge for Unit Certificates representing an equivalent number of Trust Units in the aggregate. Any exchange of Unit Certificates may be made at the offices of the Trust or the Administrator where registers are maintained for Unit Certificates pursuant to the provisions of this Article 13. Any Unit Certificates tendered for exchange shall be surrendered to the Trustees or Administrator and then shall be cancelled.

- (d) The transferee of the Trust Unit shall indemnify the Trust for any reasonable costs, legal or otherwise, incurred by the Trust in relation to the transfer of Trust Units pursuant to the provisions of this Article 13.

#### 13.6 Successors in Interest to Unitholders

Any person becoming entitled to any Trust Units as a consequence of the death, bankruptcy or incompetence of any Unitholder or otherwise by operation of law, shall be recorded as the holder of such Trust Units and shall receive a new Unit Certificate therefor upon production of evidence thereof satisfactory to the Trustees and delivery of the existing Unit Certificate to the Trustees, the Administrator or any transfer agent to the Trust, but until such record is made, the Unitholder of record shall continue to be and be deemed to be the holder of such Trust Units for all purposes whether or not the Trust, the Trustees, the Administrator or the transfer agent shall have actual or other notice of such death, bankruptcy, incompetence or other event.

#### 13.7 Trust Units Held Jointly or in Fiduciary Capacity

The Trustees may treat two or more Persons holding any Trust Unit as joint tenants of the entire interest therein unless their ownership is expressly otherwise recorded on the Register, but no entry shall be made in the Register or on any Unit Certificate that any Person is in any other manner entitled to any future, limited or contingent interest in any Trust Unit; provided, however, that any Person recorded as a holder of any Trust Unit may, subject to the provisions herein contained, be described in the Register or on any Unit Certificate as a fiduciary of any kind and any customary worth may be added to the description of the holder to identify the nature of such fiduciary relationship.

#### 13.8 No Performance of Other Trusts or Obligations

The Trustees, the officers of the Trust, the Unitholders, the Administrator or other agent of the Trust or the Trustees, shall not be bound to see the performance of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the Trust Units or any interest therein are or may be subject, or to ascertain or inquire whether any sale or transfer of any such Trust Units or interest herein by any such Unitholder or his or her personal representative is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein, except for the person recorded as Unitholder.

#### 13.9 Death of Unitholders

The death of a Unitholder during the continuance of the Trust shall not terminate the Trust or give such Unitholders' legal representatives a right to an accounting or to take any action in the courts or otherwise against other Unitholders or the Trustees or the property of the Trust, but shall only entitle the legal representatives of the deceased Unitholder to demand and receive, pursuant to the provisions of Article 13 hereof, a new Unit Certificate for Trust Units in place of the Unit Certificate held by the deceased Unitholder, and upon the acceptance thereof such legal representative shall succeed to all rights of the deceased Unitholder under this Declaration of Trust.

### **ARTICLE 14 - TERMINATION**

#### 14.1 Term of the Trust

Subject to the other provisions of this Declaration of Trust, the Trust shall continue for a term ending twenty-one (21) years after the date of death of the last surviving issue of Her Majesty Queen Elizabeth II alive on the date hereof. For the purpose of terminating the Trust by such date, the Trustees will commence to wind-up the affairs of the Trust on such date as may be determined by the Trustees, being not more than two (2) years prior to the end of the term of the Trust.

#### 14.2 Termination with the Approval of Voting Unitholders

The Voting Unitholders may vote by Special Resolution to terminate the Trust at any meeting of Voting Unitholders duly called by the Trustees for the purpose of considering termination of the Trust, following which the Trustees shall commence to wind up the affairs of the Trust as soon as may be reasonably practicable.

Such Special Resolution may contain such directions to the Trustees as the Voting Unitholders determine, including a direction to distribute the property of the Trust *in specie*.

#### 14.3 Procedure Upon Termination

Forthwith upon being required to commence to wind up the affairs of the Trust, the Trustees shall give notice thereof to the Unitholders, which notice shall designate the time or times at which Unitholders may surrender their Trust Units for cancellation and the date at which the Register shall be closed.

#### 14.4 Powers of the Trustees Upon Termination

After the date on which the Trustees are required to commence to wind up the affairs of the Trust, the Trustees shall undertake no activities except for the purpose of winding-up the affairs of the Trust as hereinafter provided and, for this purpose, the Trustees shall continue to be vested with and may exercise all or any of the powers conferred upon the Trustees under this Declaration of Trust.

#### 14.5 Sale of Investments

After the date referred to in Section 14.3, the Trustees shall proceed to wind up the affairs of the Trust as soon as may be reasonably practicable and for such purpose shall, subject to any direction to the contrary in respect of a termination authorized under Section 14.2, sell and convert into money all the Trust's property in one transaction or in a series of transactions at public or private sales and do all other acts appropriate to liquidate the Trust, and shall in all respects act in accordance with the directions, if any, of the Unitholders (in respect of a termination authorized under Section 14.2). If the Trustees are unable to sell all or any of the assets which comprise part of the Trust by the date set for termination, the Trustees may, subject to obtaining all necessary regulatory approvals, distribute the remaining securities or other assets directly to the Unitholders in accordance with their pro rata interests in the class of Trust Units that relate to the Trust Assets purchased with the proceeds from the issuance of such Trust Units. Any such distribution of money, securities or other assets of the Trust on liquidation shall be allocated *pro rata* amongst the Unitholders in accordance with the Schedule of Unit Rights.

#### 14.6 Distribution of Proceeds or Assets

After paying, retiring or discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Trust and its subsidiaries, including amounts owing under any Trust Notes, and providing for indemnity against any other outstanding liabilities and obligations, the Trustees shall, subject to obtaining all necessary regulatory approvals, distribute the remaining part of the proceeds of the sale of the Trust's property together with any cash forming part of the Trust's property among the Unitholders in accordance with their pro rata interests in the class of Trust Units.

#### 14.7 Further Notice to Unitholders

In the event that less than all of the Unitholders have surrendered their Trust Units for cancellation within six months after the time specified in the notice referred to in Section 14.3, the Trustees shall give further notice to the remaining Unitholders to surrender their Trust Units for cancellation and if, within one year after the further notice, all the Trust Units shall not have been surrendered for cancellation, such remaining Trust Units shall be deemed to be cancelled without prejudice to the rights of the holders of such Trust Units to receive their pro rata share of the remaining property of the Trust, and the Trustees may either take appropriate steps, or appoint an agent to take appropriate steps, to contact such Unitholders (deducting all expenses thereby incurred from the amounts to which such Unitholders are entitled as aforesaid) or, in the discretion of the Trustees, may pay such amounts into court.

#### 14.8 Responsibility of the Trustees after Sale and Conversion

The Trustees shall be under no obligation to invest the proceeds of any sale of investments or other assets or cash forming part of the Trust's property after the date referred to in Section 14.3 and, after such sale, the sole obligation of the Trustees under this Declaration of Trust shall be to hold such proceeds or assets in trust for distribution under Section 14.6.

## ARTICLE 15 - GENERAL

### 15.1 Notices

- (a) Any notice or other document required to be given or sent to Unitholders under this Declaration of Trust shall be given or sent through ordinary post addressed to each registered holder at his or her last address appearing on the Register, or via email to each registered holder at his or her last email address provided to the Trustees, if consented to by such Unitholder; provided that if there is a general discontinuance of postal service due to strike, lockout or otherwise, such notice may be given by publication twice in the Report on Business section of the National Edition of *The Globe and Mail* or similar section of any other newspaper having national circulation in Canada; provided further that if there is no newspaper having national circulation, then by publishing twice in the business section of a newspaper in each city where the register or a branch register is maintained. Any notice so given shall be deemed to have been given on the day following that on which the letter or circular was posted or, in the case of notice being given by publication, after publishing such notice twice in the designated newspaper or newspapers, or, in the case of notice being given by email, on the date on which the email was sent. In proving notice was posted, it shall be sufficient to prove that such letter or circular was properly addressed, stamped and posted.
- (b) Any written notice or written communication given to the Trustees shall be addressed to the Trustees at the head office of the Trust, and shall be deemed to have been given on the date of delivery or date sent by facsimile or other means of prepaid, transmitted or recorded communications or, if mailed, five days from the date of mailing. If any such notice or communication shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such notice or communication shall be deemed to have been received forty-eight (48) hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted any notice or other communication shall be given by personal delivery or by facsimile or other means of prepaid, transmitted or recorded communication.

### 15.2 Failure to Give Notice

The failure by the Trustees, by accident or omission or otherwise unintentionally, to give any Unitholder any notice provided for herein shall not affect the validity, effect or taking effect of any action referred to in such notice, and the Trustees shall not be liable to any Unitholder for any such failure.

### 15.3 Joint Holders

Service of a notice or document on any one of several joint holders of Trust Units shall be deemed effective service on the other joint holders.

### 15.4 Service of Notice

Any notice or document sent by post to or left at the address of a Unitholder pursuant to this Section shall, notwithstanding the death or bankruptcy of such Unitholder, and whether or not the Trustees have notice of such death or bankruptcy, be deemed to have been fully served and such service shall be deemed sufficient service on all persons having an interest in the Trust Units concerned.

### 15.5 Information Available to Unitholders

Each Unitholder shall have the right to obtain, on demand and without fee, from the head office of the Trust a copy of this Declaration of Trust and any amendments thereto relating to Trust Units held by that Unitholder and shall be entitled to inspect a list of Unitholders. In addition, each Unitholder shall have the right to obtain a list of the Unitholders on payment of a reasonable fee therefor and after delivering to the Trustees a statutory declaration stating the name and address of the person requiring the Trustees to furnish the list of Unitholders and, if the person is a body corporate, the address for service thereof, and that the list will not be used except in connection with:

- (a) an effort to influence the voting of the holders of Trust Units;
- (b) an offer to acquire Trust Units; or
- (c) any other matter relating to the Trust Units or the affairs of the Trust.

#### 15.6 Fiscal Year and Taxation Year

The fiscal year and Taxation Year of the Trust shall end on December 31<sup>st</sup> of each year.

#### 15.7 Financial Disclosure

The Trust will send to Unitholders, at least twenty-one (21) days prior to the date of each annual meeting of Unitholders, the annual financial statements of the Trust for the fiscal year ended immediately prior to such annual meeting, together with comparative financial statements for the preceding fiscal year, if any, and the report of the Auditors thereon referred to in Section 16.4.

Such financial statements shall be prepared in accordance with generally accepted accounting principles in Canada as recommended from time to time in the Handbook of the Canadian Institute of Chartered Accountants; provided that such statements and the obligation 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.

#### 15.8 Unitholder Meeting Information

Prior to each meeting of Unitholders, the Trustees will provide to each Unitholder entitled to vote at such meeting, together with the notice of the meeting:

- (a) a form of proxy which can be used by a Unitholder to appoint a proxy, who need not be a Unitholder, to attend and act at the meeting on behalf of the Unitholder, in the manner and to the extent authorized by the proxy; and
- (b) all information required by Applicable Law and this Declaration of Trust.

#### 15.9 Income Tax: Obligations of the Trustees

The Trustees shall satisfy, perform and discharge all obligations and responsibilities of the Trustees under the Tax Act and any applicable provincial taxation legislation (including any obligations of the Trust under Part XIII of the Tax Act and the analogous provisions of any applicable provincial taxation legislation), and neither the Trust nor the Trustees shall be accountable or liable to the Trust Unitholders by reason of any act or acts of the Trustees consistent with any such obligations or responsibilities.

#### 15.10 Taxation Information

On or before March 30 in each year, the Trust will provide to Unitholders who received distributions from the Trust in the prior calendar year, such information regarding the Trust required by either Canadian or U.S. law, as applicable, to be submitted to such Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year.

### **ARTICLE 16 - AUDITORS**

#### 16.1 Qualification of Auditors

The Auditors shall be an independent recognized firm of chartered accountants which has an office in Canada and is CPAB (Canadian Public Accountability Board) compliant.

16.2 Appointment of Auditors

The Auditors will be selected by the Voting Unitholders at each annual meeting of Unitholders. The Auditors will receive such remuneration as may be approved by the Trustees.

16.3 Change of Auditors

The Auditors may at any time be removed with the approval of a majority of the votes cast by the Voting Unitholders, at a meeting of such Unitholders duly called for the purpose and, upon the resignation or the removal of Auditors as aforesaid, new auditors shall be appointed by a majority of votes cast by the Voting Unitholders at a meeting duly called for the purpose. Notwithstanding the foregoing, upon the resignation of the Auditors, the Trustees may appoint new auditors of the Trust to hold office until the next meeting of Voting Unitholders.

16.4 Report of Auditors

The Auditors shall audit the accounts of the Trust at least once in each year and a report of the Auditors with respect to the annual financial statements of the Trust shall be provided to each Unitholder with the annual financial statements referred to in Section 15.7.

**ARTICLE 17 - MISCELLANEOUS**

17.1 Counterparts

This Declaration of Trust may be simultaneously executed in several counterparts, each of which when executed shall be deemed to be an original, and such counterparts, together, whether in original or facsimile form, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original or facsimile counterparts.

17.2 Severability

The provisions of this Declaration of Trust are severable. If any provision of this Declaration of Trust shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Declaration of Trust in any jurisdiction.

17.3 Successors and Assigns

The provisions of this Declaration of Trust shall enure to the benefit of, and be binding upon, the parties hereto and their respective heirs, executors, administrators, successors and assigns.

***[The remainder of this page has been intentionally left blank. Signature page follows.]***



IN WITNESS WHEREOF each of the undersigned has caused these presents to be executed as of the 1<sup>st</sup> day of June, 2015.

**TRUSTEES:**

\_\_\_\_\_  
MUNIR VIRANI

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
MARNIE LEE KIEL

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
MATTHEW EDWIN OBERLE

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
MIGUEL ANGEL SCHRAEDER

\_\_\_\_\_  
WITNESS

**INITIAL UNITHOLDER:**

\_\_\_\_\_  
HENRY KHA

\_\_\_\_\_  
WITNESS

**SCHEDULE "A"**

**SCHEDULE OF UNIT RIGHTS**

See attached.

SCHEDULE OF UNIT RIGHTS TO THE DECLARATION OF TRUST OF  
WESTPOINT INVESTMENT TRUST  
(the "Trust")

**ARTICLE 1 UNIT STRUCTURE**

1.1 The Trust is authorized to issue:

- (a) an unlimited number of Class A Trust Units ("**Class A Units**");
- (b) an unlimited number of Class B Trust Units ("**Class B Units**"); and
- (c) an unlimited number of Class C Trust Units ("**Class C Units**");

with the rights, privileges, restrictions and conditions attached thereto as set forth in this Schedule of Unit Rights to the Declaration of Trust of Westpoint Investment Trust (the "**Schedule of Unit Rights**").

1.2 The Trust is authorized to issue fractional Units.

**ARTICLE 2 DEFINITIONS**

2.1 In this Schedule of Unit Rights:

- (a) "**Acceptance Time**" has the meaning set forth in section 6.2(c) herein;
- (b) "**Business Day**" means a day other than a Saturday, Sunday or statutory holiday in the Province of Alberta;
- (c) "**Cash Flow**" has the meaning set forth in section 4.1(a) herein;
- (d) "**Call Notice**" has the meaning set forth in section 6.10 herein;
- (e) "**Class A Unitholder**" means a holder of record of Class A Units in the unit capital of the Trust;
- (f) "**Class B Distributable Cash Flow**" has the meaning set forth in section 4.2(b) herein;
- (g) "**Class B Unitholder**" means a holder of record of Class B Units in the unit capital of the Trust;
- (h) "**Class C Unitholder**" means a holder of record of Class C Units in the unit capital of the Trust;
- (i) "**Declaration of Trust**" means the Declaration of Trust of Westpoint Investment Trust dated as of June 1, 2015 between the Trustees and the Initial Unitholder;
- (j) "**Discount**" means:
  - i. with respect to all or part of a Subscription Block issued pursuant to the Plan of Arrangement and for which a Redemption Request has been delivered prior to the applicable Discount Date (and not subsequently revoked), an amount equal to the aggregate Dividends paid or payable to such Unitholder in the 3 year period immediately preceding the Effective Date in respect of the Shares previously owned by such Unitholder, and for which such Units forming the

Subscription Block were issued as consideration, and any DRIP Shares issued in respect thereof;

- ii. with respect to all or part of a Subscription Block issued subsequent to the Effective Date and for which a Redemption Request has been delivered prior to the applicable Discount Date (and not subsequently revoked), an amount equal to the aggregate Distributions paid to such Unitholder in respect of such Units, and any DRIP Units issued in respect thereof, to the extent paid or payable in the 3 year period prior to the Acceptance Time;
- (k) **"Discount Date"** means (i) with respect to a Subscription Block issued pursuant to the Plan of Arrangement, the 3 year anniversary of the Effective Date; and (ii) with respect to a Subscription Block issued subsequent to the Effective Date, the 3 year anniversary of the Subscription Date;
- (l) **"Distributable Cash Flow"** has the meaning set forth in section 4.1(b) herein and, for greater certainty, includes Class B Distributable Cash Flow;
- (m) **"Distribution"** means the distribution of cash or property that the Units within a Subscription Block are entitled to receive from the Trust if and when a distribution is declared by the Trustees in respect of such class of Units and, as the context requires, includes Special Distributions;
- (n) **"Distribution Note"** means a non-interest bearing, unsecured, subordinated promissory note issued by the Trust to a Unitholder pursuant to section 4.5 in full or partial payment of a Special Distribution;
- (o) **"Distribution Note Block"** has the meaning set forth in section 4.7(d) herein;
- (p) **"Distribution Period"** means the period of time for determining a Distribution, as determined from time to time by the Trustees;
- (q) **"Distribution Record Date"** means the Business Day on which Unitholders, or any class of them, of record shall be entitled to receive a Distribution, as determined by the Trustees;
- (r) **"Dividends"** means dividends paid to a Unitholder prior to the Effective Date in respect of its ownership of Shares;
- (s) **"DRIP Shares"** means, with respect to HMIC or PMIC, as the case may be, any Shares that were issued in satisfaction of payment of a Dividend on such Shares pursuant to a dividend reinvestment or similar plan previously offered by HMIC or PMIC, as the case may be, such DRIP Shares having the same characteristics as the Shares within the Subscription Block for which the DRIP Shares were issued in satisfaction of a Dividend;
- (t) **"DRIP Units"** means the Class A Units and, if applicable, Class B Units that are issued in satisfaction of payment of a Distribution on Class A Units and, if applicable, Class B Units that a Class A Unitholder has elected to receive under a Subscription Agreement or otherwise, such DRIP Units having the same characteristics as the Class A Units and Class B Units within the Subscription Block for which the DRIP Units were issued in satisfaction of a Distribution;
- (u) **"Effective Date"** means the effective date of the transfer of Shares to the Trust pursuant to the Plan of Arrangement;

- (v) **"Fair Market Value"** means the fair market value of a Class A Unit or Class B Unit, as the case may be, being the fair market value of the relevant assets of the Trust (as determined by the Trustees), less the fair market value of the relevant liabilities of the Trust (as determined by the Trustees), divided by the number of issued and outstanding Class A Units or Class B Units, as the case may be;
- (w) **"HMIC"** means Westpoint Capital High Yield Mortgage Investment Corporation;
- (x) **"HMIC LP"** means Westpoint Capital High Yield Limited Partnership;
- (y) **"HMIC Legacy Assets"** means, collectively, all assets owned by HMIC and HMIC LP as of June 30, 2015;
- (z) **"including"** means including but without limiting the generality of the foregoing unless the context otherwise expressly requires, such as **"including only"**, and **"includes"** shall have a corresponding meaning;
- (aa) **"Income of the Trust"** means, for any taxation year of the Trust, the net income for the year determined pursuant to the provisions of the Tax Act (other than subsection 104(6) and 82(1)(b) of the Tax Act) having regard to the provisions thereof which relate to the calculation of taxable income of a trust, and taking into account such adjustments thereto as are determined by the Trustees in respect of dividends, received or deemed to be 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 Trustees; provided, however, that capital gains and capital losses shall be excluded from the computation of net income;
- (bb) **"Issue Date"** means the date of issuance of a Trust Note hereunder;
- (cc) **"Matured Note"** refers to an outstanding Trust Note on or after the Maturity Date thereof;
- (dd) **"Maturity Date"** means the maturity date of a Trust Note;
- (ee) **"Net Realized Capital Gains"** means, for any period, the amount, if any, by which the amount of the capital gains of the Trust for the period exceeds the aggregate of (i) the amount of any capital losses of the Trust for the period determined in accordance with the Tax Act, and (ii) the amount of any net capital losses of the Trust carried forward from a previous period to the extent not previously deducted from realized capital gains of the Trust determined in accordance with the Tax Act;
- (ff) **"Noteholder"** means a holder of a Trust Note;
- (gg) **"Participation Date"** means, with respect to a Subscription Block, the 1<sup>st</sup> day of the month following the month in which such Units were issued;
- (hh) **"Person"** includes an individual, partnership, body corporate or trust (including, as applicable, the trustee, executor, legal representative and/or beneficiary(ies) thereof);
- (ii) **"Plan of Arrangement"** means the plan of arrangement attached as Schedule One to the Arrangement Agreement dated June 4, 2015 between, *inter alios*, the Trust, HMIC and PMIC;
- (jj) **"PMIC"** means Westpoint Capital Performance Mortgage Investment Corporation;

- (kk) **"Redeeming Unitholder"** means a Unitholder who has duly tendered Units for redemption pursuant to section 6.2 herein;
- (ll) **"Redemption Date"** in respect of any Units for which the Trust has either accepted a Redemption Request or issued a Call Notice, means the date on which the Units are actually redeemed by the Trust in accordance with the terms and conditions set forth herein which, in the case of an accepted Redemption Request, shall be the last day of the calendar month in which the Acceptance Time falls;
- (mm) **"Redemption Note"** means a non-interest bearing, unsecured, subordinated promissory note issued by the Trust:
  - i. pursuant to the Plan of Arrangement in satisfaction of the redemption price for Shares tendered for redemption by a Shareholder prior to the Effective Date; or
  - ii. to a Redeeming Unitholder pursuant to section 6.4(a)ii herein;
- (nn) **"Redemption Note Principal Payment Amount"** has the meaning set forth in section 4.2(g) herein;
- (oo) **"Redemption Note Queue"** has the meaning set forth in section 6.5(d) herein;
- (pp) **"Redemption Price"** has the meaning set forth in section 6.3 herein;
- (qq) **"Redemption Request"** has the meaning set forth in section 6.2(a) herein;
- (rr) **"Remaining Distributable Cash Flow"** has the meaning set forth in section 4.2(e) herein;
- (ss) **"Shares"** means Class "A" Principal Preferred Shares of HMIC, Class "B" Bonus Preferred Shares of HMIC and/or Class "A" Preferred Shares of PMIC, as the context requires;
- (tt) **"Special Distribution"** means a distribution made to Unitholders pursuant to section 4.4 hereof in circumstances where taxable Income of the Trust exceeds the aggregate Distributions declared and paid to Unitholders as of the relevant Distribution Record Date;
- (uu) **"Subscription Agreements"** means, collectively, the agreements under which a Unitholder from time to time subscribes for Units, and **"Subscription Agreement"** refers to any one of such agreements pursuant to which a Unitholder subscribes for a Subscription Block;
- (vv) **"Subscription Block"**:
  - i. in the context of the Trust, means and refers, in aggregate, to (i) the Class A Units subscribed for by a Class A Unitholder pursuant to a Subscription Agreement, plus any DRIP Units subsequently issued in respect thereof or (ii) the Class A Units issued to a Class A Unitholder pursuant to the Plan of Arrangement, including, as the context requires, any Class B Units issued to such Class A Unitholder in connection therewith, plus any DRIP Units subsequently issued in respect thereof, all subject to any redemptions thereof in accordance with Article 6 herein;
  - ii. in the context of HMIC, means and refers, in aggregate, to the Class "A" Principal Preferred Shares subscribed for by and issued to a shareholder thereof pursuant

- to a subscription agreement, including, as the context requires, any Class "B" Bonus Preferred Shares subscribed for in connection therewith, plus any DRIP Shares subsequently issued in respect thereof, subject to any redemptions; and
- iii. in the context of PMIC, means and refers, in aggregate, to the Class "A" Preferred Shares subscribed for by and issued to a shareholder thereof pursuant to a subscription agreement, plus any DRIP Shares subsequently issued in respect thereof, subject to any redemptions;
- (ww) "**Subscription Date**" means the date upon which a Subscription Block is issued to a Unitholder pursuant to an accepted Subscription Agreement;
- (xx) "**Terminal Payment**" means the terminal payment under a Redemption Note, being the Redemption Price less the cumulative Redemption Note Principal Payment Amounts previously paid in respect of such Redemption Note;
- (yy) "**Trust Note**" means a Distribution Note or a Redemption Note, as the context requires;
- (zz) "**Trust Units**" means any or all of the Class A Units, Class B Units or Class C Units, as the context requires;
- (aaa) "**Trustees**" means the duly elected board of Trustees of the Trust;
- (bbb) "**Unitholders**" means, collectively, all those Persons holding Trust Units; and
- (ccc) "**Valuation Date**" means the date upon which the Fair Market Value of a Trust Unit is determined hereunder which, in the case of delivery of a Redemption Request pursuant to section 6.2, shall be the date determined by the Trustees, provided such date falls on or between the Acceptance Time and the Redemption Date.

The foregoing is not an exhaustive list of the defined terms and expressions used in this Schedule of Unit Rights and other terms and expressions are defined throughout this Schedule of Unit Rights. Any capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Declaration of Trust. Unless otherwise specified, or the context otherwise requires, any term in this Schedule of Unit Rights which is defined in the Tax Act shall have for the purposes of this Schedule of Unit Rights the meaning that it has in the Tax Act.

### ARTICLE 3 VOTING RIGHTS

- 3.1 The holders of Class A Units and Class B Units shall not be entitled to receive notice of, nor have the right to vote at, any meeting of the Unitholders, except in each event that holders of such class(es) of Trust Unit(s) are expressly entitled to receive notice of and vote at a meeting of the Unitholders pursuant to the Declaration of Trust.
- 3.2 The holders of Class C Units shall be entitled to receive notice of, to attend and to vote at each meeting of the Unitholders.

### ARTICLE 4 DISTRIBUTIONS

#### 4.1 Computation of Distributable Cash Flow

- (a) The cash flow of the Trust for or in respect of any Distribution Period (the "**Cash Flow**") shall mean the aggregate of all cash amounts which are held by the Trust and any of the Trust's subsidiaries at the end of such Distribution Period, including in respect of the operating, financing and investment activities of the Trust and all subsidiaries thereof.

- (b) The distributable Cash Flow in respect of a Distribution Period (the “**Distributable Cash Flow**”) shall be:
- i. the Cash Flow for such Distribution Period; less
  - ii. reserves which the Trustees may consider to be necessary or desirable with respect to: (A) future operating, financing and investment activities of the Trust and any subsidiary thereof, as determined by the Trustees (but expressly excluding redemption amounts payable in cash pursuant to section 6.4(a)i. and Terminal Payments payable in accordance with section 6.8(c)); and (B) repayment of Matured Notes.

#### 4.2 Distributions of Distributable Cash Flow

- (a) The Distributable Cash Flow shall, from time to time, be allocated and distributed amongst the Class A Unitholders, Class B Unitholders and holders of Redemption Notes in accordance with this section 4.2.
- (b) The Class B Unitholders shall receive, on a pro rata basis, the Distributable Cash Flow, if any, derived solely from the HMIC Legacy Assets (hereinafter, the “**Class B Distributable Cash Flow**”), determined as follows:
- i. the aggregate of the difference between (A) the Cash Flow received in the relevant Distribution Period with respect to the HMIC Legacy Assets and (B) the value of the HMIC Legacy Assets as recorded in the books and records of HMIC, HMIC LP and their respective subsidiaries immediately prior to the Effective Date; less
  - ii. any net cash outlays made with respect to the HMIC Legacy Assets in the relevant Distribution Period; less
  - iii. a reasonable rate of return that would otherwise have been earned with respect to the net cash outlays contemplated by section 4.2(b)ii, as determined by the Trustees; less
  - iv. reserves which the Trustees may consider necessary or desirable with respect to the future operating, financing and investment activities of the Trust relating to the HMIC Legacy Assets.
- (c) If Class B Distributable Cash Flow is negative in a Distribution Period, it will be deemed to be nil for such Distribution Period.
- (d) Notwithstanding any other provision herein, the maximum amount of Class B Distributable Cash that will be distributed to a Class B Unitholder is \$1.00 per Class B Unit, in the aggregate. Any Class B Distributable Cash Flow that exceeds this amount shall be deemed not to be Class B Distributable Cash Flow for the purposes hereof and shall be distributed amongst the Class A Unitholders and holders of Redemption Notes in accordance with the provisions of section 4.2(e).
- (e) The Class A Unitholders and holders of Redemption Notes shall rank *pari passu* and shall receive, on a pro rata basis, the Distributable Cash Flow, if any, that remains following the distribution of Class B Distributable Cash Flow pursuant to section 4.2(b) (the balance being collectively referred to as the “**Remaining Distributable Cash Flow**”), which Remaining Distributable Cash Flow shall, on a *pari passu* basis, be allocated and paid to Class A Unitholders on account of income and allocated and paid to holders of



Redemption Notes on account of capital in payment of the principal amounts owing thereunder.

- (f) The proportionate share of each Trust Unit to any amounts payable in respect of a class of Trust Units hereunder shall be determined by dividing the aggregate amount payable in respect of such class of Trust Units by the number of issued and outstanding Trust Units of the relevant class on the Distribution Record Date.
- (g) Specifically, the proportionate share of each Class A Unitholder and each holder of a Redemption Note in respect of the Remaining Distributable Cash Flow shall be determined as follows:
  - i. notwithstanding the principal amount of a Redemption Note, the holder of each such Redemption Note shall be entitled to receive Remaining Distributable Cash Flow in an amount equal to the Distributions thereof that the holder of such Redemption Note would have received in respect of the Tendered Shares for which the Redemption Note was issued, as of the applicable Distribution Record Date, had such Noteholder not redeemed such Tendered Shares (with respect to each holder of a Redemption Note, hereinafter referred to as the "**Redemption Note Principal Payment Amount**"); and
  - ii. a Class A Unitholder shall be entitled to receive Remaining Distributable Cash Flow in an amount determined by dividing the aggregate Remaining Distributable Cash Flow allocated to the Class A Units pursuant to section 4.2(e) by the number of issued and outstanding Class A Units held by such Class A Unitholder on the applicable Distribution Record Date.
- (h) The Class C Unitholders are not entitled to receive distributions of Distributable Cash Flow.

#### 4.3 Other Distributions

In addition to the Distributions which are made payable to Unitholders pursuant to section 4.2 above, the Trustees may declare to be payable and make other distributions to Unitholders, 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, to such classes of Trust Units and on such dates and in such frequency as the Trustees may determine to Unitholders of record as of the applicable Distribution Record Date.

#### 4.4 Special Distributions

So as to ensure the allocation and distribution to holders of Trust Units of 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 the Tax Act in any year, the amount, if any, by which the Income of the Trust and Net Realized Capital Gains exceed the aggregate of:

- (a) such part of the taxable capital gains of the Trust for the calendar year required to be retained by the Trust to maximize its capital gains refund for such year, unless this section is not to apply to the Trust for that year by the end of the year; and
- (b) any amount that became payable or was deemed to become payable by the Trustees during the calendar year to Unitholders on the Trust Units (other than amounts that became payable to Unitholders on the redemption of their Trust Units);

shall, to the extent not previously payable, without any further actions on the part of the Trustees, be payable as a Special Distribution to holders of those classes of Trust Units of record as determined by the

Trustees in their sole and unfettered discretion, as of the close of business on the last Distribution Record Date in such year. The share of each Unitholder in the Special Distribution so payable shall be the pro rata share of such Unitholder of that class of Trust Unit determined as at the end of such year or such other amount as determined by the Trustees. Notwithstanding the generality of the foregoing, Unitholders who subscribe for Units part way through any relevant taxation year of the Trust shall be allocated a pro rata portion of the Income of the Trust and Net Realized Capital Gains based on the number of full calendar months that such Unitholders held Trust Units in the relevant portion of the taxation year. Any Special Distribution payable to the Unitholder under this section 4.4 shall become an obligation of the Trust on December 31 and each Unitholder shall have the right to receive such payment as provided in section 4.5.

In accordance with and to the extent permitted by the Tax Act and analogous provisions of any applicable provincial legislation, the Trustees in each year shall make designations and elections in respect of the amounts payable to a Unitholder for such amounts that the Trustees consider to be reasonable in the circumstances, including, without limitation, designations relating to taxable dividends received or deemed to be received by the Trust in the year on shares of taxable Canadian corporations, net capital gains realized by the Trust in the year and foreign source income of and foreign income taxes paid by the Trust for the year, as well as designations under subsections 104(13.1) and/or 104(13.2) of the Tax Act that income be taxed to the Trust, rather than to a Unitholder.

Distributions or amounts payable to Unitholders pursuant to this Article 4 shall be deemed to be distributions of Income of the Trust and Net Realized Gains, trust capital or other items in such amounts as the Trustees shall, in their discretion, determine. For greater certainty, it is hereby declared that any distribution of Net Realized Capital Gains and gains realized on the *in specie* redemption of Trust Units shall include the non-taxable portion of the capital gains of the Trust, which are comprised in such Distribution.

Notwithstanding the foregoing, the Trustees may elect not to pay any amount that would otherwise be payable pursuant to this section 4.4.

#### 4.5 Method of Payment of Special Distributions

(a) Where the Trustees determine that the Trust does not have available cash, taking into account other obligations of the Trust and any reserves determined necessary or advisable in the sole discretion of the Trustees, in an amount sufficient to make payment of the full amount of any Special Distribution which has been declared to be payable on the due date for such payment the payment may, at the option of the Trustees in their sole discretion, include:

- i. the pro rata issuance of additional Trust Units to Unitholders of the applicable class of Trust Units, or fractions of Trust Units, if necessary; and/or
- ii. the pro rata issuance of Distribution Notes;

having, in the aggregate, a value equal to the difference between the amount of such Special Distribution and the amount of cash, if any, paid by the Trust in respect of such Special Distribution. Such additional Trust Units or Distribution Notes will be issued pursuant to exemptions under applicable securities laws. Any Trust Units issued hereunder will be deemed to belong to the same Subscription Block as the Trust Units in respect of which such additional Trust Units were issued.

(b) The value of each Trust Unit which is issued pursuant to section 4.5(a) shall be the Fair Market Value of such Trust Unit on the applicable Distribution Record Date.

#### 4.6 Consolidation of Trust Units

Immediately after any pro rata distribution of additional Trust Units to all Unitholders of a class of Trust Units pursuant to section 4.5(a) above, the number of the outstanding Trust Units will automatically be consolidated such that each Unitholder will hold after the consolidation the same number of Trust Units as the Unitholder held before the distribution of additional Trust Units. In this case, each Unit Certificate representing a number of Trust Units prior to the distribution of additional Trust Units is deemed to represent the same number of Trust Units after the non-cash distribution of additional Trust Units and the consolidation.

Notwithstanding the foregoing, where tax is required to be withheld from a Unitholder's share of the distribution, the consolidation will result in such Unitholder holding that number of Trust Units equal to (i) the number of Trust Units held by such Unitholder prior to the Distribution plus the number of Trust Units received by such Unitholder in connection with the distribution (net of the number of whole and part units withheld on account of withholding taxes) multiplied by (ii) the fraction obtained by dividing the aggregate number of Trust Units outstanding prior to the distribution by the aggregate number of Trust Units that would be outstanding following the distribution and before the consolidation if no withholding were required in respect of any part of the distribution payable to any Unitholder. Such Unitholder will be required to surrender the Unit Certificates, if any, representing such Unitholder's original Trust Units, in exchange for a Unit Certificate representing such Unitholder's post consolidation Trust Units.

#### 4.7 Terms of Distribution Notes

Subject to sections 6.7 and 6.8 hereof and the provisions of this section 4.7, the terms and conditions of the Distribution Notes shall be determined in the discretion of the Trustees, subject to the following:

- (a) no Distribution Note shall have a Maturity Date more than 3 years following the date of issuance;
- (b) the Trust shall have the right to at any time and from time to time repay all or part of the principal amount owing pursuant a Distribution Note, without notice or penalty; provided, however, that unless otherwise expressly provided in a Distribution Note, the Trust shall have no obligation to pay any part of the principal amount owing thereunder prior to the Maturity Date thereof;
- (c) notwithstanding any other provision herein, the Trust shall not repay any indebtedness owing pursuant to a Distribution Note if the payment thereof would, at the relevant time, impair the ability of the Trust to carry on its day-to-day business, as determined by the Trustees, acting reasonably, and taking into account all of the Trust's current or pending commitments and liabilities; and
- (d) all Distribution Notes issued shall rank *pari passu* with each other Distribution Note issued as of the same Distribution Record Date (a "**Distribution Note Block**") and shall stand in priority to the Distribution Notes issued in subsequent Distribution Note Blocks.

#### 4.8 Withholding Taxes

- (a) The Trustees may deduct and withhold from Distributions payable to any Unitholder all amounts required by law to be deducted and withheld from such Distributions whether such Distributions are made in the form of cash, additional Trust Units or otherwise. All withheld amounts shall be remitted to the appropriate governmental authority. An amount so deducted and withheld shall be treated for all purposes as having been paid to the Unitholder in respect of whom such deduction and withholding was made. If the amount required to be deducted or withheld exceeds the cash, if any, payable to the Unitholder, the Trustees may sell property that is transferable to the Unitholder, or deduct

or withhold from any other amount payable to the Unitholder to obtain the funds to pay the amount required to be deducted or withheld and pay all of the Trustees' reasonable expenses with regard thereto, and the Trustees shall have the irrevocable power of attorney to do so. No liability shall accrue to the Trust or to any Trustee if any property is disposed of pursuant to this section 4.8(a) is sold at a loss to such affected Unitholder or sold for less than what might otherwise have been obtained if sold at a different time or under different circumstances.

- (b) Each holder of a Trust Unit, by its acceptance of Trust Units, agrees that it shall indemnify and hold harmless the Trust, the Trustees, the Administrator, the Westpoint Capital LPs and their respective general partners for any amount required to be deducted or withheld as provided in section 4.8(a) and that such Unitholder is entitled to subsequent Distributions from the Trust only to the extent that such Distributions are, in the sole opinion of the Trustees, in excess of amounts sufficient to discharge the required deduction or withholding. Each Unitholder, by its acceptance of Trust Units, grants the Trustees the power of attorney to do so.

#### 4.9 Payments of Cash

Any payment of cash by the Trust to a Unitholder pursuant to this Article 4 or any other provision of this Schedule of Units Rights or the Declaration of Trust will be conclusively deemed to have been made upon (i) mailing of a cheque in a postage pre-paid envelope, addressed to the Unitholder at the Unitholder's address appearing in the register, unless such cheque is dishonoured upon presentment or (ii) wire transfer or electronic funds transfer to the bank account designated by the Unitholder in writing. Upon such payment, the Trust will be discharged from all liability to the Unitholder in respect of such payment; provided, however, that, if paid via cheque and such cheque is lost or destroyed then, upon the presentation of evidence satisfactory to the Trustees of such loss or destruction, together with such indemnity as the Trustees may reasonably require, the Trust will issue a replacement cheque to the Unitholder.

#### 4.10 Unclaimed Distributions

In the event that the Trustees hold any distributable amount that is unclaimed or that cannot be paid for any reason, the Trustees will be under no obligation to invest or reinvest the same, but will only be obliged to hold the same in a current interest-bearing account pending payment with interest earned (and less applicable taxes) to the Person or Persons entitled thereto. The Trustees will, as and when required by law, and may at any time prior to such required time, pay all or part of such distributable amount so held to the appropriate government official or agency, whose receipt shall be a good and sufficient discharge and release of the Trustees.

#### 4.11 Rights Plans, Distribution Reinvestment and Unit Purchase Plan

Subject to any required regulatory approvals (and any Unitholder approval imposed by Applicable Laws), the Trustees may establish one or more Unitholder rights plans, distribution reinvestment plans, Trust Unit purchase plans, Trust Unit option plans or other compensation, benefit or incentive plans at any time and from time to time.

#### 4.12 Enforceability of Right to Receive Distributions

For greater certainty, it is hereby declared that, each Unitholder shall, from and after the applicable Participation Date, have the legal right to enforce payment of any amount payable to such Unitholder as a result of any Distribution which is declared or made payable to such Unitholder pursuant to this Article 4 as of the date on which such amounts become payable.

#### 4.13 Limitation

Notwithstanding any other provision herein, the Trust shall neither declare nor pay a Distribution on any Trust Units if doing so would:

- (a) cause the Trust to cease to be a "mutual fund trust" for the purposes of the Tax Act; or
- (b) impair the ability of the Trust to carry on its business or otherwise satisfy its liabilities as they fall due, as determined by the Trustees, acting reasonably and taking into account all of the Trust's obligations and commitments.

### ARTICLE 5 SUBSCRIPTION BLOCKS

#### 5.1 Subscription Blocks

Each Class A Unit and Class B Unit within a Subscription Block has the identical Discount Date and Participation Date as each other Class A Unit and Class B Unit within such Subscription Block.

### ARTICLE 6 REDEMPTIONS AND PRIORITIES

#### 6.1 Right of Redemption

Subject to the provisions of this Article 6, a Unitholder shall be entitled to require the Trust to redeem at any time or from time to time at the demand of the Unitholder all or part of the Class A Units registered in the name of the Unitholder at the prices determined and payable in accordance with the provisions hereof. The Trustees shall have the discretion to determine and designate whether any payments made in respect of redemptions are on account of income, capital gains, capital or all or any of the foregoing.

Concurrent with the redemption of any Class A Units pursuant to this Article 6, the Trust will redeem, and a Unitholder shall, and shall be deemed to, tender for redemption a proportionate number of the Class B Units, if any, forming a part of the applicable Subscription Block(s).

#### 6.2 Exercise of Redemption Right

- (a) To exercise a Unitholder's right to require redemption under this Article 6, a duly completed redemption request in the form attached hereto as Appendix I (a "**Redemption Request**"), executed by such Unitholder or his duly authorized attorney, shall be sent to the Trust at the head office of the Trust or at any of the principal offices of the Trust's transfer agent. No form or manner of completion or execution shall be sufficient unless the same is in all respects satisfactory to the Trustees and is accompanied by any further evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the Person giving such notice.
- (b) If the Redemption Request is signed by an attorney, it shall be accompanied by evidence of the authority of such attorney satisfactory to the Trust or, as applicable, the Trust's transfer agent. The Trustees shall have the authority to authorize the delivery of Redemption Requests by email, fax or other electronic means.
- (c) Trust Units shall be deemed to have been tendered for redemption on the date and time at which the Trust approves and accepts the Redemption Request (the "**Acceptance Time**"), promptly following receipt of a duly executed Redemption Request and such other documents or evidence as the Trustees may reasonably require, including with respect to the identity, capacity or authority of the Person giving such notice.

- (d) Subject to section 6.12 hereof, from and after the applicable Acceptance Time, a Redeeming Unitholder will cease to have any voting rights or other entitlements with respect to the Units for which the Redemption Request has been tendered and with respect to the Class B Units, if any, deemed to be redeemed in accordance with section 6.1 hereof, other than:
- i. the right to be paid the Redemption Price therefor in accordance with section 6.4; and
  - ii. the right to receive any Distributions declared in respect thereof in the period ending on the last day of the calendar month immediately preceding the Acceptance Time.

### 6.3 Redemption Price

Upon receipt by the Trust of a Redemption Request in accordance with section 6.2, the holder of the Trust Units tendered for redemption shall, from and after the Acceptance Time, be entitled to receive a price per Trust Unit equal to the Fair Market Value thereof as of the Valuation Date, less the applicable Discount (if any) (hereinafter called the "**Redemption Price**").

The Trustees will, on an annual basis following receipt of the Trust's audited financial statements, and at the end of each fiscal quarter, conduct a good faith review of the Trust's financial position, including the value of its assets and liabilities. Any determination of Fair Market Value shall be made by the Trustees in good faith, in their sole discretion, and shall be conclusive and binding on the Unitholders.

### 6.4 Payment of Redemption Price

- (a) Subject to section 6.6 herein, the Redemption Price payable in respect of the Trust Units tendered for redemption during any calendar month shall be paid to the Redeeming Unitholder on the Redemption Date as follows:
- i. firstly, in cash, if and to the extent permitted by section 6.4(b), by the mailing of a cheque in a postage pre-paid envelope, addressed to the Unitholder at the Unitholder's last address appearing in the register, or by wire transfer or electronic funds transfer to the bank account designated by the Unitholder in writing; and
  - ii. secondly, by the issuance of a Redemption Note having an aggregate principal amount equal to the Redemption Price or such balance thereof as remains unpaid following partial payment pursuant to section 6.4(a)i. above.
- (b) Notwithstanding any other provision herein, the Trust shall pay the Redemption Price in cash pursuant to section 6.4(a)i only in circumstances where:
- i. the Trust has duly satisfied all payments contemplated by sections 6.8(a) through 6.8(c) hereof to be made in priority to Redemption Requests standing in the Cash Redemption Queue; and
  - ii. such cash redemption would not impair the ability of the Trust to carry on its business or otherwise satisfy its liabilities as they fall due, as determined by the Trustees, acting reasonably and taking into account all of the Trust's obligations and commitments.
- (c) In circumstances where the Trust is in receipt of more than one Redemption Request and is permitted, as of the relevant Redemption Date, to satisfy some or all of such

Redemption Requests in cash pursuant to section 6.4(a)i, such redemptions shall be completed and such cash payments shall be made, in priority and based on the order in which the Redemption Requests were received by the Trust, such priority and order determined by the date and time of receipt stamped on each such Redemption Request, which determination as to priority and order shall be binding on the Unitholders and not subject to dispute or appeal (the "Cash Redemption Queue"). Any Redemption Request, or portion thereof, for which the Redemption Price cannot be fully satisfied in cash shall be paid on the Redemption Date pursuant to section 6.4(a)ii.

- (d) Payment of the Redemption Price shall be conclusively deemed to have been made, as applicable:
- i. upon the mailing of a cheque in a postage prepaid envelope addressed to the Unitholder (unless such cheque is dishonoured upon presentment); and/or
  - ii. upon the wire transfer or electronic funds transfer being confirmed as sent; and/or
  - iii. upon the issuance of a Redemption Note;

provided that the aggregate amount of such payments is equal to the Redemption Price.

Upon such payment(s), the Trust shall be discharged from all liability to the Unitholder in respect of the Trust Units so redeemed, except with respect to any unpaid Distributions declared payable on such Trust Units prior to the Acceptance Time and the payment of amounts outstanding pursuant to any Trust Notes.

- (e) A Redeeming Unitholder to whom a Trust Note has been issued shall be entitled to receive a copy of such Trust Note by providing a written request to the Trust at its head office.

#### 6.5 Terms of Redemption Notes

The terms and conditions of the Redemption Notes shall be determined in the discretion of the Trustees, subject to the following:

- (a) Redemption Notes shall be unsecured and shall, except to the extent otherwise expressly provided herein, be subordinated and rank subsequent in priority to all other *bona fide* debts of the Trust.
- (b) Subject to the right of the Trust to at any time and from time to time, repay all or a part the principal amount owing pursuant to a Redemption Note, without notice or penalty, the Trust shall make payments to each holder of Redemption Notes in an amount equal to the Redemption Note Principal Payment Amount, which payments shall rank *pari passu* with the Redemption Note Principal Payment Amounts payable to all other holders of Redemption Notes, regardless of their respective Issue Dates, and the aggregate Redemption Note Principal Payment Amounts payable to all holders of Redemption Notes shall rank *pari passu* with the Distributions of Remaining Distributable Cash Flow to Class A Unitholders made pursuant to section 4.2(e) hereof.
- (c) Unless otherwise expressly agreed by a Unitholder in writing, Redemption Notes shall have a Maturity Date no later than the 3<sup>rd</sup> anniversary of the Issue Date thereof.
- (d) Where there is more than one Redemption Note outstanding, the Redemption Notes shall be placed in a queue, by order of priority based on the applicable Acceptance Time (the

"Redemption Note Queue"). Subject to section 6.5(e) hereof, the Trustees shall, on a monthly basis, allocate and pay an amount equal to 2% of the net asset value of the Trust (the "Target Terminal Payment Amount") to the holders of Redemption Notes on account of the Terminal Payments owing thereunder and based upon their order of priority within the Redemption Note Queue. In circumstances where, pursuant to section 6.5(e), the Trust is unable to allocate and pay the Target Terminal Payment Amount in any given month, the Trustees shall allocate and pay such lesser amount as the Trustees determine prudent in the circumstances, subject always to the order of priority within the Redemption Note Queue.

- (e) Notwithstanding any other provision herein, the Trust shall not repay any indebtedness owing pursuant to a Redemption Note if the payment of such Redemption Note would, at the relevant time, impair the ability of the Trust to carry on its business, as determined by the Trustees, acting reasonably, and taking into account all of the Trust's current or pending commitments and liabilities.

#### 6.6 No Redemption in Certain Circumstances

Notwithstanding any other provision herein:

- (a) the Trust shall not be permitted to redeem Trust Units if, at the relevant time, the redemption of such Trust Units would cause the Corporation to cease to be a "mutual fund trust" for the purposes of the Tax Act; and
- (b) the Trust shall not accept any Redemption Requests following the commencement of the liquidation, dissolution or winding-up of the Trust.

#### 6.7 Subordination of Trust Notes

Trust Notes shall be unsecured and shall be subordinated and rank subsequent in priority to all other *bona fide* debts of the Trust.

#### 6.8 Priority of Payments

Notwithstanding any other provision herein, payments shall be made by the Trust to Unitholders and Noteholders in accordance with the following order of priority:

- (a) firstly, to Noteholders holding Matured Notes;
- (b) secondly, to Unitholders on account of the Distributions payable pursuant to sections 4.2 and 4.3 hereof and to Noteholders on account of the Redemption Note Principal Payment Amounts, on a *pari passu* basis;
- (c) thirdly, to Noteholders holding Redemption Notes on account of Terminal Payments owing thereunder in order of priority of such Redemption Notes within the Redemption Note Queue; and
- (d) finally, to Redeeming Unitholders as payment of their Redemption Price in order of their respective priorities within the Cash Redemption Queue.

For greater certainty, (i) no Terminal Payment shall be made pursuant to section 6.8(c) above to any Noteholder in circumstances where there remains outstanding any Redemption Notes ranking in priority to such Redemption Note in the Redemption Note Queue, and (ii) no payments shall be made to any holder of a Distribution Note prior to the Maturity Date thereof in circumstances where there remains outstanding any payments contemplated by this section 6.8.



#### 6.9 Purchase for Cancellation

The Trust may from time to time purchase for cancellation some or all of the Trust Units, as applicable, in the market, by private agreement or upon any recognized stock exchange on which such Trust Units are traded or pursuant to tenders received by the Trust upon request for tenders addressed to all holders of record of Trust Units, provided in each case that the Trustees have determined that such purchases are in the best interests of the Trust.

#### 6.10 Trustee Redemption Rights

The Trust may redeem all or part of the Class C Units held by a Unitholder, as and when determined by the Trustees, which Class C Units shall be redeemed at the original subscription price therefor. The Trust may redeem all of the issued and outstanding Class A Units and/or Class B Units in the event that the Trust and its subsidiaries dispose of all or substantially all of their property and assets and upon the Trustees concluding that no further Distributable Cash Flow or other amounts are payable to the Unitholders hereunder in respect of such class of Trust Units and, in such an event, the redemption price for each Class A Unit shall be the Redemption Price therefor and the aggregate redemption price for all of the Class B Units within a Subscription Block shall be one cent (\$0.01), and such funds shall be payable within 90 days from the date of the notice of redemption provided by the Trustees (hereinafter, a "**Call Notice**") to the Class A Unitholders. In such a case, the Unitholders will cease to have any voting rights or other entitlements with respect to the Trust Units subject to the Call Notice as of the Redemption Date, other than:

- (a) the right to be paid the Redemption Price therefor in accordance with section 6.4; and
- (b) the right to receive any Distributions declared in respect thereof in the period ending on the last day of the calendar month immediately preceding the Redemption Date.

#### 6.11 Cancellation of all Redeemed Units

All Trust Units which are redeemed under this Article 6 shall be cancelled and such Trust Units shall no longer be outstanding.

#### 6.12 Revocation of Redemption Request

Any Unitholder who wishes to revoke a previously delivered Redemption Request may, at any time prior to the Redemption Date, submit, in writing, a request to revoke such Redemption Request (a "**Revocation Notice**") to the Trust at its head office or at such other place or places as the Trustees from time to time designate, which such Revocation Notice shall be signed by such Unitholder or his duly authorized attorney. The Trust shall have the sole discretion to either accept or reject a Revocation Notice and shall advise the Unitholder of its decision, in writing. In the event that the Trust accepts a duly delivered Revocation Notice, the Trust Units subject to such Revocation Notice will remain outstanding and, subject to the issuance of a further Redemption Request or a Call Notice, shall be not redeemed.

#### 6.13 Allocations to Redeeming Unitholders

Redeeming Unitholders shall be allocated a pro rata portion of the Income of the Trust and Net Realized Capital Gains based on the number of full calendar months that such Redeeming Unitholders held Trust Units in the relevant taxation year (which, for greater certainty, includes the month in which the Acceptance Date occurs). To the extent that any assets of the Trust and/or any Westpoint LP are disposed of in order to satisfy one or more Redemption Requests, any income or gains shall be allocated and designated amongst those Redeeming Unitholders in the relevant taxation year.

## ARTICLE 7 PARTICIPATION

- 7.1 In the event of liquidation, dissolution or winding-up of the Trust, the rights of holders Trust Notes shall rank in priority to the rights of Unitholders, including in respect of their rights to receive Distributable Cash Flow; provided, however, that upon full repayment of a Trust Note, such Noteholder shall not have any other or further right to participate in the remaining property or assets of the Trust.
- 7.2 In the event of liquidation, dissolution or winding-up of the Trust, the rights of holders of all issued Trust Notes shall rank *pari passu* within one another, regardless of the respective Issue Dates thereof.
- 7.3 If, following the full repayment of all Trust Notes, the assets of the Trust shall be insufficient to permit payment in full to the holders of the Class A Units and the Class B Units of the full Redemption Price therefor, following the allocation and payment of Distributable Cash Flow, if any, in accordance with section 4.2 hereof, the assets of the Trust shall be distributed *pro rata* amongst the Class A Unitholders.
- 7.4 Class C Unitholders shall not be entitled to receive any assets of the Trust on a liquidation, dissolution or winding-up.

## ARTICLE 8 MISCELLANEOUS

### 8.1 Power of Attorney

With respect to the redemptions contemplated by Article 6 herein, each Unitholder and Noteholder hereby irrevocably nominates, constitutes and appoints each Trustee, with full power of substitution, as its agent and true lawful attorney to act on behalf of and with full power and authority in such Unitholder's name, place and stead to execute, complete, acknowledge, deliver or endorse, as and where required, any agreement, document, instrument, stock transfer or certificate contemplated by this Schedule of Unit Rights or otherwise necessary or desirable to from time to time effect the redemptions under Article 6.

The power of attorney granted hereby is irrevocable and is a power coupled with an interest and will survive the mental infirmity, disability or legal incapacity of a Unitholder or Noteholder and extends to and is binding upon the heirs, executors, administrators and other legal representatives and successors and assigns of a Unitholder or Noteholder. Each Unitholder and Noteholder agrees to be bound by any representation or action made or taken by a Trustee pursuant to this power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm the actions of a Trustee taken in good faith under this power of attorney in accordance with the *Powers of Attorney Act* (Alberta) and similar legislation in other jurisdictions. Each Trustee, when acting as lawful attorney for a Unitholder or Noteholder pursuant to this section, shall not be liable for any error of judgment, or for any act done or omitted by it in good faith, or for any mistake of fact or law, or for anything which they may do or omit from doing in connection therewith, except for their own willful misconduct or fraud.

### 8.2 Business Days

Notwithstanding any other provision herein, where the time for doing an act falls or expires on a day which is not a Business Day, the time for doing such act is extended to the next Business Day.

### 8.3 Communications

Notwithstanding any other provision herein, any notice or confirmation to be given in writing by the Trust hereunder may be given by way of mail, courier, fax or email.

APPENDIX I

FORM OF REDEMPTION REQUEST

To: WESTPOINT INVESTMENT TRUST (the "Trust")  
c/o Westpoint Capital Corporation  
201, 1230 - 91 Street SW  
Edmonton, Alberta, T6X 0P2  
Attention: Chief Operations Officer

The undersigned (herein, the "Unitholder"), in accordance with section 6.2 of the Schedule of Unit Rights, as amended from time to time, hereby gives notice to the Trust that the Unitholder requires the Trust to redeem the following Trust Units owned by, or on behalf of, the Unitholder:

Number and Class of Units to be Redeemed

Unit Certificate Number

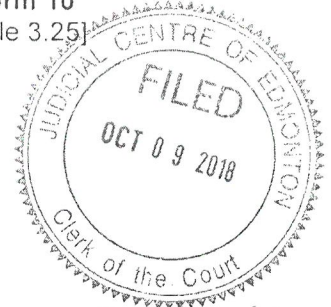
\_\_\_\_\_ Class \_\_\_\_ Units

\_\_\_\_\_

Dated: \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Signature of Unitholder (or authorized signatory if  
the Unitholder is a Corporation)

\_\_\_\_\_  
Name of Unitholder



1803 19884

COURT FILE NUMBER  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON  
PLAINTIFF ROBERT ROBERTS  
DEFENDANTS MUNIR VIRANI, MARNIE LEE KIEL,  
MATTHEW EDWIN OBERLE and MIGUEL  
ANGEL SCHRAEDER, in their capacity as  
Trustees of WESTPOINT INVESTMENT  
TRUST and WESTPOINT INVESTMENT  
TRUST

DOCUMENT STATEMENT OF CLAIM

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**OGILVIE LLP**  
Barristers & Solicitors  
1400, 10303 Jasper Avenue  
Edmonton AB T5J 3N6  
Attention: Kentigern A. Rowan, Q.C.  
Phone: 780.429-6268  
Fax: 780.429.4453  
File No.: 66102.1

This is Exhibit "D" referred to in the affidavit / statutory declaration of Robert Roberts  
Sworn before me this 3 day of August  
A.D. 2018  
Commissioner for Oaths in and for the Province of Alberta

Service will be accepted by delivery or fax. No other form of service will be accepted.

**NOTICE TO DEFENDANT(S)**

You are being sued. You are a defendant.

Go to the end of this document to see what you can do and when you must do it.

**KENTIGERN A. ROWAN, K.C.**  
Barrister & Solicitor  
A Commissioner for Oaths  
in and for Alberta

**Note: State below only facts and not evidence (Rule 13.6)**

**Statement of facts relied on:**

1. The Plaintiff is a resident of the Province of Alberta.
2. As far as is known to the Plaintiff, the individual Defendants are the Trustees of Westpoint Investment Trust.
3. Pursuant to the terms of a Redemption Note dated July 1, 2015, Westpoint Investment Trust agreed to pay to the Plaintiff the sum of \$750,001.00.
4. It is a term of the Redemption Note that the said sum would be paid in accordance with the terms thereof and that the entire principal amount would be paid in full no later than three (3) years after the issuance date of the Redemption Note.

5. The issuance date of the Redemption Note is July 1, 2015.
6. Notwithstanding the terms of the Redemption Note, the entire amount of \$750,001.00 remains outstanding.
7. By letter dated September 19, 2018, the Plaintiff demanded payment of the sum of \$750,001.00.
8. Despite demand, the Defendants have failed and neglected to pay the said sum or any part thereof.
9. The Plaintiff does not anticipate that the trial of this action would exceed twenty five (25) days.

**Remedy sought:**

10. The Plaintiff claims for the following relief:
  - a. Judgment against the Defendants, and each of them, in the amount of \$750,001.00;
  - b. Interest on the aforesaid sum pursuant to and at the rate set in accordance with the *Judgment Interest Act*, R.S.A. 2000, c.J-1;
  - c. Costs of this action; and
  - d. Such further and other relief as this Honourable Court deems just in the circumstances.

**NOTICE TO THE DEFENDANT(S)**

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at Edmonton, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff's(s') address for service.

**WARNING**

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff(s) against you.