

AMENDED AND RESTATED OFFERING MEMORANDUM

No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. The information disclosed on this page is a summary only. Purchasers should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. See Item 8 - "Risk Factors".

Original Date: July 18, 2017

**Date of Restatement
and Amendment:** October 20, 2017



OKR FINANCIAL

OLD KENT ROAD INCOME FUND I

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\$50,000,000 (Maximum Offering)

\$1,000,000 (Minimum Offering)

Reporting Issuer: Old Kent Road Income Fund I (the "Trust") is not a reporting issuer in any jurisdiction and these securities do not and will not trade on any exchange or market.

SEDAR Filer: Yes, but only as required pursuant to section 2.9 of National Instrument 45-106 – *Prospectus Exemptions*. The Trust is not a reporting issuer and does not file continuous disclosure documents on SEDAR that are required to be filed by reporting issuers.

THE OFFERING

Refer to "Glossary of Terms" for the meanings of capitalized words and phrases that are used but not defined in this summary.

The Trust:	The Trust is a private open-ended trust established under the laws of Alberta.
Purpose:	The Trust's primary purpose and sole business is to use funds raised by it to acquire Class A LP Units in the Old Kent Road Income Fund I LP ("Partnership"). All or substantially all of the Available Funds of the Offering will be used to acquire Class A LP Units in the Partnership. See Item 1.2 - "Use of Available Funds" and Item 2.2 - "Our Business".
Securities Offered:	Class A Series III Units of the Trust Class A Series V Units of the Trust (collectively the "Units")
Price per Security:	\$1.00 per Unit
Minimum Offering:	\$1,000,000 (1,000,000 Units)
Maximum Offering:	\$50,000,000 (50,000,000 Units)
Minimum Subscription Amount:	The minimum subscription for Units is \$10,000 (10,000 Units). The Trustee may, in its sole Discretion, reduce the minimum investment amount per Subscriber in limited circumstances in order to allow the Trust to satisfy the minimum investor requirements of a "mutual fund trust" under the Tax Act. See Item 5.2 - "Subscription Procedure".

<i>Proposed Closing Date(s):</i>	The initial Closing of the Offering is expected to occur on or about November 30, 2017 and subsequent Closings may occur from time to time and at any time on such other dates as the Trustee determines. If certain conditions have not been satisfied or waived on or before the date selected by the Trustee (in its sole Discretion), in respect of a Closing, Subscription Agreements and subscription funds will be returned to Subscribers without interest or deduction.
<i>Eligibility of Deferred Plans:</i>	The Units are intended to be able to be held by taxable and tax exempt investors, such as trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and tax-free savings accounts. There are important tax consequences to investors holding Units. See Item 6 - “Income Tax Considerations”.
<i>Selling Agent:</i>	The Trust reserves the right to retain agents to, and/or pay persons (“ Selling Agents ”) who, effect sales of the Units, in which case, subject to applicable securities legislation, such agents and persons may receive a fee of up to five percent (5%) of the Gross Proceeds realized from the sale of Units sold directly by such parties together. The Trust may also pay Exempt Market Dealers up to one (1%) of the Gross Proceeds realized from the sale of the Units as a dealer administration fee. The Trust has entered into a distribution agreement with respect to the sale of the Units under this Offering with Pinnacle Wealth Brokers Inc. (“ Pinnacle ”), an Exempt Market Dealer. The Trust has agreed to pay Pinnacle a “ Lead Agent Fee ” equal to one percent (1%) of the Gross Proceeds raised by all Selling Agents, including Pinnacle, within 12 months of the date of the first Closing. In the event that the Trust raises \$20,000,000 (the “ Lead Agent Fee Threshold ”) or more within 12 months of the date of the first Closing under this Offering, the Trust will continue to pay Pinnacle the Lead Agent Fee with respect to all funds raised under this Offering. Funds from the first Closing under this Offering shall be included in determining the Lead Agent Fee Threshold. See Item 7 - “Compensation Paid to Sellers and Finders”.
<i>Related and Connected Issuer</i>	As additional compensation to Selling Agents, such Agents shall have the option to acquire 0.26664 of a Class B LP Unit in the Partnership for the subscription price of \$.00001 per one (1) whole Class B LP Unit, for every Unit in the Trust sold by such Agents. Selling Agents are expected to include Exempt Market Dealers. Should one or more Exempt Market Dealers acquire Class B LP Units, the Trust will be considered to be a related and connected issuer of such Exempt Market Dealers in accordance with Applicable Laws as the relationship between the Trust and such Exempt Market Dealers, such as Pinnacle, may lead a reasonable prospective purchaser of the Units to question the independence of such Exempt Market Dealers, including Pinnacle, for purposes of the distribution of the Units under this Offering. The Trust is also a related and connected issuer of Pinnacle since the Partnership is a party to the Joint Lending Agreement with OKR Partnership and the Pinnacle LP. See Item 7 - “Compensation Paid to Sellers and Finders – Related and Connected Issuer Matters” and Item 2.2 – “Our Business - Joint Lending Agreement Between the Partnership, Old Kent Road Financial I LP and Pinnacle LP”. As the Partnership is a party to the Joint Lending Agreement with OKR Partnership and the Pinnacle LP, the Trust should be considered to be related and connected to Pinnacle on this basis also. See Item 2.2 – “Our Business - Joint Lending Agreement Between the Partnership, Old Kent Road Financial I LP and Pinnacle LP”.
<i>Conflicts of Interest:</i>	The General Partner, the Manager and the Trustee have each adopted a Conflict of Interest Policy pursuant to which all matters that involve a Conflict of Interest Matter: (i) with respect to the Partnership, must be unanimously approved by the Independent Directors of the General Partner in order to proceed; (ii) with respect to the Manager, must be unanimously approved by the Independent Directors of the Manager in order to proceed; and (iii) with respect to the Trust, must be unanimously approved by the Independent Directors of the Trustee in order to proceed. See Item 2.1.1 - “Conflicts of Interest Policies”.
<i>Term of the Trust:</i>	The Trust is intended to carry on until December 31, 2023. An investment in the Trust should be considered long-term in nature.

Distributions:	The Trust will distribute Trust Income and Trust Capital Gains for each taxation year, so that Trust Income and Trust Capital Gains will be taxable to Unitholders and the Trust will not have any obligation to pay tax under the Tax Act. Payment of distributions is intended to be made in cash, but the Trust may, in certain circumstances, make distributions by distributing additional Units. See Item 2.5 – “Material Agreements – Summary of the Declaration of Trust – Distributions”.
Redemptions:	Unitholders may redeem their Units, subject to certain restrictions, by providing a duly executed Redemption Notice to the Trustee. The Redemption Price shall be determined as follows: (i) if the Trustee receives a Redemption Notice with respect to any Class A – III Units within 24 months from the date of the Trust Unit Certificate representing Class A – III Units to be redeemed, or with respect to Class A – V Units, within 48 months from the date of the Trust Unit Certificate representing Class A – V Units to be redeemed the Redemption Price shall be \$0.93 per Class A – III Unit or Class A – V Unit; and (ii) if a request for redemption occurs at any time after the above described 24 month period with respect to Class A – III Units, or after the above described 48 month period with respect to Class A – V Units, the Redemption Price shall be one dollar (\$1) per Class A – III Unit or Class A – V Unit. See Item 2.5 – “Material Agreements – Summary of the Declaration of Trust – Redemption of Units”.
Redemption Restrictions:	The Redemption Price for Units paid by the Trust may not be paid in cash in certain circumstances but instead may be paid through the issue of Redemption Notes by the Trust. <u>Redemption Notes will not be a qualified investment for tax-exempt Subscribers.</u> See Item 6 - “Income Tax Considerations”. Where the Redemption Price of Units being redeemed is to be paid in cash, payments in cash of by the Trust shall be limited (the “ Redemption Limit ”) as follows: (i) \$150,000 with respect to Redemption Notices received for a Class of Units in the Calendar Year 2017; and (ii) in any one Calendar Year commencing 2018, the Redemption Limit of each Class of Units shall be 5% of the Assets Under Management of the Partnership, calculated as of December 31 of the year preceding the year in which a Redemption Notice is received. See Item 2.5 – “Material Agreements – Summary of the Declaration of Trust – Redemption of Units”.
Trustee:	Old Kent Road Income Fund I Trustee Inc.
Resale Restrictions:	You will be restricted from selling your securities for an indefinite period. See Item 10 - “Resale Restrictions and Redemption Rights”.
Purchaser’s Rights:	You have 2 business days to cancel your agreement to purchase these Units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11 - “Purchasers’ Rights”.
OM Marketing Materials:	All OM Marketing Materials related to this Offering and delivered or made reasonably available to a prospective Subscriber are hereby incorporated by reference into this Offering Memorandum.

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

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

No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon.

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ELIGIBILITY FOR INVESTMENT

The Units will be a qualified investment under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, or a tax-free savings account (each, a “**Deferred Plan**”) provided that the Trust meets certain requirements as outlined in Item 6 – “Income Tax Considerations”. Notwithstanding the foregoing, if the Units are found to be “prohibited investments”, some holders will be subject to a penalty tax as set out in the Tax Act. If the Trust fails to or ceases to qualify as a mutual fund trust, the Units will cease to be qualified investments for Deferred Plans which would have adverse tax consequences to Deferred Plans and their annuitants or beneficiaries. See Item 6 – “Income Tax Considerations” and Item 8 – “Risk Factors”.

INVESTMENT NOT LIQUID

The Units offered hereunder will be subject to indefinite resale restrictions and a number of redemption restrictions. Until the indefinite restriction on trading expires, if ever, a Unitholder will not be able to trade the Units, unless it complies with very limited exemptions from the prospectus and registration requirements under applicable securities legislation. As the Trust has no intention of becoming a reporting issuer in any jurisdiction in Canada, these trading restrictions will not expire. Consequently, Unitholders may not be able to liquidate their Units in a timely manner. Further, the Declaration of Trust contains certain redemption restrictions. Subject to certain restrictions, a Unitholder may redeem the Units for the Redemption Price. See Item 10 – “Resale Restrictions and Redemption Rights”.

FORWARD-LOOKING STATEMENTS

Certain information regarding the Trust and the Partnership set forth in this Offering Memorandum, including the Trust’s future plans and business, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words “anticipate”, “believe”, “continue”, “estimate”, “expect”, “intend”, “plan”, “potential”, “predict”, “project”, “seek” or other similar words, or statements that certain events or conditions “may”, “might”, “could”, “should” or “will” occur are intended to identify forward-looking statements. Such statements represent the Trustee internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, business opportunities, future expenditures, plans for and results of business prospects and opportunities. These statements are only predictions and actual events or results may differ materially. Although the Trustee believes that the expectations reflected in the forward-looking statements are reasonable, future results, levels of activity, performance or achievement cannot be guaranteed since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Trust and the Partnership’s actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Trust and the Partnership.

Forward-looking statements included in this Offering Memorandum include, but are not limited to, statements with respect to: use of proceeds of the Offering; the business to be conducted by the Trust and the Partnership; the ability to make and the timing and payment of distributions; the Trust’s and the Partnership’s business objectives; treatment under governmental regulatory regimes and tax laws; financial and business prospects and financial outlook; timing of dissolution of the Trust; possibility of extension of the dissolution date of the Trust; results of operations, the timing thereof and the methods of funding.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to the risks discussed under Item 8 - “Risk Factors” and other factors, many of which are beyond the control of the Trust and the Partnership. Readers are cautioned that the foregoing list of factors is not exhaustive.

The forward-looking statements contained in this Offering Memorandum are based on a number of assumptions, including those relating to:

- the Trust and Partnership’s business strategy and operations;
- the ability of the Trust and Partnership to achieve or continue to achieve its business objectives;
- the Trust’s and Partnership’s expected financial performance, condition and ability to generate distributions;

- the Partnership, including its business strategy, operations, financial performance, condition and ability to generate distributions;
- the possibility of substantial redemptions of Units;
- the taxation of the Trust and the Partnership;
- the impact on the Trust and the Partnership of future changes in applicable legislation;
- the application of legislation and regulations applicable to the Trust and the Partnership; and
- the availability of and dependence upon certain key employees of the General Partner and Management.

Although the forward-looking statements contained in this Offering Memorandum are based upon assumptions believed to be reasonable, the Trust cannot assure investors that actual results will be consistent with these forward-looking statements.

The Trust has included the above summary of risks related to forward-looking information provided in this Offering Memorandum in order to provide investors with a more complete perspective on the Trust and the Partnership's current and future operations and such information may not be appropriate for other purposes. The Trust's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Trust will derive therefrom. These forward-looking statements are made as of the date of this Offering Memorandum and the Trust disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by Applicable Laws.

Investors are cautioned against placing undue reliance on forward-looking statements.

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GLOSSARY OF TERMS

The following terms and abbreviations used throughout this Offering Memorandum have the following meanings:

“**2016 Joint Lending Agreement**” means the Joint Lending Agreement between OKR Partnership, Pinnacle LP, the Administrator and OKRF II dated July 1, 2016;

“**2017 Joint Lending Agreement**” means the Joint Lending Agreement between the Partnership, OKR Partnership, Pinnacle LP, the Administrator and OKRF II dated July 1, 2017;

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

“**Administrator**” means Old Kent Road Financial Loan Adminco Ltd.;

“**Affiliate**” shall have the meaning ascribed thereto in the Securities Act;

“**AMIL**” means Acheson Mobile Investments Ltd., a private Alberta corporation related to the General Partner and the Manager by common officers, directors and shareholders;

“**Applicable Laws**” means all applicable provisions of law, domestic or foreign, including the Securities Act;

“**Approvals**” means any directive, order, consent, exemption, waiver, consent order or consent decree of or from, or notice to, action by or filing with, any Governmental Authority;

“**Assets Under Management**” means with respect to the year in which Assets Under Management is being calculated, the aggregate of the principal balance of all Partnership Loans outstanding as of December 31 of that year, together with the aggregate of the Partnership’s cash on hand, cash on account and cash on deposit as of December 31 of that year;

“**associate**” shall have the meaning ascribed thereto in the Securities Act;

“**Auditors**” means such firm of chartered accountants as may be appointed as auditor or auditors of the Trust;

“**Borrowers**” means collectively each of Canadian Ventures to whom the Partnership provides Loans, either alone or in connection with related and unrelated parties, and may include Canadian ventures in which a Principal Party is an officer, director and/or minority equity interest holder in such ventures or a Canadian ventures in which the majority equity interest in such Borrower is controlled by a Venture Fund managed and/or controlled by one or more of the Principal Parties;

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

“**Calendar Year**” the period commencing January 1 and ending on December 31 in each year of the term of the Trust;

“**Canadian Ventures**” means Canadian corporations, partnerships, joint ventures or other similar Canadian business enterprises;

“**Capital Contribution**”, with respect to any Limited Partner, means the amount of capital contributed by such Limited Partner to the Partnership in accordance with the Partnership Agreement;

“**Cash Flow of the Trust**” shall have the meaning provided for in Item 2.5 – “Material Agreements - Summary of the Declaration of Trust - Cash Flow of the Trust”;

“**Classes**” means the alphabetical designation made by the Trustee with respect to each of the trust units issued by the Trust, as either Class A, Class B, Class C and Class D, as more particularly described in Item 2.1.1 herein;

“**Class A Units**” means collectively the Class A – III Units and the Class A - V Units;

“**Class A – III Units**” means units of interest in the Trust created, issued and certified under the Declaration of Trust and designated by the Trustee as Class A-III Units, which Units may be issued in Series as the Trustee in its sole discretion may designate;

“**Class A LP Units**” means collectively the Class A Series III LP Units and the Class A Series V LP Units;

“**Class A Proportionate Share**” of any amount at any time, means a fraction equal to the number of Class A LP Units of which a Limited Partner is the registered holder at that time divided by the total number of issued and outstanding Class A LP Units at that time;

“Class A Series III LP Units” means the Class A Series III limited partnership units of the Partnership having the rights provided for in the Limited Partnership Agreement;

“Class A – III Proportionate Share” of any amount at any time, means a fraction equal to the number of Class A – III LP Units in a Series of which a Limited Partner is the registered holder at that time divided by the total number of issued and outstanding Class A – III LP Units in that Series at that time;

“Class A – III/A - V Proportionate Share” of any amount at any time, means: (i) with respect to Class A – III LP Units, a fraction equal to the combined aggregate number of issued Class A – III LP Units and Class A – V LP Units at that time divided by the total number of issued and outstanding Class A – III LP Units at that time; and (ii) means with respect to Class A – V LP Units, a fraction equal to the combined aggregate number of issued Class A – III LP Units and Class A – V LP Units at that time divided by the total number of issued and outstanding Class A – V LP Units at that time;

“Class A Series III Preferred Return” shall mean with respect to a Limited Partner holding Class A Series III LP Units and with respect to those periods during the term of the Partnership that the Limited Partner’s Capital Contribution is outstanding, an amount equal to six percent (6%) per annum, of such Limited Partner’s Capital Contribution from the first day of the month immediately following the month in which such Capital Contribution is made until the date such Limited Partner’s Capital Contribution has been returned by the Partnership to the Limited Partner in accordance with the terms of the Limited Partnership Agreement. The Class A Series III LP Preferred Return shall be calculated on the basis of a year of 365 days and the actual number of days (including the first day, but excluding the last day) occurring in the period for which the Class A Series III Preferred Return Preferred Return is being calculated;

“Class A Series V LP Units” means the Class A Series V limited partnership units of the Partnership having the rights provided for in the Limited Partnership Agreement;

“Class A Series V Preferred Return” shall mean with respect to a Limited Partner holding Class A Series V LP Units and with respect to those periods during the term of the Partnership that the Limited Partner’s Capital Contribution is outstanding, an amount equal to seven and one half percent (7.5%) per annum, of such Limited Partner’s Capital Contribution from the first day of the month immediately following the month in which such Capital Contribution is made until the date such Limited Partner’s Capital Contribution has been returned by the Partnership to the Limited Partner in accordance with the terms of the Limited Partnership Agreement. The Class A Series V Preferred Return shall be calculated on the basis of a year of 365 days and the actual number of days (including the first day, but excluding the last day) occurring in the period for which the Class A Series V Preferred Return Preferred Return is being calculated;

“Class A – V Proportionate Share” of any amount at any time, means a fraction equal to the number of Class A – V LP Units in a Series of which a Limited Partner is the registered holder at that time divided by the total number of issued and outstanding Class A – V LP Units in that Series at that time;

“Class A – V Units” means units of interest in the Trust created, issued and certified under the Declaration of Trust and designated by the Trustee as Class A-V Units, which Units may be issued in Series as the Trustee in its sole discretion may designate;

“Class B LP Units” means the Class B limited partnership units in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions set out in the Partnership Agreement;

“Class B Option” means the option to acquire 0.26664 of a Class B LP Unit in the Partnership for the subscription price of \$.00001 per one (1) whole Class B LP Unit, for every Unit in the Trust sold by Selling Agents. See Item 7 - “Compensation Paid to Sellers and Finders”;

“Class B Proportionate Share” of any amount at any time, means a fraction equal to the number of Class B LP Units of which a Limited Partner is the registered holder at that time divided by the total number of issued and outstanding Class B LP Units at that time;

“Closing” means any closing of the distribution of Units to Subscribers under this Offering;

“Conflict of Interest Matter” means a situation where a reasonable person would consider any Principal Party to have an interest that may conflict with their ability to act in good faith and in the best interests of the Partnership and shall include without limitation any “related party transaction”, as that term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, involving any Principal Party with the exception of the following: any advance of funds made by the Partnership to Related Party Loans during the term of the Partnership shall not be considered to be a Conflict of Interest Matter;

“Conflicted Party” means a Principal Party to whom a Conflict of Interest Matter relates;

“Conflict of Interest Policies” means, collectively, the respective Conflict of Interest Policies adopted by the General Partner, the Manager and the Trustee as summarized in Item 2.1.1 – “Conflict of Interest Policies”;

“Counsel” means a law firm acceptable to the Trustee;

“CRA” means the Canada Revenue Agency;

“Cumulative Class A - III Preferred Return” means, with respect to a Limited Partner holding Class A - III LP Units and at any time of determination, the sum of the Class A – III Preferred Return earned by such Limited Partner under the terms of the Limited Partnership Agreement prior to the date of such determination;

“Cumulative Class A - III Preferred Return Deficiency” means, with respect to a Limited Partner holding Class A - III LP Units and at any time of determination, an amount which equals the excess, if any, of (i) the Class A – III Cumulative Preferred Return earned by such Limited Partner as of such date less (ii) the cumulative amount of cash distributed to such Limited Partners pursuant to Section 5.3(a)(ii) of the Limited Partnership Agreement;

“Cumulative Class A V Preferred Return” means, with respect to a Limited Partner holding Class A Series - V LP Units and at any time of determination, the sum of the Class A – V Preferred Return earned by such Limited Partner under the terms of the Limited Partnership Agreement prior to the date of such determination;

“Cumulative Class A V Preferred Return Deficiency” means, with respect to a Limited Partner holding Class A - V LP Units and at any time of determination, an amount which equals the excess, if any, of (i) the Class A – V Cumulative Preferred Return earned by such Limited Partner as of such date less (ii) the cumulative amount of cash distributed to such Limited Partners pursuant to Section 5.3(a)(ii) of the Limited Partnership Agreement;

“Declaration of Trust” means the Declaration of Trust dated May 3, 2017 between Old Kent Road Income Fund I Trustee Inc., as Trustee and William Green as the settlor, governing the business and affairs of the Trust as may be amended, supplemented and restated from time to time;

“Deferred Plan” means a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan or tax-free savings account;

“Discretion” means sole, absolute and unfettered discretion;

“Distributable Cash” means with respect to a particular period, the amount by which the Partnership’s cash on hand or to be received in respect of that period (excluding any proceeds from any Financing) exceeds:

- (i) unpaid administration expenses of the Partnership including the Management Fee;
- (ii) amounts required for the business and operations of the Partnership, including operating expenses and capital expenditures;
- (iii) amounts required in order to meet all debts, liabilities and obligations in respect of any Financing, including reserves to ensure compliance with agreements to which the Partnership is subject; and
- (iv) any amounts which the General Partner in its Discretion determines is necessary to satisfy the Partnership’s current and anticipated debts, liabilities and obligations and to comply with Applicable Laws;

“Distribution Payment Date” means, in respect of a Distribution Period, on the fifth Business Day immediately following the end of the Distribution Period or such other date determined from time to time by the Trustee;

“Distribution Period” means each quarterly period ending on March 31, June 30, September 30 and December 31, or such other periods as may be hereafter determined from time to time by the Trustee from and including the first day thereof and to and including the last day thereof;

“Distribution Record Date” means the last day of each Distribution Period, or such other date determined from time to time by the Trustee;

“Dr. Neale” means Jason Neale, an individual resident in the municipal district of Lake Country, British Columbia;

“Exchangeable Security” or **“Exchangeable Securities”** means a unit or units, a share or shares or other security or securities that are convertible into or exchangeable for Unit(s) (directly or indirectly) without the payment by the holder of additional consideration therefor, whether or not issued by the Trust;

“Exempt Market Dealer” means a dealer registered in the category “exempt market dealer” as set out in NI 31-103;

“Extraordinary Resolution” means a resolution proposed to be passed as a special resolution at a meeting of Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions of the Declaration of Trust comprising not less than 67% of the Unitholders listed on the Register thereof called in accordance with the Declaration of Trust and representing 66 $\frac{2}{3}$ % or more of the votes attaching to the Units cast on such resolution by Unitholders represented in person or by proxy at the meeting;

“Financing” means any credit facility granted or extended to or for the benefit of, or investment by way of debt in, the Partnership whereby or pursuant to which money, credit or other financial accommodation has been or may be provided, made available or extended to the Partnership by way of borrowed money, the purchase of debt instruments or securities, bankers acceptances, letters of credit, overdraft or other forms of credit and financial accommodation, and includes any and all trust deeds, indentures, mortgages, bonds or debentures (whether issued and delivered as security or sold to a purchaser), security agreements and other deeds, instruments or documents in respect thereof;

“Financing Receivable” has the meaning ascribed to it in Item 2.2 – “Our Business – Qualification for Partnership Loans”;

“Fiscal Year” means a fiscal year of the Trust (or portion thereof), which ends on December 31 in each calendar year, except in the case of a deemed year end on the dissolution of the Trust;

“Force Majeure” means an event, condition or circumstance (and the effect thereof) which is not within the reasonable control of the party claiming Force Majeure and which, by the exercise of due diligence, the party claiming Force Majeure is unable to prevent or overcome, including acts of god, fire, explosion, civil disturbance, war, riot, insurrection, military or guerrilla action, terrorist activity, economic sanction, blockade or embargo, sabotage, flooding, earthquake, drought and action or restraint by the order of any governmental authority (so long as the party claiming Force Majeure has not applied for or assisted in the application for, and has opposed where and to the extent commercially reasonable, such action or restraint by such governmental authority); provided, however, that a party’s own lack of funds shall not constitute **“Force Majeure”** in respect of such party;

“Funding Agreement” means the agreement entered into between the Trust and the Partnership which provides that the Partnership will pay all costs, fees, Selling Commissions, Wholesaling Fee and expenses incurred by the Trust in connection with this Offering together with all costs and expenses associated with the operation and administration of the Trust;

“Future Partnerships” means limited partnerships to be established under the laws of the Province of Alberta, the general partners of which will each be controlled by R. Stewart Thompson and Dr. Jason Neale, the current officers and directors of the Trustee, the Manager and the General Partner;

“GAAP” means at any time, accounting principles generally accepted in Canada, including those set out in the Handbook of the Chartered Professional Accountants of Canada;

“General Partner” means Old Kent Road Income Fund I GP – A Inc., a corporation established under the laws of the Province of Alberta, or any successor or permitted assignee thereof;

“Governmental Authority” means: (i) any nation, province, territory, state, county, city or other jurisdiction; (ii) any federal, provincial, territorial, state, local, municipal, foreign or other government; (iii) any governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental power); (iv) anybody exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, regulatory or taxing authority or power; or (v) any official of the foregoing;

“Government Financing Programs” has the meaning ascribed to it in Item 2.2 – “Our Business”;

“Gross Proceeds” means, at any time, the aggregate gross proceeds of this Offering;

“GST” means any applicable Canadian federal or provincial goods and services tax or harmonized sales tax;

“ICR” means the Partnership’s internal credit rating of Borrowers. See Item 2.2 – “Our Business” – Internal Credit Rating”;

“include”, “including” and “includes” mean “include, without limitation”, “including, without limitation” and “includes without limitation”, respectively;

“Independent” has the meaning ascribed to such term as defined by NI 81-107;

“Independent Director” means a director of the General Partner, the Manager or the Trustee who is Independent;

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

“LP Units” means collectively the Class A LP Units and Class B LP Units;

“Management” means collectively the officers and directors of the General Partner;

“Management Agreement” means the agreement entered into between the Partnership and the Manager which provides that the Partnership will pay a Management Fee to the Manager pursuant to the terms and conditions of this agreement. See Item 2.5 – “Material Agreements - Summary of the Management Agreement”;

“Management Fee” means the fee to be paid by the Partnership to the Manager pursuant to the terms and conditions of the Management Agreement. See Item 2.5 – “Material Agreements - Summary of the Management Agreement”;

“Manager” means Old Kent Road Financial III Inc. a corporation incorporated under the laws of the Province of Alberta, which is related to the Trustee through common officers and directors. See Item 2.1.3 – “The Manager”;

“Maximum Offering” means the maximum offering hereunder of gross proceeds of \$50,000,000 (50,000,000 Units);

“Minimum Offering” means the minimum offering hereunder of gross proceeds of \$1,000,000 (1,000,000 Units);

“Majority Equity Interest” means 51% or more of the authorized issued equity or ownership interest in a Borrower;

“NI 31-103” means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

“NI 45-106” means National Instrument 45-106 *Prospectus Exemptions*;

“NI 81-107” means National Instrument 81-107 *Independent Review Committee for Investment Funds*;

“Non-Resident” means a Person who is not a resident of Canada and a partnership that is not a Canadian partnership, for purposes of the Tax Act;

“Offering” means the private placement of the Units by the Trust under this Offering Memorandum;

“Offering Memorandum” means this amended and restated private placement offering memorandum of the Trust as the same may be amended, supplemented or replaced from time to time;

“OKRF II” means Old Kent Road Financial II Inc. a corporation incorporated under the laws of the Province of Alberta, which is related to the Trust, the Partnership and the General Partner as the officers, directors and shareholders (through their holding companies) of OKRF II are R. Stewart Thompson and Dr. Neale.

“OKR Fund” means Old Kent Road Financial Fund I, an unincorporated, open-ended, limited purpose mutual fund trust formed under the laws of the Province of Alberta on January, 10, 2016 which is related to the Trust, the Partnership and the General Partner as the Trustees of the OKR Fund are R. Stewart Thompson and Dr. Neale;

“OKR General Partner” means Old Kent Road Financial GP I Ltd., a corporation established under the laws of the Province of Alberta, or any successor or permitted assignee thereof which is related to the Trust, the Partnership and the General Partner as the officers, directors and shareholders of the OKR General Partner (through their holding companies) are R. Stewart Thompson and Dr. Neale;

“OKR Manager” means Old Kent Road Financial Inc. a corporation incorporated under the laws of the Province of Alberta, which is related to the Trust, the Partnership and the General Partner as the officers, directors and shareholders of the Manager (through their holding companies) are R. Stewart Thompson and Dr. Neale;

“OKR Partnership” means Old Kent Road Financial I LP, a limited partnership established under the laws of the Province of Alberta, or any successor or permitted assignee thereof which is related to the Trust, the Partnership and the General Partner as the officers, directors and shareholders (through their holding companies) of the OKR General Partner are R. Stewart Thompson and Dr. Neale;

“OM Marketing Materials” means a written communication, other than an OM standard term sheet (as that term is defined in National Instrument 45-106 *Prospectus Exemptions*), intended for prospective purchasers regarding the distribution of Trust Units under this Offering Memorandum that contains material facts relating to the Corporation, the Trust Units or this Offering;

“Partnership” means Old Kent Road Income Fund I LP – A, a limited partnership established under the laws of the Province of Alberta, or any successor or permitted assignee thereof;

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

“Partnership Agreement” means the limited partnership agreement dated May 3, 2017, respecting the Partnership, between Old Kent Road Income Fund I GP – A Inc. as general partner and R. Stewart Thompson as the initial limited partner;

“Partnership Loan” or **“Loan”** means the loans that the Partnership will provide as bridge financing to Borrowers who have applied for funding from approved Canadian Federal or Provincial Government tax credit, rebate and incentive programs. See Item 2.2 – “Our Business – Partnership Loans”;

“Permitted Investments” means all property, assets and rights which may be held from time to time by a “mutual fund trust” under the provisions of subsection 132(6) of the Tax Act, including without limitation:

- (i) the initial contribution made to the Trust by the initial Unitholder;
- (ii) all funds realized from the sale of Units;
- (iii) securities in the capital of corporations and interests in limited partnerships or trusts, including without limitation the Partnership;
- (iv) debt or debt instruments issued by any issuer;
- (v) rights in and to any real property, provided it is capital property;
- (vi) any proceeds of disposition of any of the foregoing property; and
- (vii) all income, interest, profit, gains and accretions and additional rights arising from or accruing to such foregoing property or such proceeds of disposition;

“Person” means any individual, company, corporation, limited partnership, general partnership, firm, joint venture, syndicate, trust, joint stock company, limited liability company, association, bank, pension fund, business trust or other organization, whether or not a legal entity, and any government agency or political subdivision thereof or any other form of entity or organization;

“Pinnacle” means Pinnacle Wealth Brokers Inc., an EMD registered pursuant to NI 31-103 in all provinces of Canada except Prince Edward Island as well as portfolio manager in Alberta and Ontario and as an investment fund manager in Alberta, Ontario, Quebec and Newfoundland and Labrador;

“Pinnacle LP” means Pinnacle Wealth Finance Limited Partnership, a limited partnership duly formed under the laws of the Province of Alberta;

“Preferred Return” means collectively the Class A III Preferred Return and the Class A V Preferred Return;

“Principal Party” means any of the officers, directors or shareholders of the General Partner, the Manager or the Trustee;

“Program Application” has the meaning ascribed to it in Item 2.2 – “Our Business – Partnership Loans”;

“pro rata share” means, of any particular amount in respect of a Unitholder at any time shall be the product obtained by multiplying the number of Units that are outstanding and owned by that Unitholder at such time by the amount obtained when the particular amount is divided by the total number of all Units that are issued and outstanding at that time;

“Qualified Investor” means a potential investor in OKR Fund who, in the view of the trustees of OKR Fund, acting in a commercially reasonable manner, (i) is connected or may become associated with potential Borrowers; including but not limited to angel investors; board members and consultants with potential Borrower connections; individuals working for or with Government Financing Programs; investors currently or previously having worked within the financing industry that may provide financing to potential Borrowers; investors working, managing, consulting or investing within accelerator, incubator programs or similar enterprises; individuals working within the TV, film, media or similar sectors, entrepreneurs associated with businesses that may finance tax credits through Government Financing Programs; or (ii) is a “friend, family member or business associate” (as each of those terms are defined in NI 45-106) of Dr. Neale and/or R. Stewart Thompson;

“Redemption Note(s)” means in the case where a cash redemption is not applicable to Class A Units tendered for redemption, the unsecured promissory notes of the Trust having the applicable Redemption Note Term may be distributed by the Trust to satisfy the Redemption Price, with such Notes having an interest rate that is equal to five percent (5%) simple interest per annum, calculated from the day the Redemption Note is issued and such other commercially reasonable terms as the Trustee may prescribe, including the right of the Trust to repay the principal amount of the Redemption Note or any portion thereof without notice or penalty;

“Redemption Price” means the price per Unit that the Trust shall pay to a redeeming Unitholder, which shall be determined as follows: (i) within 24 months from the date of the Unit Certificate representing Class A - III Units to be redeemed, or with respect to Class A - V Units, within 48 months from the date of the Unit Certificate representing Class A - V Units to be redeemed the Redemption Price shall be \$0.93 per Class A - III Unit or Class A - V Unit; and (ii) if a request for redemption occurs at any time after the above described 24 month period with respect to Class A - III Units, or after the above described 48 month period with respect to Class A - V Units, the Redemption Price shall be \$1 per Class A - III Unit or Class A - V Unit;

“Redemption Note Term” means (i) with respect to Class A - III Units, the date of issue of the Redemption Note to that date which is 36 months from the date of issue of the Trust Unit Certificate representing the Class A - III Units to be redeemed; and (ii) with respect to Class A - V Units from the date of issue of the Redemption Note to that date which is 60 months from the date of issue of the Trust Unit Certificate representing the Class A - V Units to be redeemed;

“Related Party Loans” means Loans, made to Borrowers in which: (i) one or more of the Principal Parties holds one or more of the following positions within a Borrower: officer, director, consultant and/or; (ii) one or more of the Principal Parties holds an equity or ownership interest in a Borrower;

“Securities” means bonds, debentures, notes or other evidence or instruments of indebtedness, shares, stocks, options, warrants, special warrants, installment receipts, subscription receipts, rights, subscriptions, partnership interests, units or other evidence of title to or interest in the capital, assets, property, profits, earnings or royalties, of any Person;

“Securities Act” means the *Securities Act* (Alberta), as amended from time to time, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder;

“Selling Agents” means parties, including Exempt Market Dealers and their dealing representatives, who sell the Units under this Offering upon behalf of the Trust and who are entitled to receive commissions from the Trust for such sales under Applicable Laws;

“Selling Commissions” means the aggregate of commissions of up to seven percent (7%) of the Gross Proceeds from the sale of the Units pursuant to this payable to parties who sell the Units and who are entitled to receive such commissions under Applicable Laws. See Item 7 - “Compensation Paid to Sellers and Finders”;

“Series” means the numerical designation made by the Trustee with respect to each of the Classes of Units issued by the Trust;

“Subscribers” means Persons who subscribe for Units pursuant to this Offering and **“Subscriber”** means any one such Person;

“Subscription Agreement” means the Subscription Agreement entered into between a Subscriber and the Trust with respect the purchase of Units by a Subscriber under this Offering;

“subsidiary” shall have the meaning ascribed thereto in the Securities Act;

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

“Trust” means Old Kent Road Income Fund I, a trust constituted by the Declaration of Trust, as the same may be amended, supplemented or restated from time to time;

“Trust Assets”, at any time, shall mean the Permitted Investments that are at such time held by the Trustee for the benefit of the Unitholders and for the purposes of the Trust under the Declaration of Trust;

“Trust Capital Gains” of the Trust for any taxation year of the Trust shall be determined as the amount, if any, by which the aggregate of the capital gains of the Trust for the year calculated in accordance with the provisions of the Tax Act exceeds:

- (i) the aggregate of the capital losses of the Trust for the year calculated in accordance with the provisions of the Tax Act;

- (ii) any capital gains which are realized by the Trust as a result of a redemption of Trust Units pursuant to Article 6 of the Declaration of Trust and which have been designated to the redeeming Trust Unitholders;
- (iii) any amount in respect of which the Trust is entitled to a capital gains refund under the Tax Act; and
- (iv) the amount determined by the Trustee in respect of any net capital losses for prior taxation years which the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for the year;

“**Trust Income**” for any taxation year of the Trust shall be the net income for the year determined pursuant to the provisions of the Tax Act (other than subsection 104(6) and paragraph 82(1)(b)) having regard to the provisions thereof which relate to the calculation of income of a trust, and taking into account such adjustments thereto as are determined by the Trustee 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 Trustee; provided, however, that capital gains and capital losses shall be excluded from the computation of net income;

“**Trustee**” means Old Kent Road Income Fund I Trustee Inc., a corporation established under the laws of the Province of Alberta, or any successor or permitted assignee thereof;

“**Unit(s)**” or “**Trust Unit(s)**” means collectively the Class A – III Units and the Class A - V Units;

“**Unit Certificate**” means a certificate, in the form approved by the Trustee, evidencing one or more Units, issued and certified in accordance with the provisions of the Declaration of Trust;

“**Unit Subscription Price**” means the subscription price for a Unit paid for by a Subscriber to this Offering. See Item 5.2 - “Subscription Procedure”;

“**Unitholders**” or “**Trust Unitholders**” means at any time the Persons who are the holders of record at that time of one or more Units, as shown on the registers of such holders maintained by or on behalf of the Trust;

“**Venture Fund**” means a fund created to manage the money of investors who seek to invest on a private equity basis in emerging and established business enterprises;

“**Wholesaling Fee**” means the fees paid by the Partnership on behalf of the Trust to parties who provide wholesaling services to the Trust with respect to the sale of Units under this Offering, in an amount of up to one percent (1%) of the Gross Proceeds of this Offering.

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

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ITEM 1 - USE OF AVAILABLE FUNDS

1.1 FUNDS

The following table discloses the estimated available funds (the “**Available Funds**”) of the Offering:

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised by issuance of this Offering	\$1,000,000	\$50,000,000
B	Selling Commissions	(1)	(1)
C	Estimated Offering costs	(1)	(1)
D	Available Funds: $D = A - (B + C)$	\$1,000,000	\$50,000,000
E	Additional sources of funding required	Nil	Nil
F	Working Capital Deficiency	Nil	Nil
G	Total: $G = D + E - F$	\$1,000,000	\$50,000,000

(1) All expenses, fees and commissions related to the Offering will be borne by the Partnership rather than the Trust pursuant to the terms of the Funding Agreement. See Item 2.5 – “Material Agreements – Summary of the Funding Agreement”.

1.2 USE OF AVAILABLE FUNDS

The proceeds from the issue of the Units will be paid to the Trust, deposited in its bank account and administered on behalf of the Trust by the Trustee.

All of the Gross Proceeds from this Offering will be used to acquire Class A LP Units in the Partnership. The Trust will acquire Class A LP Units for the subscription price of one dollar (\$1) per Class A LP Unit. The number of Class A LP Units to be acquired by the Trust will be contingent on the amount of funds raised pursuant to this Offering. See Item 2.2 - “Our Business”.

The Trust

The following table sets out the proposed use of Available Funds by the Trust:

Description of intended use of Available Funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
Acquire up to 50,000,000 Class A LP Units from the Partnership	\$1,000,000	\$50,000,000
All other costs and expenses relating to the Trust’s activities and business	Nil ⁽¹⁾	Nil ⁽¹⁾
Total	\$1,000,000	\$50,000,000

(1) Pursuant to the Funding Agreement, all fees, costs and expenses relating to the Trust’s activities and business will be borne by the Partnership rather than the Trust. See Item 2.5 – “Material Agreements – Summary of the Funding Agreement”.

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The Partnership

The Partnership will use the Gross Proceeds of this Offering received from the Trust in consideration for the purchase of Class A LP Units over the ensuing 12 months from the date of this Offering Memorandum to:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering \$1,000,000	Assuming Maximum Offering \$50,000,000
Pay the estimated legal, accounting and corporate finance costs associated with this Offering	\$120,000	\$175,000
Pay for Selling Commissions and Exempt Market Dealer administration fees associated with this Offering ⁽¹⁾	\$70,000	\$3,500,000
Pay the Wholesaling Fee ⁽²⁾	\$10,000	\$500,000
Pay all marketing costs associated with raising the Maximum Offering amount ⁽³⁾	\$100,000	\$100,000
Pay the operating and administration expense of the Trust and the Partnership ⁽⁴⁾	\$100,000	\$500,000
Pay the Management Fee to the Manager ⁽⁵⁾	\$20,000	\$1,000,000
As working capital for the origination and advance of Partnership Loans to Borrowers ^{(6) (7)}	\$580,000	\$44,225,000
Total Funds Available	\$1,000,000	\$50,000,000

- (1) Assuming the Trust pays an aggregate of seven percent (7%) in Selling Commissions of the Gross Proceeds realized from the sale of the Units. The Partnership will pay all Selling Commissions and Exempt Market Dealer administration fees on behalf of the Trust pursuant to the Funding Agreement. See Item 2.5 – “Material Agreements – Summary of the Funding Agreement” and Item 7 – “Compensation Paid to Sellers and Finders”.
- (2) The Trust may pay up to one percent (1%) of the Gross Proceeds of this Offering to parties who provide wholesaling services to the Trust with respect to the sale of Units under this Offering.
- (3) The Trust estimates that it will incur up to \$100,000 in marketing expenses in its efforts to raise the Maximum Offering amount which will include but not be limited to costs for travel, printing, promotion, facility rental and investor events.
- (4) In the conduct of its business the Partnership estimates that it, together with the Trust, will incur expenses relating to investor relations, accounting, audit, Exempt Market Dealer due diligence and administration fees, office rental, insurance, staff salaries (which will be paid to unrelated parties) Borrower due diligence, and legal expenses (collectively “operating and administration expenses”), all of which will be paid by the Partnership from funds raised from this Offering until such time as these costs can be paid from the operating income of the business of the Partnership. The Partnership estimates that if the Maximum Offering is raised and the Partnership fully deploys the maximum amount of working capital in advancing Partnership Loans, these expenses are expected to total approximately a minimum of \$100,000 and a maximum of one percent (1%) of the Gross Proceeds of this Offering in the ensuing 12 months from the date of this Offering Memorandum. The total amount of operating and administration expenses that will be incurred by the Partnership and the Trust are dependent upon: (i) the funds raised under this Offering; (ii) the number of Partnership Loans advanced by the Partnership; and (iii) external factors which cannot be anticipated or controlled by the Partnership or the Trust.
- (5) Pursuant to the terms of the Management Agreement, the Partnership shall pay the Manager a Management Fee equal to two percent (2%) of funds raised by the Partnership from the distribution of Class A LP Units to the Trust. Beginning in 2018, the Partnership will also pay the Manager an annual Management Fee equal to two percent (2%) of Assets Under Management on the 31st of December of the preceding year. See Item 2.1.3 - “The Manager”.
- (6) See Item 2.2 - “Our Business - Business of the Partnership”.
- (7) The Partnership will calculate accrued interest to the date of a proposed distribution to its Limited Partners, which includes the Trust as a holder of Class A LP Units. Distributions will be paid from a combination of interest paid by Borrowers and may be paid from proceeds raised by the Trust under this Offering that have not been deployed as Loan principal at the time of a distribution to Unitholders. See Item 2.2- “Our Business - Distribution of Interest Income from Partnership Loans”.

1.3 REALLOCATION

(a) THE TRUST

The Trust intends to spend the Available Funds as stated above.

(b) THE PARTNERSHIP

The Partnership intends to spend the Available Funds as stated above.

1.4 WORKING CAPITAL DEFICIENCY

THE PARTNERSHIP

As at the date of this Offering Memorandum, the Partnership does not have a working capital deficiency.

ITEM 2 - OUR BUSINESS

2.1 STRUCTURE

2.1.1 THE TRUST

The Trust is an unincorporated, open-ended, limited purpose mutual fund trust formed under the laws of the Province of Alberta on May 3, 2017 pursuant to the Declaration of Trust. The principal place of business of the Trust is Suite 2815, 150 - 9 Avenue SW, Calgary, Alberta, Canada.

The Trustee of the Trust is Old Kent Road Income Fund I Trustee Inc. The settlor of the Trust is William Green of the District of Coldstream, British Columbia.

The rights and obligations of the Unitholders and Trustee are governed by the Declaration of Trust and the laws of the Province of Alberta and Canada applicable thereto.

A Subscriber will become a Unitholder of the Trust upon the acceptance by the Trustee of such Subscriber's Subscription Agreement.

The Trust was established for the primary purpose of acquiring Class A LP Units in the Partnership as well as limited partnership units in limited partnerships (collectively, the "**Future Partnerships**") to be established under the laws of the Province of Alberta, the general partners of which will each be controlled by R. Stewart Thompson and Dr. Jason Neale, the current officers and directors of the Trustee, the Manager and General Partner. See Item 3.1.2 - "The General Partner". The Future Partnerships are expected to carry on the business providing loans to borrowers to be secured by assets of such borrowers other than Financing Receivables. As such, the Future Partnerships will not be competing with the business of the Partnership. As of the date of this Offering Memorandum, no Future Partnerships have been established nor has the business of any of the Future Partnerships been definitively established.

In addition to the Class A – III Units and the Class A – V Units, the Trust is also authorized to issue the following Trust Units:

Class B – III Trust Units and Class B – V Trust Units

Class C – III Trust Units and Class C – V Trust Units

Class D – III Trust Units and Class D – V Trust Units

The proceeds from the issuance of a Class and Series of Trust Units will be used by the Trust to acquire a corresponding class and series of limited partnership units (each a "**Class and Series LP Unit**") in the Partnership or in any Future Partnership. Each Class and Series LP Unit acquired by the Trust shall have the same alpha-numerical designation as the Class and Series of Trust Units to which the Class and Series LP Unit relates. For illustrative purposes, if the Trust issues five (5) Class A – III Series 1 Units, it will purchase five (5) Class A – III Series 1 LP Units in the Partnership. If the Trust issues five (5) Class B – V Series 1 Trust Units, it will purchase five (5) Class B – V Series 1 LP Units in the Future Partnership issuing these limited partnership units and so on.

The Trust Unitholders of each Class and Series of Trust Units shall only be entitled to distributions of Cash Flow of the Trust, Income of the Trust and Net Realized Capital Gains of the Trust if any, arising from the Class and Series LP Units in the Partnership or the Future Partnerships to which their Class and Series of Trust Units relates. For illustrative purposes, if the Trust issues five (5) Class A – III Series 1 Units, the holders of those Units will only be entitled to the Cash Flow of the Trust resulting from the acquisition by the Trust of five (5) Class A – III Series 1 LP Units in the Partnership. Investors in this Offering will not be entitled to Cash Flow of the Trust, Income of the Trust or Net Realized Capital Gains resulting from an investment by the Trust in any of the Future Partnerships.

The Trustee

The Trustee of the Trust is Old Kent Road Income Fund I Trustee Inc., a corporation established under the laws of the Province of Alberta on February 17, 2017. The Trustee is controlled, through their holding companies, by R. Stewart Thompson and Dr. Jason Neale. See Item 3.1.2 - “The General Partner”.

The Trustee, through its officers and directors, is responsible for the management and control of business and affairs of the Trust on a day-to-day basis in accordance with the terms of the Declaration of Trust.

Conflict of Interest Policies

The Trustee, the Manager and the General Partner have each adopted a Conflict of Interest Policy (respectively the “**Trust Conflict of Interest Policy**” and the “**Partnership Conflict of Interest Policy**” pursuant to which, in order to proceed, all matters that involve a Conflict of Interest Matter must be unanimously approved by: (i) the Independent Directors of the General Partner with respect to a Conflict of Interest Matter involving the Partnership; (ii) the Independent Directors of the Manager with respect to a Conflict of Interest Matter involving the Manager; and (iii) the Independent Directors of the Trustee with respect to a Conflict of Interest Matter involving the Trust.

As of the date of this Offering Memorandum, John Pinsent and Ken Davidson are Independent Directors of the General Partner, the Manager and the Trustee in accordance with terms and conditions of NI 81-107. See Item 3-“Directors, Management, Promoters and Principal Holders”.

The Trust Conflict of Interest Policy

A Conflict of Interest Matter regarding the Trust means a situation where a reasonable person would consider any officer, director or shareholder of the Trustee (each a “**Trust Principal Party**”) to have an interest that may conflict with their ability to act in good faith and in the best interests of the Trust and shall include without limitation any “related party transaction” as that term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), involving any Trust Principal Party, with the exception of the following: any acquisition of limited partnership units in Old Kent Road Income Fund I LP – A by the Trust shall not be considered to be a Conflict of Interest Matter for the purposes of this Policy.

The Partnership Conflict of Interest Policy

A Conflict of Interest Matter regarding the Partnership means a situation where a reasonable person would consider any officer, director or shareholder of the General Partner (each a “**GP Principal Party**”) to have an interest that may conflict with their ability to act in good faith and in the best interests of the Partnership and shall include without limitation any “related party transaction” as that term is defined in MI 61-101, involving any GP Principal Party.

The Manager Conflict of Interest Policy

A Conflict of Interest Matter regarding the Manager means a situation where a reasonable person would consider any officer, director or shareholder of the Manager (each a “**Manager Principal Party**”) to have an interest that may conflict with their ability to act in good faith and in the best interests of the Partnership and shall include without limitation any “related party transaction” as that term is defined in MI 61-101, involving any Manager Principal Party.

Administration of the Conflict of Interest Policies

The Trust Principal Parties shall refer all Conflict of Interest Matters regarding the Trust to the Independent Directors of the Trustee. The Manager Principal Parties shall refer all Conflict of Interest Matters regarding the Partnership to the Independent Directors of the Manager and the GP Principal Parties must refer all Conflict of Interest Matters regarding the Partnership to the Independent Directors of the General Partner.

The Independent Directors may seek the advice of legal counsel, accountants, financial advisors, investment bankers or other advisors and is entitled to rely on such advice for the purposes of providing their decision to the directors of the General Partner, the Manager or the Trustee as the case may be.

The Independent Directors of the General Partner may provide standing instructions (being written approvals or recommendations) to the directors of the General Partner that permit the Partnership or the General Partner to proceed with a proposed action relating to a Conflict of Interest Matter on an ongoing basis. The Independent Directors of the Manager and the Trustee may act in the same manner with respect to a proposed action relating to a Conflict of Interest Matter on an ongoing basis in relation to the Trust.

Any Conflict of Interest Matter involving the Partnership that is not approved by the Independent Directors of the General Partner or the Manager as the case may be, shall not be authorized to proceed. Similarly, any Conflict of Interest Matter involving the Trust that is not approved by the Independent Directors of the Trustee or a Conflict of Interest Matter involving the Manager, shall not be authorized to proceed.

If in relation to a Conflict of Interest Matter, there are no Independent Directors, then the Trust, the Manager or the Partnership, as the case may be, will not proceed with respect to a matter that involves a Conflict of Interest.

Annually, the Partnership and the Trustee will provide to the Limited Partners of the Partnership and the Unitholders of the Trust, along with their respective audited annual financial statements, a report of Independent Directors regarding their review and approval of any Conflict of Interest Matters during the Fiscal Year to which the financial statements relate together with any report prepared by the Independent Directors of the Manager regarding their review and approval of any Conflict of Interest Matters during the year Fiscal Year.

2.1.2 THE PARTNERSHIP

The Partnership is a limited partnership established under the laws of the Province of Alberta on May 3, 2017.

The Partnership's head office is located at Suite 2815, 150 - 9 Avenue SW, Calgary, Alberta. The Partnership was established to advance Partnership Loans to Borrowers, as described in more detail under Item 2.2 – "Our Business – Business of The Partnership".

The General Partner

The General Partner of the Partnership is Old Kent Road Income Fund I GP – A Inc., a corporation established under the laws of the Province of Alberta on February 17, 2017. The General Partner is controlled by R. Stewart Thompson and Dr. Neale. See Item 3.1.2 - "The General Partner".

The General Partner has, to the exclusion of the Limited Partners, the sole power and exclusive authority to manage the business and affairs of the Partnership, to make all decisions regarding the business of the Partnership and to bind the Partnership. The General Partner is to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Limited Partners and the Partnership and shall, in discharging its duties, exercise the degree of care, the diligence and the skill that a reasonably prudent manager of a partnership would exercise in similar circumstances. Certain restrictions are imposed on the General Partner and certain actions may not be taken by it without the approval of the Limited Partners by special resolution. The General Partner cannot dissolve the Partnership or wind up its affairs except in accordance with the provisions of the Partnership Agreement.

The General Partner has:

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

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

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

Acquisition of Class A LP Units by the Trust

Upon the initial Closing of this Offering, the Trust will become a limited partner in the Partnership through the acquisition of 1,000,000 Class A LP Units with the available funds of the Minimum Offering. Thereafter the Trust will continue to acquire Class A LP Units in the Partnership for a subscription price of one dollar (\$1) per Class A LP Unit with all proceeds from future Closings under this Offering. The Trust will be the only holder of Class A LP Units in the Partnership.

Class B LP Units

The Class B LP Units in the Partnership will be held R. Stewart Thompson and Dr. Neale through their respective holding companies (66.67% issued Class B LP Units) and by Selling Agents, (33.33% of the issued Class B LP Units, assuming Selling Agents exercise the Class B Option). See Item 4.2 – “Partnership’s Capital”.

Distributable Cash of the Partnership

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

The following are the terms of the Partnership Agreement relating to the distributions of Distributable Cash:

- (a) The General Partner may in its Discretion make distributions of Distributable Cash as follows:
 - (i) firstly, 0.002% to the General Partner;
 - (ii) secondly, to the Limited Partners holding Class A – III Units, in accordance with their respective Class A – III Proportionate Shares and to the Limited Partners holding Class A – V Units, in accordance with their respective Class A – V Proportionate Shares, until there has been distributed to the Limited Partners holding Class A Units pursuant to this Section 5.3, an amount of cash equal to such Limited Partners their respective Cumulative Class A – III Preferred Return Deficiency and Cumulative Class A – V Preferred Return Deficiency, if any, whereupon distributions shall thereafter be made;
 - (iii) thirdly, (a) 24.999% to the Limited Partners holding Class A Units in accordance with their Class A Proportionate Shares, and (b) 74.999% to the Limited Partners holding Class B Units in accordance with their Class B Proportionate Shares; and
 - (iv) fourthly, if at any time there are no Limited Partners, then any amount which would have been distributed to the Limited Partners will be allocated to the General Partner.
- (b) If the General Partner determines to make a distribution of Distributable Cash, the General Partner will distribute Distributable Cash to the Limited Partners whose names appear on the register of the Partnership on the date on which such distribution is being made. Distributions made will be net of any tax required by law to be withheld by the General Partner on behalf of the Partnership.

The General Partner may, in its Discretion at any time, return to the Limited Partners their Capital Contribution (less the amount of cash or the agreed value of property which has been previously paid or distributed in respect of such Unit on account of capital) in such amounts as the General Partner may determine, pro rata in proportion to the number of Units held by each Limited Partner; provided that the General Partner may not make any such advance or distribution if and to the extent:

- (a) any Partner’s share thereof would exceed the Capital Contribution of such Partner (less the amount of cash or the agreed value of property which has been previously paid or distributed in respect of such Unit on account of capital); or
- (b) such distribution would be contrary to any provision of any agreement to which the Partnership is a party or by which the Partnership is bound (including any financing) or to any applicable law.

Subject to advice to the contrary received from its tax advisors, any distributions of Distributable Cash made by the Partnership to the Trust with respect to Class A LP Units acquired by the Trust, after the Partnership has paid to the Trust any amounts with respect to any Preferred Return due and owing in respect of such LP Units, shall be paid as a return of Contributed Capital by the Partnership.

Example of Distribution of Distributable Cash by the Partnership to Limited Partners holding Class A LP Units (the Trust) and Limited Partners holding Class B LP Units (Management and Selling Agents)

The example below assumes that the Trust has acquired 10,000,000 Class A - III LP Units that provide a six percent (6%) Cumulative Preferred Return

Year 1

Principal Amount of Loans advanced by the Partnership	\$ 10,000,000
Interest income received by the Partnership after expenses	\$ 750,000
Partnership expenses	\$ 200,000
Distributable Cash	\$ 550,000
General Partner distribution (0.002%)	\$ 11
Class A-III Preferred Return Payable (6.0% x \$10,000,000)	\$ 600,000
Class A-III LP Unit Distributions Paid	\$ 549,989
Cumulative A-III Preferred Return Deficiency	\$ 50,011
Distribution (%) to Class A LP Units	5.50%

In the example above involving Year 1, after Partnership expenses, the distributions paid to Class A-III Preferred Unitholders is \$549,989 that results in a \$50,011 deficit from the preferred cumulative return of six percent (6%) per annum, or \$600,000, that remains payable to Class A-III Preferred Unitholders.

Year 2

Principal Amount of Loans advanced by the Partnership	\$ 10,000,000
Interest income received by the Partnership after expenses	\$ 1,900,000
Partnership Expenses	\$ 200,000
Distributable Cash	\$ 1,700,000
GP Share (0.0002%)	\$ 34
Cumulative deficiency amount carried over from Year 1	\$ 50,011
Class A-III Preferred Return (6.0%) in Year 2	\$ 600,000
Class A-III Distributions	\$ 600,000
Cumulative deficiency for Year 2	\$ Nil
Excess Distributable Cash Available for distribution	\$ 1,049,955
<i>Class A-LP Units 25% of Excess Distributable Cash</i>	<i>\$ 262,489</i>
<i>Class B-LP Units 75% of Excess Distributable Cash</i>	<i>\$ 787,466</i>
Total Class A-III LP Units Excess Distributions	\$ 912,500
Distribution (%)	9.12%

In the example above involving Year 2, the distributions paid to Class A-III Preferred Unitholders is \$912,500 comprised of the \$50,011 cumulative deficiency from Year 1, the \$600,000 preferred return in Year 2 and 25% of the Excess Distributable Cash.

Other Advances or Distributions

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

Allocation of Taxable Income or Tax Losses by the Partnership

- (a) In all circumstances Taxable Income or Tax Loss for a given Fiscal Year of the Partnership is to be allocated as follows:
 - (i) firstly as 0.002% thereof, to the General Partner;
 - (ii) secondly: (i) to the Limited Partners holding Class A – III LP Units in an amount equal to the aggregate Class A – III Preferred Return for the given Fiscal Year, in accordance with their Class A – III Proportionate Shares; and (ii) to the Limited Partners holding Class A – V LP Units in an amount equal to the aggregate Class A – V Preferred Return for the given Fiscal Year, in accordance with their Class A – V Proportionate Shares;
 - (iii) thirdly 24.999% to the Limited Partners holding Class A LP Units in accordance with their Class A Proportionate Shares and 74.999% to the Limited Partners holding Class B LP Units in accordance with their Class B Proportionate Shares; and
 - (iv) fourthly, if at any time there are no Limited Partners, then any amount which would have been allocated to the Limited Partners will be allocated to the General Partner.
- (b) The amount of Taxable Income or Tax Loss allocated to a Limited Partner may exceed or be less than the amount of Distributable Cash distributed to such Limited Partner.

2.1.3 THE MANAGER

The manager of the Partnership's business is Old Kent Road Financial III Inc. (the "**Manager**"), a corporation established under the laws of the Province of Alberta on February 17, 2017. R. Stewart Thompson, Dr. Neale and William Green are the only officers of the Manager. R. Stewart Thompson, Dr. Neale are directors of the Manager and through their respective holding companies, are the only shareholders of the Manager.

Pursuant to the terms of the Management Agreement (See Item 2.5 – "Material Agreements - Summary of the Management Agreement"), the Partnership shall pay an annual fee (the "**Management Fee**") to the Manager for managing the business of the Partnership as follows:

- (i) the Partnership shall pay to the Manager two percent (2%) of the aggregate of all funds raised by the Partnership through the issue of Class A LP Units by the Partnership to the Trust (inclusive of funds from the DRIP used by the Trust to acquire Class A LP Units), together with applicable GST thereon. The Partnership shall pay the Manager the Management Fee within five (5) business days of each distribution of Class A LP Units; and
- (ii) beginning in 2018 and for the remainder of the term of the Partnership, the Partnership shall pay to the Manager an annual fee of two percent (2%) of Assets Under Management as at December 31 for each preceding year, together with applicable GST thereon, which Fee shall be paid by the Partnership on January 1st of each year or such other date as shall be mutually agreed to in writing by the General Partner and the Manager.

2.1.4 RELATED PARTIES

Officers and Directors

R. Stewart Thompson is an officer, director and shareholder of the General Partner, the Trustee, the Manager, OKR GP, OKR Manager, OKRF II and the Administrator and holds Class B LP Units in the Partnership and OKR Partnership (collectively the "**OKR Parties**") via his holding company.

Dr. Neale is an officer, director and shareholder of the General Partner, the Trustee, the Manager, OKR GP, OKR Manager, OKRF II and the Administrator and holds Class B LP Units in the Partnership and OKR Partnership via his holding company.

John Pinsent and Ken Davidson are Independent Directors of the Trustee, the Manager and the General Partner in accordance with terms and conditions of NI 81-107. Neither Mr. Pinsent nor Mr. Davidson holds any equity interest in any of the OKR Parties.

See Item 3.1.2 – "The General Partner" and 3.2 – "Management Experience" for more information with respect to the above individuals.

Old Kent Road Financial Fund I (“OKR Fund”)

OKR Fund is an unincorporated, open-ended, limited purpose mutual fund trust formed under the laws of the Province of Alberta on January 4, 2016 by Dr. Neale and R. Stewart Thompson. OKR Fund owns all of the issued and outstanding Class A limited partnership units in OKR Partnership. OKR Fund, through OKR Partnership has been carrying on a business similar in kind to the business that will be carried by the Trust through the Partnership.

As at May 31, 2017, OKR Fund had raised \$4,409,766 from various offerings of mutual trust fund units (“**OKR Fund Units**”) to investors. OKR Fund intends to continue to raise an additional \$15,000,000 from investors on the following terms: (i) until the Trust has raised \$3,000,000 under this Offering OKR Fund may offer (the “**OKR Fund Offering**”) OKR Fund Units to all eligible investors, however OKR Fund will not engage any Exempt Market Dealers to sell OKR Fund Units; (ii) after the date of the Closing of the Minimum Offering amount under this Offering, OKR Fund shall be restricted to selling OKR Fund Units only to Qualified Investors.

OKR Fund will continue to carry in business alongside the Trust. Each of the Partnership, OKR Partnership, and Pinnacle Wealth Finance Limited Partnership (“**Pinnacle LP**”), a limited partnership duly formed under the laws of the Province of Alberta, are parties to a Joint Lending Agreement dated July 1, 2017 (the “**2017 Joint Lending Agreement**”). See Item 2.2- “Our Business - Joint Lending Agreement Between the Partnership, OKR Partnership and Pinnacle LP”.

As of May 31, 2017, OKR Partnership has advanced an aggregate of \$3,452,815 in loans to Borrowers as follows: \$1,846,414 has been advanced in six (6) loans solely funded by OKR Partnership) and \$1,606,401 has been advanced in 17 jointly funded loans with Pinnacle LP pursuant to the Joint Lending Agreement.

As of May 31, 2017, a total of 26 loans have been entered into by OKR Partnership, two (2) of those loans have been fully re-paid and the other 24 loans are currently active.

As at May 31, 2017, OKR Partnership has funded seven (7) related party loans for an aggregate sum of \$1,112,882.

The average interest rate with respect to the loans made by OKR Partnership is 2.14%/month with an average principal amount of \$150,122.

From its inception in January of 2016 to March 31, 2017, unitholders in OKR Fund have received an annualized rate of return of 14.06% based on distributions of cash flow made by OKR Fund.

Loans made by Pinnacle LP pursuant to the 2016 Joint Lending Agreement had an annualized rate of return to investors of 14.93% between the period of July 1, 2016 and December 31, 2016.

Subscribers should note that the above returns of OKR Fund and Pinnacle LP have not been verified by any independent third party. As such Subscribers should use caution in making any decision to subscribe to this Offering in reliance on any return on investment calculations made based on the above figures.

Subscribers should note that the previous returns of OKR Fund and the Pinnacle LP loans are not indicative of any returns of that the Trust may provide its Unitholders. The ability of the Trust to provide returns to Unitholders is subject to numerous risks and uncertainties, including but not limited to the risks discussed under Item 8 - “Risk Factors” and other factors, many of which are beyond the control of the Trust and the Partnership. Subscribers are cautioned against placing undue reliance the previous performance of OKR Fund and Pinnacle LP.

Pinnacle Wealth Brokers Inc.

The Trustee expects that Pinnacle will sell some or potentially all of the Units under this Offering. Pinnacle is expected to acquire Class B LP Units in the Partnership pursuant to the terms of the Class B Option. As such, the Trust should be considered to be a related and connected issuer of Pinnacle in accordance with Applicable Laws. See Item 7 - Compensation Paid to Sellers and Finders – Related and Connected Issuer Matters”.

The general partner of the Pinnacle LP is an affiliate of Pinnacle. As the Partnership is a party to the 2017 Joint Lending Agreement together with OKR Partnership and the Pinnacle LP, the Trust should also be considered to be a related and connected issuer of Pinnacle in accordance with Applicable Laws on this basis also. See Item 2.2 – “Our Business - Joint Lending Agreement between the Partnership, OKR Partnership, Pinnacle LP, OKRF II and the Administrator”.

2.2 OUR BUSINESS

Business of the Trust

The Trust is in a start-up phase of development and has carried on limited business prior to this Offering and has limited financial and development history. Since inception, the Trust has been engaged in the preparation of this Offering, which has included, amongst other things, establishing the Partnership, retaining the Trustee and retaining legal counsel and its auditor.

All of the Gross Proceeds of the Offering will be used to acquire Class A LP Units in the Partnership for the subscription price of one dollar (\$1) per Class A LP Unit. The number of Class A LP Units acquired by the Trust will be contingent on the amount of funds raised pursuant to this Offering. See Item 1.2 - "Use of Available Funds".

Business of the Partnership

The Partnership was formed to:

- (i) The business of the Partnership is to provide loans (each a "**Partnership Loan**" or "**Loan**") to Canadian ventures (each a "**Borrower**" and shall include Loans made to Borrowers in which one or more of the Principal Parties holds one or more of the following positions within a Borrower: officer, director and/or minority or majority shareholder), that will be advanced as bridge financing with respect to the future receipt by each Borrower of funding from approved Canadian Federal or Provincial Government tax credit and tax incentive programs, grant programs, loan programs, financing programs, repayable contributions programs (collectively "**Government Financing Programs**" or "**Programs**"). An application for funding made by a Borrower to a Government Financing Program shall be referred to herein as a "**Program Application**"; and
- (ii) conduct any other business or activity incidental, ancillary or related thereto.

The Partnership shall have the power to do any and every act and thing necessary, proper, convenient or incidental to the accomplishment of its business and purposes.

The purposes of the Partnership are to be construed as both purposes and powers of the Partnership.

Partnership Loans

The Partnership expects to advance the majority of the Loans to Borrowers who have qualified for Scientific Research and Experimental Development Tax Credits ("**SR&ED Credits**"), which represent the most common form of Government Financing Program. The Partnership may also advance Loans to Borrowers who have qualified for other forms of Government Financing Programs such as (i) Digital Media Tax Credits ("**DMTC**"), (ii) Canada Media Fund ("**CMF**"), (iii) Western Innovation Initiative ("**WINN**"), (iv) Sustainable Development Technology Canada ("**SDTC**"), (v) Strategic Aerospace and Defense Initiative ("**SADI**"), (vi) Industrial Research Assistance Program ("**IRAP**"), (vii) Build in Canada Innovation ("**BICI**"), (viii) Federal Goods and Services Tax ("**GST**"), Harmonized Sales Tax ("**HST**") and Provincial Sales Tax ("**PST**"), and (ix) Canadian Film and Tax Credits (collectively, the "**Government Financing Programs**" or "**Programs**").

Subscribers should note that the Government Financing Programs listed above are examples of common Programs and are not the only Programs with respect to which the Partnership may fund Loans. During the term of an investor's investment in Units of the Trust, new Government Financing Programs ("**New Programs**") may be established with respect to which the Partnership may provide Partnership Loans or the Partnership may learn of Government Financing Programs of which the Partnership was not aware as of the date of this Offering Memorandum but which the Partnership determines are consistent with the mandate of the Trust and with respect to which the Partnership may advance Loans, on the condition that any New Program is approved by the Independent Directors of the General Partner for funding by the Partnership.

Specifically, such Loans will be secured by Provincial or Federal Government grants, loans, tax credits, financing, repayable contributions or similar. When determining the suitability of a new Government Financing Program for a Loan, the Partnership will ensure that the Program has a similar or better level of security and similar or a lower level of credit risk than Programs with respect to which the Partnership has previously funded Loans.

It is expected that funding received by a Borrower from a Government Financing Program will be used to repay a Partnership Loan, though a Borrower may use funds from other sources to repay a Loan.

Borrowers are expected to seek financing from the Partnership where traditional methods such as bank debt are not available and securing equity financing is unattractive or unavailable to them. Bank financing with respect to Government Financing Programs receivables are typically not available because of the complicated nature of the Program receivables, which are typically outside of the expertise of banking risk analysts. Similarly equity financing is often a long, arduous and dilutive process for Borrowers to consider undertaking.

Examples of Government Financing Programs

Subscribers should note that the percentages and ranges referenced below are based on the current terms of the following Government Financing Programs. These percentages and ranges may change during the term of a Subscriber's investment in the Trust as a result of changes made by the government body responsible for funding these Programs.

Scientific Research and Experimental Development Program ("SR&ED Program")

The SR&ED Program is a federal tax incentive program designed to encourage Canadian businesses of all sizes and in all sectors to conduct research and development ("**R&D**") in Canada. The SR&ED Program is administered by the CRA. Companies qualify by demonstrating they are conducting R&D where the outcome is novel, unique and uncertain.

Generally, a Canadian-controlled private corporation ("**CCPC**") can earn a refundable Investment Tax Credit ("**ITC**") at the enhanced rate of 35% on qualified SR&ED expenditures, up to a maximum threshold of \$3 million in Eligible Expenses⁽¹⁾. (An "**Eligible Expense**" is typically the salary of a scientific worker and a proxy currently set at 55% of his or her salary attributed to the SR&ED Program).

⁽¹⁾ Source: <http://www.cra-arc.gc.ca/txcrdt/sred-rsde/clmng/clmngsrd-eng.html#N101C2>

Additionally, Provincial Governments offer SR&ED Credits on Eligible Expenses, normally ranging from 10% to 20%⁽²⁾ with the net result that a typical CCPC involved in high technology development can have 60% of their salaries dedicated to R&D refunded (i.e., \$0.60 of each \$1 of Eligible Expenses). Companies accrue Eligible Expenses throughout their financial year and thereafter typically take up to 6 months to file their tax return (which includes their claim for SR&ED Credits) and then a further 3-6 months to receive their refund, implying up to a 12 months delay to receive a SR&ED Credit refund, thereby necessitating the need by CCPC's to borrow against future receipt of a SR&ED Credit refund.

The SR&ED Program provides more than \$3 billion in tax incentives to over 20,000 claimants annually, making it the single largest federal program that supports business research and development in Canada.

⁽²⁾ Source: <http://www.cra-arc.gc.ca/txcrdt/sred-rsde/vltnsrdprgm-eng.html>

Digital Media Tax Credits ("DMTC Program")

Seven provinces offer an interactive DMTC Program or similar such program. The DMTC Program operates in a similar manner to the SR&ED Program and can be combined with the SR&ED Program to maximize the applicant's access to government funding. A DMTC credit is calculated on eligible salary and wages incurred in the tax year and ranges from 10% to 40% depending on the province. Applicants must conduct development relevant to the interests of the province in which the DMTC credit is being applied for. For example in British Columbia:⁽³⁾

- Video games
- Educational software
- Entertainment products
- Simulators

The qualification process is similar to SR&ED except that companies need to demonstrate their applicability to the inductor sector of interest (i.e., one of the four areas of interest by British Columbia as above). The time period to receive the funding for DMTC credit's is identical to SR&ED leading to a similar need for applicants to leverage the receipt of future credits.

⁽³⁾ Source: <http://www2.gov.bc.ca/gov/content/taxes/income-taxes/corporate/credits/interactive-digital-media>

Canada Media Fund (“CMF Program”)

The CMF 2015-2016 Program Budget is set at \$375.2 million⁽⁴⁾ to support the Canadian television and digital media industries through two streams of funding: (a) the “**Convergent Stream**”, which supports the creation of convergent television and digital media content for consumption by Canadians anytime, anywhere; and (b) the “**Experimental Stream**”, which encourages the development of innovative, interactive digital media content and software applications. The CMF Program operates a multitude of funding programs over both Streams, some on a first come first served basis and others on an annual or bi-annual basis. Companies access the CMF Program through an open tender process by demonstrating their applicability on a competitive basis.

The majority of the CMF Program funding takes the form of repayable contributions (under certain conditions) of up to 75% of the eligible costs. Under the CMF Program there is a timing delay between when a Borrower incurs and accrues the expenses, files the reimbursement claim and receives the funding from the Government, creating a bridge finance opportunity for the Partnership.

⁽⁴⁾ Source: <http://www.cmf-fmc.ca/en-ca/news-events/news/march-2015/cmf-announces-2015-2016-program-budget,-guidelines>

Western Innovation (WINN) Initiative

WINN is a \$100 million federal initiative that offers repayable contributions for small and medium-sized enterprises (“**SMEs**”) with operations in Western Canada to move their new and innovative technologies from the later stages of research and development to the marketplace⁽⁵⁾. WINN provides repayable contributions of up to 50% of total eligible costs for each project, to a maximum of \$3.5 million per project and \$7.5 million per company. WINN operates an open tender process on an annual basis. While not sector specific, WINN is targeted at advanced technology companies such as Clean Technology and Energy, the Digital Economy, New Media, Information and Communication Technology, Value-Added Natural Resources, Health and Life Sciences, Nanotechnology, Value-Added Manufacturing and Aerospace, Defense and Marine⁽⁶⁾.

Borrowers apply for funding under the WINN initiative through an open tender process by demonstrating their qualifications with other applicants on a competitive basis. The WINN initiative will typically provide the funding through periodic reimbursements, based on the submission of claims for reimbursement and will release the approved portion of eligible project costs that have been incurred within 1-6 months of a claim being made.

⁽⁵⁾ Source: <http://www.wd-deo.gc.ca/eng/14857.asp>

⁽⁶⁾ Source: <http://www.wd-deo.gc.ca/eng/14860.asp#p1>

Sustainable Development Technology Canada (“SDTC Program”)

The SDTC Program is designed to support the development and pre-commercial demonstration of clean technology solutions with the aim to increase each solution’s chances of successfully making it to the marketplace. As of May 2017, the SDTC program has supported 320 projects with \$928 million of funding⁽⁷⁾.

The SDTC Program has two open invitations for funding per year and typically supports 33% to 40% of eligible expenses on a milestone basis using a contribution agreement. Borrowers apply for funding under the SDTC Program through an open tender process by demonstrating their qualifications with other applicants on a competitive basis. Typically 3-5 milestones or activity periods (sequential, non-overlapping time periods) are established for which funding will be provided under the SDTC Program. Funding for each milestone payment typically ranges between 1 and 6 months from the end of each milestone period.

⁽⁷⁾ Source: <https://www.sdtc.ca/en/about-sdtc/about-us>

Strategic Aerospace and Defense Initiative (“SADI Program”)

The SADI Program was launched in 2007. It provides repayable contributions to support research and development (“**R&D**”) projects in the aerospace, space, defense and security sectors⁽⁸⁾. Eligible applicants are companies incorporated in Canada with plans to undertake the R&D in certain target areas within Canada. Typically, the SADI Program contributes 40% of a project’s eligible costs (salary and a 75% fixed overhead rate) with typical project funding awards in the \$2,000,000 to \$10,000,000 range.

In 2017 the Government of Canada budget proposed a new \$1.26 billion five year Strategic Innovation Fund, which incorporates the Strategic Aerospace and Defense Initiative (SADI), with a further \$200 million over three years starting in 2017-18 to supplement existing funding.

Borrowers apply for funding under the SADI Program through an open tender process by demonstrating their qualifications with other applicants on a competitive basis. Funding claims by Borrowers are submitted within 45 days of the end of a claim period (either quarterly or monthly basis). Typically claims are processed and payment is released within 45 calendar days of the end of a claim period.

⁽⁸⁾ Source: https://www.ic.gc.ca/eic/site/ito-oti.nsf/eng/h_00022.html#q1

⁽⁹⁾ Source: <http://www.budget.gc.ca/2017/docs/plan/chap-01-en.html#Toc477707303>

Industrial Research Assistance Program (“IRAP Program”)

The National Research Council of Canada’s (“NRC”) IRAP Program works with over 10,000 SMEs each year, with some 8,000 benefiting from advisory services and 2,000 receiving financial assistance through grants, typically in the range of \$50,000 to \$350,000. NRC-IRAP grants comes in the form of a salary contribution normally in the range of 50% to 80% of the successful companies eligible expenses and is intended to support Canadian companies conducting novel, innovative and risky development.

In order to be considered for possible IRAP funding, the basic eligibility criteria are⁽¹⁰⁾:

1. a small and medium-sized enterprise in Canada, incorporated and profit-oriented;
2. have 500 or fewer full-time equivalent employees; and
3. have the objective to grow and generate profits through development and commercialization of innovative, technology-driven new or improved products, services, or processes in Canada.

Borrowers apply to the IRAP Program through filing an application through an Industrial Technology Advisor. Upon an application being approved, Borrowers will file claims as approved expenses are incurred and then wait for the reimbursement of the expenses on an established percentage basis. The delay between a claim and receipt of funding under the IRAP Program can be anywhere between 1 and 6 months.

⁽¹⁰⁾ Source: http://www.nrc-cnrc.gc.ca/eng/irap/services/financial_assistance.html

Build in Canada Innovation Program (“BCI Program”)

Created to bolster innovation in Canada’s business sector, the BCI Program helps companies bridge the pre-commercialization gap by procuring and testing late stage innovative goods and services within the federal government⁽¹¹⁾. The BCI Program uses an annual open tender program with two streams (components), one supporting enabling technologies, the environment, safety and security (the “**Standard Component**”) and a further supporting the military such as command & support, cyber-security, protecting the soldier, art and maritime security, in-service support and training systems (the “**Military Component**”). The maximum funding available for an innovation is \$500,000 for the Standard Component and \$1,000,000 for the Military Component per proposal⁽¹²⁾.

Borrowers access the BCI Program through an open tender process by demonstrating their qualifications on a competitive basis with other BCI Program applicants. A milestone payment scheme for funding is defined in the contract (each a “**BCIP Contract**”) between the Borrower and the federal government. Payment methods are either made in a single advance, upon completion of all work and deliveries required under the BCIP Contract, multiple advances upon completion of each delivery required under the BCIP Contract or by progress advances which are tied to measurable progress under the terms of the BCIP Contract. It is typical to have a delay of between 3 and 6 months from the submission of an invoice to receipt of payment under the BCI Program.

⁽¹¹⁾ Source: <https://buyandsell.gc.ca/initiatives-and-programs/build-in-canada-innovation-program-bcip/overview-of-bcip>

⁽¹²⁾ Source: <https://buyandsell.gc.ca/initiatives-and-programs/build-in-canada-innovation-program-bcip/frequently-asked-questions-for-bcip>

Federal Goods and Services Tax (“GST”), Harmonized Sales Tax (“HST”) and Provincial Sales Tax (“PST”)

The Partnership will also provide Loans to Borrowers with respect to rebates under federal Goods and Sales Tax, Harmonized Sales Tax and Provincial Sales Tax programs (“**GST/HST/PST Programs**”).

Businesses throughout Canada frequently find themselves with a federal or provincial government sales tax refund due, either on a quarterly or annual basis. Examples include where a company pursues an asset purchase program for business or development purposes or indeed contract delivery.

In such a case the company calculates their net tax for each GST/HST reporting period and reports this on their GST/HST return. To do so, they calculate:

- the sales tax collected or that became collectible by the company on taxable supplies made during the reporting period; and
- the sales tax paid and payable on the business purchases and expenses for which they are able to claim an ITC.

The net result may be a refund due to the claiming company. For organizations with an annual filing date, purchasing equipment early in their financial year results in a significant sales tax refund due, which remains un-claimable for the balance of the year. Similarly, even quarterly filing companies can have a sales tax refund outstanding for several months.

Canadian Film and Tax Credits

The Canadian film and television production industry is supported by federal, provincial and territorial governments where domestic and international producers can claim refundable tax credits to help offset the cost of production in Canadian locations.

The Federal Film and Media Tax Credits (“**FMTC**”) is jointly administered by the Canadian Audio-Visual Certification Office (“**CAVCO**”) and the Canada Revenue Agency. Companies qualify by demonstrating the production of a “Canadian film or video production” certified by CAVCO. FMTC provides a refundable tax credit on qualified labour expenditures of 15% for Canadian controlled film or video productions (CPTC)⁽¹³⁾ and 16% for foreign based film producers employing the services of Canadians (PSTC).⁽¹⁴⁾

⁽¹³⁾ <http://www.cra-arc.gc.ca/tx/nrrsdnts/flm/ftc-cip/menu-eng.html>

⁽¹⁴⁾ <http://www.cra-arc.gc.ca/tx/nrrsdnts/flm/pstc-cisp/menu-eng.html>

Additionally, all provinces and territories (except for PEI) provide tax credits, for example the British Columbia Film and Television Tax Credit⁽¹⁵⁾ offer tax incentives with a basic refundable credit of 35% of qualified provincial labour expenditures with additional regional, distance location, training, digital animation, visual effects and postproduction (DAVE) tax credits. Depending on the province/territory, producers can access combined federal and provincial tax credits ranging from 30 % to 70 % of eligible labour.⁽¹⁶⁾

⁽¹⁵⁾ <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/crprtns/prv/bc/flm-eng.html>

⁽¹⁶⁾ <http://www.cra-arc.gc.ca/tx/nrrsdnts/flm/lmks-eng.html>

Companies can accrue labour expenditure throughout their financial year with claims up to 36 months after their year-end with then a further 2-4 months for the refund to be issued, therefore necessitating the need to borrow against future receipt of a credit refund.

The Partnership shall not be limited with respect to the amount of funds advanced with respect to FMTC based Loans until the date which is the earlier of the Partnership having \$10,000,000 in AUM or 12 months after the initial Closing under this Offering, after which date the Partnership will not lend more than 25% of its AUM with respect to FMTC based Loans.

Western Economic Diversification Canada (“WD”)

The WD is a Canadian federal department with a 2017/18 planned spending of \$199.6 million⁽¹⁷⁾. WD makes strategic investments in support and services that enable western Canadian small and medium-sized enterprises (SMEs) to be more innovative, productive, more export-oriented, and to create good quality jobs. WD’s business development and innovation initiatives include the Western Innovation (WINN) Initiative, Western Canada Business Service Network (WCBSN) and the Western Diversification Program (WDP). The WINN initiative and WDP offer funding in the form of repayable contributions for small business enterprises and not-for-profit organizations respectively, with a call for proposals on an annual basis. WD will reimburse costs after applicants have paid for them with claims for reimbursements submitted every quarter. As with other Government Financing Programs there is frequently a delay between accruing and/or filing a reimbursement claim and receipt of payment from WD resulting in the need for Borrowers to finance future receipt of WD funding.

⁽¹⁷⁾ Source: https://www.wd-deo.gc.ca/images/cont/19276_e.pdf

Indigenous and Northern Affairs Canada (“INAC”)

INAC supports Aboriginal peoples (First Nations, Inuit and Métis) and Northerners in their efforts to participate more fully in Canada’s political, social and economic development. Through its Northern Affairs mandate INAC is the lead federal department for two-fifths of Canada’s landmass. To advance reconciliation, improve quality of life, and promote skills and opportunities for Indigenous Peoples, Budget 2017 proposes an investment of \$3.4 billion over five years (with further long term investment). The government is to invest a further \$2.0 billion over 11 years to support a broad range of infrastructure projects, to be allocated to provinces and territories, include improving road access, expanding Internet connectivity and renewal and replacement of energy systems so that remote communities can reduce their reliance on diesel⁽¹⁸⁾.

There are five approaches INAC may consider in the design and delivery of transfer payment programs; grant, set contribution, fixed contribution, flexible contribution and block contribution. Funding agreements are considered on a case-by-case assessment basis and require recipients to meet certain capacity and eligibility criteria. The delay between a claim and receipt of funding is dependent on the program and Borrowers frequently have a need to finance future receipt of INAC funding.

⁽¹⁸⁾ Source: <https://www.aadnc-aandc.gc.ca/eng/1490379083439/1490379208921>

Borrowers

Management has established relationships with all of the major Canadian accounting firms, the majority of Canada’s leading Government Financing Program consulting companies and many of the leading Canadian technology accelerators, incubators, government technology funding lobbyists, angel funds, private equity funds, subordinated debt funds and venture capital funds. Management intends to leverage these contacts and relationships to secure Borrowers for the Partnership.

Related Party Borrowers and Related Party Loans

Borrowers (“**Related Party Borrowers**”) may include Canadian Ventures in which by one or more of the Principal Parties (a “**Related Party**”) is an officer, director, consultant and/or holds an equity or ownership interest in a Borrower or Borrowers in which by a Majority Equity Interest is held by a Venture Fund controlled or managed by Dr. Neale and/or R. Stewart Thompson. Loans to Related Party Borrowers (each a “**Related Party Loan**”) must meet all of the qualifications for Partnership Loans set forth in the heading “Qualification for Partnership Loans” below.

Approval by Independent Directors of Related Party Loans

Each Related Party Loan must be approved unanimously by the Independent Directors of the General Partner pursuant to the terms of the Partnership Conflict of Interest Policy, failing which the Partnership shall not fund a Related Party Loan. In the event that one of the Independent Directors of the General Partner is a Related Party to a Borrower, a Related Party Loan to that Borrower must be approved by the remaining Independent Director in order the Partnership to fund that Related Party Loan.

The Partnership shall not be limited with respect to the amount of funds advanced with respect to Related Party Loans until the date which is the earlier of the Partnership having \$10,000,000 in AUM or 12 months after the initial Closing under this Offering, after which date the Partnership will not lend more than 25% of its AUM (the “**Related Party Loan Limitation**”) with respect to Related Party Loans to Borrowers in which Dr. Neale and/or R. Stewart Thompson are a Related Party subject to the following: upon unanimous approval of the directors of the General Partner (which shall include a minimum of two (2) Independent directors), the Related Party Loan Limitation may be increased to up to 40% of the Partnership’s AUM.

Subscribers should note that the Related Party Loan Limitation shall not include loans made to Related Party Borrowers with respect to which a Majority Equity Interest in a Borrower is held by a Venture Fund (each a “**Related Party Venture Fund**”) controlled or managed by Dr. Neale and/or R. Stewart Thompson. There shall be no limit with respect to the amount of funds that may loaned by the Partnership to Related Party Venture Funds.

Approval by Independent Directors of Dr. Neale and R. Stewart Thompson Becoming Related Parties

In the event that a Borrower that is not a Related Party Borrower asks Dr. Neale and/or R. Stewart Thompson to assume a position in the Borrower (a “**Related Party Offer**”) that would result in Dr. Neale and/or R. Stewart Thompson becoming a Related Party to the Borrower, the Related Party Offer must be presented to the Independent Directors and those directors must approve the Related Party Offer before the Offer is accepted by Dr. Neale and/or R. Stewart Thompson. Dr. Neale and/or R. Stewart Thompson shall not accept a Related Party Offer that is not approved by the Independent Directors.

Qualification for Partnership Loans

Partnership Loans will be advanced to Borrowers that meet the following criteria:

1. In the commercially reasonable opinion of the Manager, the Borrower has the appropriate level of funding or revenue to allow it to continue its operations in the ordinary course during the term of the Loan.
2. The Partnership Loan will (i) bridge the gap between the Borrower applying for and receiving funding (each a “**Financing Receivable**”) from a Government Financing Program and (ii) support the development of the business of the Borrower.
3. A Borrower must have: (i) a record of previous successful funding from a Government Financing Program; (ii) acceptable industry standard record keeping systems to ensure all supporting documentation with respect to an application made to a Program is organized and current; and (iii) sufficient cash resources (including the funds from the Partnership Loan) to fund the cash flow requirements of a Borrower’s business until receipt of a Financing Receivable and repayment of the Loan.
4. With respect to Borrowers seeking SR&ED Credits or DMTC financing, Borrowers: (i) must have used an external tax credit consulting firm approved by the Manager (such approved firms will include the major Canadian accounting firms and a limited number of boutique tax credit consulting firms) to file its Program Application; (ii) have a past history of successfully having received funding from a Government Financing Program or has obtained independent scientific validation of its tax credits and evidence of the value of the tax credits filed or accrued through a review of a Borrower’s proposed qualifying SR&ED or DMTC application by a scientific reviewer approved by the Manager and an internal review and validation of actual expenses incurred by the Borrower in the operation of its business or have, in the opinion of management, sufficient in house expertise and history to enable the Borrower to file the relevant documentation themselves, in consultation with an approved accounting company.
5. In the case of the Partnership Loans relating to Financing Receivables with respect to WINN, SDTC, SADI, IRAP and BCI Programs, the Partnership will seek verification of a definitive contribution agreement or definitive contract between a Borrower and the Federal or a Provincial Government as applicable, or have in the opinion of management, a level of Government funding confidence consistent with a SR&ED filing.

Security for Partnership Loans

Each Borrower will be required to enter into or provide the following instruments to the Partnership with respect to each Loan:

- a. Term Loan Agreement (each a “**Loan Agreement**”);
- b. Assignment of Interests - Financing Receivable and Program Application;
- c. General Security Agreement - present and after acquired property of the Borrower;
- d. Directors Resolution - authorizing execution of the Loan Agreement and granting of the security thereunder;
- e. Promissory Note - evidencing funds advanced by the Partnership to the Borrower pursuant to the Loan Agreement;
- f. Inter-creditor Agreements if applicable - where a Borrower has granted previous security to a creditor that is to be subordinated to the Partnership’s security; and
- g. Such other instruments as shall be agreed to between the Partnership and the Borrower.

Security for a Partnership Loan will include a specific assignment of the Financing Receivable to which the Borrower is entitled from the Government Financing Program that the Borrower has applied for as well as a security interest in other assets of the Borrower as are agreed to between the Manager and a Borrower and which will include a security interest in the Borrower's present and after acquired personal property. The Partnership's security in the Partnership Loan may be subordinated to a Borrower's bank security, other than with respect to the Partnership's security in the Financing Receivable, over which the Partnership will always maintain a first priority interest over the Borrower's other creditors including the Borrower's bankers.

Each Borrower shall provide the Partnership with a business consent form that will allow the Partnership to monitor the filing and payment of the Borrower's CRA obligations (including payroll remittances, HST/GST payments, and corporate taxes) as these obligations will rank ahead of the Partnership's security with respect to a Financing Receivable.

Financial Terms of Partnership Loans

The minimum principal amount of any one Partnership Loan will be \$30,000.

The maximum principal amount of any one Partnership Loan will be the greater of 10% of Assets Under Management or \$1,000,000.

The interest rate of a Partnership Loan within the ranges below will be dependent upon on the credit worthiness of the Borrower (based on its scoring under the Partnership's internal credit rating system ("ICR") and /or its previous history of Loans with the Partnership.

Internal Credit Rating ("ICR")

The Partnership will use a 100-point ICR and the decision to consider a Borrower for a Partnership Loan and the interest rate for each Loan will depend on the Borrower's score under the ICR. If a Borrower has a score of 60 or less under the ICR they will not qualify for a Loan. Each of the following categories are scored between 0-10 and 0-20 points under the ICR:

ICR CRITERIA		VALUE
a.	Successful history of Government Financing Program funding in either (a) the same Government Financing Program for which the loan is being sought and/or (b) another Government Financing Program. With respect to part (b), the Partnership shall assess whether the other Government Financing Program is suitable for consideration in the absence of funding under part (a).	20
b.	A positive past history of Loans with the Partnership, AMIL, or parties to which the Partnership has established a trusted business relationship and for which previous loan agreements can be reviewed and verified.	20
c.	All documents requested in support of the Loan application are provided and all forms are complete - 10 points.	20
d.	A qualified consultant or company has prepared and/or signed off, reviewed, and where applicable, submitted the Government Financing Program application. With respect to this point "qualified" means as determined by the Partnership.	10
e.	Evidence of available cash flow to sustain the Borrower's business throughout the term of the loan period.	10
f.	Secure priority rank to all funds received by the Borrower from the Government Financing Program loaned against for all, and not specific years or secure by way of a general security agreement against the Borrower's property, inclusive of intellectual property. Such property shall provide sufficient loan coverage, independent of the priority of rank that is granted under this point.	20

SCORING				
BAD	POOR	AVERAGE	GOOD	EXCELLENT
0	1	2	3	4

As an example a Borrower with an excellent history of Government Financing Program funding would score an "Excellent" which equates to a "4" in category (a.). The ICR takes the individual score (4) and divides it by the maximum possible (4) and multiplies by the number of points possible, in this case 20. As such the score in this example would be $4/4 * 20$ or 20 in total.

The combination of all the scores from each of the categories (a.)-(f.) above creates a Borrower's overall credit rating. Borrowers will have the following two options with respect to interest payable under a Partnership Loan:

- (a) A set monthly compounded interest rate of between 0.75% and 3.0%, of the principal amount of a Partnership Loan, payable within five days of the Borrower's receipt of the Financing Receivable; or
- (b) The lower of (i) compounded interest rate of between 9.38% and 42.58% per annum or (ii) the maximum legal allowable interest rate of the Financing Receivable, payable upon the earlier of five days of the Borrower's receipt of the Financing Receivable, or 18 months from the date of advance of the Loan by the Partnership to the Borrower.

Interest and principal under a Partnership Loan is payable by a Borrower in a lump sum on the maturity date of a Loan. Option (a) above favours a Borrower anticipating receiving their Financing Receivable in the near term. Option (b) above provides an assurance of interest paid by the Borrower to the Partnership, however if the Financing Receivable is received more quickly than anticipated by the Borrower then the ultimate annual interest rate will prove much higher than Option (a).

For example with respect to Option (a):

- (a) A Borrower borrows \$200,000 from the Partnership at a compounded interest rate of 2.9% per month.
- (b) The Borrower receives a Financing Receivable six months from the funding of a Partnership Loan.
- (c) The Borrower pays the Partnership compounded interest of \$37,422.70 for a total repayment of \$237,422.70 or an effective annual interest rate of 40.92%.

For example with respect to Option (b):

- (a) A Borrower borrows \$200,000 from the Partnership at a flat interest rate of 21%, subject to the maximum allowable legal interest limits. If the Borrower receives their Government funding quicker than anticipated, the annual interest rate is set to the prevailing allowable Canadian interest rate, which is currently 60% per annum.
- (b) The Borrower receives a Financing Receivable six months from the funding of a Partnership Loan.
- (c) The Borrower pays the Partnership compounded interest of \$42,000 for a total repayment of \$242,000 or an effective annual interest rate of 46.41%.

Acheson Mobile Investments Ltd. ("AMIL")

AMIL, a private Alberta corporation, was formed in May 2013 by R. Stewart Thompson and Dr. Neale. Mr. Thompson and Dr. Neale are officers, directors and are shareholders of AMIL.

From 2013 to the date of this Offering Memorandum, AMIL has engaged in a bridge financing business, lending money to borrowers with Financing Receivables in a similar manner to the business objectives of the Partnership.

The following is a summary of completed AMIL Loans that AMIL has advanced between May 2013 to December 1, 2015 to borrowers with respect to the financing of Financing Receivables relating to the SR&ED Program other than loan (c) below.

The information disclosed below has been prepared for AMIL on a review engagement basis by Collins Barrow Edmonton LLP.

Loan	Loan Advance	Loan Repayment Terms	Interest Returns	Duration (Days Outstanding)	Return on Investment (%)	Internal Rate of Return (Annualized)
(a)	\$160,000	\$160,000	\$33,600	167	21.00%	51.68%
(b)	\$220,000	\$220,000	\$44,447	217	20.20%	36.28%
(c)	\$30,000	\$30,000	\$5,130	273	17.10%	23.50%
(d)	\$35,000	\$35,000	\$3,729	170	10.65%	24.28%
(e)	\$100,000	\$100,000	\$3,383	48	3.38%	28.79%
(f)	\$100,000	\$100,000	\$10,851	80	10.85%	60.00%
(g)	\$45,000	\$45,000	\$3,175	72	7.06%	41.29%
Weighted Average					15.12% *	41.37% *

* Subscribers should note that the previous returns on investments of loans made by AMIL are not indicative of any returns with respect to Loans made by the Partnership. Returns on investments of Loans made by the Partnership are subject to numerous risks and uncertainties, including but not limited to the risks discussed under Item 8 - “Risk Factors” and other factors, many of which are beyond the control of the Trust and the Partnership. Subscribers are cautioned against placing undue reliance the previous performance of the AMIL due to AMIL’s limited performance history and limited number and dollar amounts of loans made.

Future Business of AMIL

AMIL has not advanced any further loans since January 2016 and will not carry on any further business other than as disclosed below. As at June 30, 2017, AMIL has two (2) loans outstanding, neither of which are secured by Finance Receivables.

The timing of remaining AMIL loan payouts will be variable and somewhat indeterminable, primarily as a result of the Finance Receivable secured loan being settled only when the borrower receives their refund from the Government and the remaining two loans being repaid as soon as the cash flow of these borrowers permits.

Dr. Neale and Mr. Thompson have a “duty of care” to the limited number of remaining investors linked to the last two (2) AMIL loans. Subsequently, Dr. Neale and Mr. Thompson have not been able to resign their positions within AMIL and will not be able to do so until the two (2) loans are settled and sufficient time is accorded for the windup of AMIL.

2017 Joint Lending Agreement Between the Partnership, OKR Partnership, Pinnacle LP, OKRF II and the Administrator

The Partnership entered into a Joint Lending and Administration Agreement dated effective July 1, 2017 (the “**2017 Joint Lending Agreement**”) with Pinnacle LP, OKR Partnership, OKRF II and the Administrator.

Pursuant to the terms of the 2017 Joint Lending Agreement the Partnership, OKR Partnership and Pinnacle LP have agreed to jointly fund loans (each a “**2017 Loan**”) to Borrowers.

2016 Joint Lending Agreement

Each of OKR Partnership and Pinnacle LP, OKRF II and the Administrator are parties to a Joint Lending Agreement dated July 1, 2016 (the “**2016 Joint Lending Agreement**”). The terms of the 2016 Joint Lending Agreement are similar to those of the 2017 Joint Lending Agreement with the material exception that the Partnership is not a party to that Agreement. Loans (“**2016 Loans**”) made by Pinnacle LP and OKR Partnership pursuant to the 2016 Joint Lending Agreement will continue to be governed by the terms of the 2016 Joint Lending Agreement. Pinnacle LP and OKR Partnership expect to continue to fund loans pursuant to the 2016 Joint Lending Agreement until the first Closing under this Offering (the “**2017 Joint Lending Agreement Commencement Date**”) after which Pinnacle LP and OKR Partnership will cease funding loans under the 2016 Joint Lending Agreement. Beginning on the 2017 Joint Lending Agreement Commencement Date each of Pinnacle LP, OKR Partnership and the Partnership will fund Loans pursuant to the 2017 Joint Lending Agreement. As 2016 Loans are paid out, the principal amounts from those Loans will be contributed by Pinnacle LP and OKR Partnership to fund 2017 Loans.

Summary of the Material Terms of the 2017 Joint Lending Agreement

The following terms in this Section shall have the meanings as provided for below:

“**available funds**” means the aggregate of cash on hand and available for the funding a Loan by a party to the Joint Lending Agreement;

“**Financing Requirement**” means the principal amount of Loan to be funded under the 2017 Joint Lending Agreement;

“**Material Breach**” means:

- (a) failure by the Administrator to comply with the terms, conditions and covenants set forth in Schedule “A” to the 2017 Management Agreement in securitizing a Jointly Fund Loan;
- (b) failure by the Administrator to comply with the terms, conditions and covenants set forth in Schedule “A” to the 2016 Management Agreement in securitizing a 2016 Loan;
- (c) failure by the Administrator to comply with the terms, conditions and covenants applicable to the Administrator as set forth in Article 3, Article 4, Article 5, Article 6, Article 7 and Article 8 of the 2017 Joint Lending Agreement or the same corresponding Articles in the 2016 Joint Lending Agreement;

- (d) in connection with OKR Partnership, OKR Fund, the Partnership or the Trust any order to cease or suspend trading in any securities (collectively a “**CTO**”) of said entity or entities is made, by any securities commission or similar regulatory authority and has not been rescinded, revoked or withdrawn within 45 days of the date of a CTO; or
- (e) the failure of the Administrator to redeploy the principal amount of each 2016 Loan, once paid out in full, to Borrowers pursuant to the terms of the 2017 Joint Lending Agreement in accordance with the terms of the 2017 Joint Lending Agreement.

Application of 2017 Joint Lending Agreement

The terms and conditions of the 2017 Joint Lending Agreement shall not apply to any loans (“**2016 JLA Loans**”) funded by OKR Partnership and Pinnacle LP pursuant to the 2016 Joint Lending Agreement. All terms and conditions of the 2016 Joint Lending Agreement shall continue to be binding upon each of OKR Partnership, Pinnacle LP and the Administrator with respect to the 2016 JLA Loans. Notwithstanding the aforesaid, upon the payout of each 2016 Loan (outstanding principal and interest), the principal amount of each 2016 Loan shall be deployed by the Administrator through loans to Borrowers pursuant to the terms of the 2017 Joint Lending Agreement and each such loan shall be governed by the terms of the 2017 Joint Lending Agreement.

Appointment of Administrator

The Partnership, OKR Partnership and Pinnacle LP have appointed the Administrator, a private Alberta corporation, as the administrator of the 2017 Loans. Dr. Neale and R. Stewart Thompson are the officers and directors of the Administrator and through their respective holding companies own 100% of the issued and outstanding shares of the Administrator.

The role of the Administrator is limited to: (i) acting as bare trustee to hold the 2017 Loans and all loan and security documents associated therewith in trust for the Partnership, OKR Partnership and Pinnacle LP; and (ii) document, service and administer a Jointly Funded Loan. The Partnership, OKR Partnership, Pinnacle LP and the Administrator agree that, unless otherwise agreed between them or as provided for in the terms of the Joint Lending Agreement, the loan documents relating to a Jointly Funded Loan shall be taken, held and, in the case of any security document requiring registration in any public office, registered in the name of the Administrator.

Manager under the 2017 Joint Lending Agreement

OKRF II acts as manager of the 2017 Loans and Pinnacle LP’s funding of 2017 Loans pursuant to the terms of a Management Agreement between OKRF II and Pinnacle LP dated July 1, 2017 (the “**2017 Management Agreement**”).

2017 Loans

Loans made under the 2017 Joint Lending Agreement shall be funded on the basis of the following formula:

(OKR Partnership available funds / the aggregate of available funds of the Partnership, OKR Partnership and Pinnacle LP) x Financing Requirement) + (Pinnacle LP available funds / the aggregate of available funds of the Partnership, OKR Partnership and Pinnacle LP) x Financing Requirement) + (the Partnership available funds / the aggregate of available funds of the Partnership, OKR Partnership and Pinnacle LP) x Financing Requirement), subject to the following: Pinnacle LP will not be required to fund more than 75% of the principal amount of a Loan without the consent of Pinnacle LP and in such a case where consent is not granted then funding will be increased by OKR Partnership and the Partnership in proportionality to their respective available cash until any funding shortfall is eliminated. In the event that neither the Partnership nor OKR Partnership has sufficient cash on hand to fund its portion of a Jointly Funded Loan, Pinnacle LP will have the option to fund in excess of 75% of any Loan to a Borrower (including up to 100% of any Loan).

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Example of the Funding of a Jointly Funded Loan

The following is an example of how a Jointly Funded Loan would be funded by the parties to the Joint Lending Agreement based on the assumptions described below.

Assumed Available cash from OKR Partnership:	\$ 150,000	15%
Assumed Available cash from Pinnacle LP:	\$ 200,000	20%
Assumed Available cash from Partnership:	\$ 650,000	65%
Total assumed available cash from OKR Partnership, Pinnacle LP and the Partnership	\$ 1,000,000	
Principal Amount of Jointly Funded Loan	\$ 500,000	
OKR Partnership contribution:	\$ 75,000	15%
Pinnacle LP contribution:	\$ 100,000	20%
Partnership contribution:	\$ 325,000	65%
Total Loan Principal to be Funded	\$ 500,000	100%

Qualifications of 2017 Loans

All 2017 Loans will comply with all of the terms and conditions of Partnership Loans as disclosed in Item 2.2 – “Our Business” – Internal Credit Rating” and Item 2.2 – “Our Business – Qualification for Partnership Loans” above. Any proposed Jointly Funded Loan for a term in excess of 12 months shall require the prior written approval by Pinnacle LP.

Costs and Expenses Associated with 2017 Loans

All due diligence, legal fees and other costs associated with a Jointly Funded Loan will be shared between the Partnership, OKR Partnership and Pinnacle LP on a pro rata rate basis relative to the funding of each such Loan.

Payments of Principal and Interest with Respect to 2017 Loans

All payments of principal and interest required to be made by a Borrower under a Jointly Funded Loan shall be paid by the Borrower to the Administrator and be held in trust for the benefit of the Partnership, OKR Partnership and Pinnacle LP. The Administrator shall be authorized to re-advance all such principal payments so received as principal for new 2017 Loans to new or previous Borrowers in accordance with the terms and conditions of the 2017 Joint Lending Agreement. The Administrator shall not re-advance interest payments (“**Interest Receipts**”) paid by Borrowers to the Administrator.

Distribution of Interest Receipts by Administrator

The Administrator shall distribute the Partnership and OKR Partnership’s share of Interest Receipts collected by the Administrator in each calendar quarter to the Partnership on the first Business Day within 10 days of the month following each quarter in each year of the term of the Joint Lending Agreement.

Liquidity Request by Pinnacle LP

Pinnacle LP shall have the option to withdraw principal amounts (a “**Liquidity Request**”) that it has advanced to the Administrator on 55 days’ notice prior to the end of a fiscal quarter during the term of the Joint Lending Agreement. In the event that all of the funds advanced by Pinnacle LP to the Administrator are committed to 2017 Loans, the Partnership and the OKR Partnership have agreed that they will jointly acquire one or more of the five “highest risk” 2017 Loans (based on the lowest Internal Credit Rating of the Borrowers) in which Pinnacle LP holds an interest in an amount which matches the amount of the Liquidity Request to be funded by the Administrator (collectively, the “**Jointly Funded Loan Interests for Sale**”).

The Administrator shall have the right to include outstanding Loan Indebtedness from a Jointly Funded Loan which is not one of the five “highest risk” 2017 Loans as part of the Jointly Loan Interests for Sale only if Pinnacle LP is provided with 72 hours’ notice of such selection and Pinnacle LP agrees in writing to the inclusion of the Jointly Funded Loan Indebtedness relating to such Loan being included as part of the Jointly Loan Interests for Sale.

Following finalization of the Jointly Funded Loan Interests for Sale as above, the Partnership and the OKR Partnership shall be required to purchase the Jointly Funded Loan Interests for Sale at the par value of the principal amount of the Jointly Funded Loan Interests for Sale in question together with all accrued but unpaid interest, without discount, as at the end of the quarter referred to in the Liquidity Request.

Funding the purchase of each Jointly Funded Loan Interests for Sale by the Partnership and the OKR Partnership shall occur on the following basis: (OKR Partnership available funds / the aggregate of available funds of the Partnership and OKR Partnership LP) x the aggregate amount each Jointly Funded Loan Interests for Sale) + (the Partnership available funds / the aggregate of available funds of the Partnership and OKR Partnership) x the aggregate amount each Jointly Funded Loan Interests for Sale).

Example of the Funding of the Acquisition of Jointly Funded Loan Interests for Sale

The following is an example of how a Jointly Funded Loan Interests for Sale would be funded by OKR Partnership and the Partnership based on the assumptions described below.

Assumed Available cash from OKR Partnership:	\$ 350,000	35%
Assumed Available cash from Partnership:	\$ 650,000	65%
Total assumed available cash from OKR Partnership, and the Partnership	\$ 1,000,000	
Principal Amount of Jointly Funded Loan Interests for Sale	\$ 500,000	
OKR Partnership contribution:	\$ 175,000	35%
Partnership contribution:	\$ 325,000	65%
Total Payable to Pinnacle LP	\$ 500,000	100%

Pinnacle LP shall pay for all reasonable costs and expenses associated with the purchase of the Jointly Funded Loan Interests for Sale by the Partnership and the OKR Partnership to a maximum of \$500 plus GST or such other amount as may be mutually agreed to in writing by Pinnacle LP and the Administrator.

Events of Default with Respect to 2017 Loans

In the event of default (each an “**Event of Default**”) by a Borrower under a Jointly Funded Loan, each of the Partnership, the OKR Partnership and Pinnacle LP shall have the right to demand that the Administrator amend any real or personal property security registrations evidencing the security relating to such Loan (including without limitation, the Alberta Personal Property Registry and any other like personal property registry in any other province in Canada) to remove the Administrator as secured party and add the Partnership, the OKR Partnership and Pinnacle LP (effective as of date of the Event of Default) as secured parties. The Partnership, the OKR Partnership and Pinnacle LP agree that the interests of the Partnership, the OKR Partnership and Pinnacle LP in the security for the Jointly Funded Loan shall rank *pari passu* amongst the Partnership, OKR Partnership and Pinnacle LP in respect of any such security registrations, regardless of which party’s security interest is registered first in time on the applicable registry.

Further, should an Event of Default occur and the Partnership, the OKR Partnership and Pinnacle LP not agree as to the steps or action to be taken with respect to the Event of Default, the party with the largest proportionate share of funds with respect to the Jointly Funded Loan to which the Event of Default relates shall have the right to instruct the Administrator with respect to the steps or action to be taken in respect of the Event of Default.

Each of the Partnership, OKR Partnership and Pinnacle LP shall be entitled to receive its proportionate share of all monies recovered from a realization the security with respect to a Jointly Funded Loan in the event of a default by a Borrower under a Jointly Funded Loan

Each of the Partnership, OKR Partnership and Pinnacle LP shall be responsible for their respective proportionate share of all losses and expenses suffered as a result of an Event of Default by a Borrower, including all fees, costs and expenses incurred by the Administrator in enforcing and realizing on the the security with respect to a Jointly Funded Loan.

Notwithstanding the foregoing, upon the occurrence of an Event of Default involving a Related Party Borrower, the Administrator may extend any Jointly Funded Loan in default by no more than 90 days from the date of default pursuant to a loan extension agreement, provided that no enforcement action has been or will be taken by the Administrator. Any enforcement action to be taken by the Administrator upon the occurrence of an Event in Default involving a Jointly Funded Loan to a Related Party Borrower must be unanimously approved by the Independent Directors of the Manager and as set out in the Conflict of Interest Policy of the Manager.

Expiry or Termination of Joint Lending Agreement

The 2017 Joint Lending Agreement shall end on December 31, 2023 (the “**2017 Joint Lending Agreement Expiration Date**”), subject to the earlier termination of the Joint Lending Agreement in accordance with its terms.

The 2017 Joint Lending Agreement may be terminated prior to the 2017 Joint Lending Agreement Expiration Date on the following terms:

Pinnacle LP shall have the ability to terminate the Joint Lending Agreement in the event that any of the following items occur and are not cured within 14 Business Days of Pinnacle LP providing written notice thereof to the OKR Partnership and the Partnership:

- I. a Material Breach by the Administrator;
- II. a “Material Breach”, as that term is defined in the 2017 Management Agreement, by OKRF II where the OKRF II fails to cure a Material Breach within 14 Business Days of written notice of such Breach by Pinnacle LP or if such Breach is not capable of being cured in such period, OKRF II fails to commence taking commercially reasonable steps to cure the Breach within 14 Business Days of receipt of the aforesaid written notice by Pinnacle LP to OKRF II;
- III. in the event of, in respect of either the Administrator, OKRF II, OKR Partnership or the Partnership: (i) the passing of any resolution of the directors or shareholders of the Party requiring or relating to the bankruptcy, dissolution, liquidation or winding-up of the Party, (ii) the making of any assignment by the Party for the benefit of creditors of the Party, (iii) the appointment of a receiver of the assets and undertaking of the Party;
- IV. if the Administrator is found by a court of competent jurisdiction to have been guilty of bad faith, willful misfeasance, negligence or reckless disregard of its obligations and duties under the 2017 Joint Lending Agreement;
- V. The resignation of either of or both of R. Stewart Thompson and Dr. Jason Neale as officers and directors of OKRF II and/or the Administrator subject to the following:
 - (i) the resignation by either of or both of R. Stewart Thompson and Dr. Jason Neale as officers and directors of OKRF II and/or the Administrator shall require 90 days’ written notice to Pinnacle LP (a “**Resignation Notice**”);
 - (ii) where a resignation is in respect of only one of R. Stewart Thompson or Dr. Jason Neale, the remaining officer and director will recommend one or more replacements for the departing officer and director. Pinnacle LP will have 10 days upon receipt of such recommendation being made to approve the proposed replacement or replacements. In the event that Pinnacle LP does approve the replacement or replacements then Pinnacle LP may terminate the Joint Lending Agreement on the 91st day after the date of the Resignation Notice.

In the case of any termination of the 2017 Joint Lending Agreement for any of the reasons set forth above, the Lender with the largest aggregate Lender’s Share of each Loan shall have the right to assume all of the powers and responsibilities of the Administrator under the 2017 Joint Lending Agreement with respect to that Loan.

The 2017 Joint Lending Agreement shall automatically terminate in the event of, in respect of either the Administrator, OKRF II, OKR Partnership or the Partnership: (a) the passing of any resolution of the directors or shareholders of the Party requiring or relating to the bankruptcy, dissolution, liquidation or winding-up of the Party, (b) the making of any assignment by the Party for the benefit of creditors of the Party, or (c) the appointment of a receiver of the assets and undertaking of the Party. In any such case, Pinnacle LP shall have the right to assume all of the powers and responsibilities of the Administrator under the 2017 Joint Lending Agreement or to assign such powers and responsibilities to a third party.

Upon the termination of its obligations under the 2017 Joint Lending Agreement, the Administrator shall within five (5) Business Days of such termination deliver to or to the order of Pinnacle LP all records of or in its custody, possession or control relating to any 2017 Loans funded by Pinnacle LP during the term of the 2017 Joint Lending Agreement.

Except as set forth above, the 2017 Joint Lending Agreement shall remain in force until:

- I. all of the 2017 Loans shall have been paid in full and discharged;
- II. the security with respect to the 2017 Loans shall have been realized and the proceeds of the realization shall have been distributed among the Partnership, OKR Partnership and Pinnacle LP; or
- III. any combination of (I) and (II) above in respect of each of the 2017 Loans has occurred.

Termination of 2017 Joint Lending Agreement

In the event that the 2017 Joint Lending Agreement is terminated prior to December 31, 2023, the Partnership will continue to advance Loans that are solely funded by the Partnership or the Partnership may fund Loans in conjunction with the OKR Partnership or other un-related lending parties.

Old Kent Road Financial II Inc.

Old Kent Road Financial II Inc. (“**OKRF II**”) is a corporation incorporated under the laws of the Province of Alberta. Dr. Neale and R. Stewart Thompson are the officers and directors of OKRF II and through their respective holding companies own 100% of the issued and outstanding shares of OKRF II.

OKRF II manages the participation of Pinnacle LP in the 2016 Joint Lending Agreement pursuant to a management agreement (the “**2016 OKRF II Management Agreement**”) dated July 1, 2016. The as the Partnership is not a party to the 2016 Joint Lending Agreement, the Partnership is not bound by the terms of the 2016 OKRF II Management Agreement and that Agreement will not apply to the 2017 Joint Lending Agreement or the 2017 Loans.

OKRF II also manages the participation of Pinnacle LP in the 2017 Joint Lending Agreement pursuant to a management agreement (the “**2017 OKRF II Management Agreement**”) dated July 1, 2017.

OKRF II is authorized to approve Loans to Borrowers made by Pinnacle LP, either alone or in conjunction with the Partnership and the OKR Partnership pursuant to the 2017 Joint Lending Agreement. OKRF II is obligated to provide reports to Pinnacle LP with respect to the Loans funded by Pinnacle LP.

OKRF II is entitled to certain fees to be paid by Pinnacle LP for providing services under the 2017 OKRF II Management Agreement together with payment of a percentage of the interest earned on Loans funded by Pinnacle LP, either jointly with the OKR Partnership and the Partnership or solely by Pinnacle LP as follows:

Summary of the Material Terms of the 2017 OKRF II Management Agreement

OKRF II is entitled to payment of the following fees by Pinnacle LP (the “**OKRF II Management Fee**”) in each year of the term of the 2017 OKRF II Management Agreement paid monthly in arrears as follows:

1. During 2017 and 2018, Pinnacle LP shall pay to OKRF II a fee (the “**Placement Fee**”) of two percent (2%) of the aggregate of all funds advanced by Pinnacle LP to the Administrator pursuant to the terms of the 2017 Joint Lending Agreement (which amount shall exclude any funds advanced by Pinnacle LP to OKRF II that were previously deployed under the 2016 Joint Lending Agreement, together with applicable GST thereon. Pinnacle LP shall pay OKRF II the Placement Fee within 30 days of each advance of funds by Pinnacle LP to the Administrator;
2. OKRF II shall calculate the assets under management of Pinnacle LP as at December 31, 2017 and on each December 31 of each of the following years during the term of the 2017 OKRF II Management Agreement. Beginning in 2018 and for the remainder of the term, subject to sub-paragraph 3 below, Pinnacle LP shall commence paying OKRF II a fee of two percent (2%) per annum of “Assets Under Management” (as that term is defined in the 2017 OKRF II Management Agreement) of the preceding year (for example the portion of the OKRF II Management Fee calculated in accordance with this sub-paragraph for 2018 will be based on the assets under management of Pinnacle LP as of December 31, 2017) together with applicable GST thereon, which Fee shall be paid in 12 equal payments, with each such payment to be paid by the Administrator on Pinnacle LP’s behalf pursuant to the terms of the 2017 Joint Lending Agreement, on the last day of the month in each year during the remainder of the term of the 2017 OKRF II Management Agreement;
3. After all fees, costs and expenses and returns have been paid from interest income by the Administrator in each month during the term of the 2017 Joint Lending Agreement, together with the allocation of interest revenue due and owing to OKR Partnership under the terms of the 2017 Joint Lending Agreement, OKRF II is entitled to payment by the Administrator of 70% of any remaining interest income (“**Excess Interest**”).

Pinnacle LP Compensation from the 2017 OKRF II Management Agreement

Pinnacle LP is entitled to the following compensation pursuant to the terms of the 2017 Joint Lending Agreement:

1. With respect to any advance of funds by Pinnacle LP to the Administrator, a payment of 14% per annum based on the amount of any such advance, commencing from the date any funds are advanced by Pinnacle LP to the Administrator, payable monthly in arrears; and
2. Pinnacle LP is entitled to 30% of any Excess Interest each month during the term of the 2017 Joint Lending Agreement.

Subscribers should note:

- (i) that the Manager is the manager of the Partnership and manages all Loans funded by the Partnership, either jointly with OKR Partnership and the Pinnacle LP or solely by the Partnership, pursuant to the terms of the Management Agreement. Dr. Neale and R. Stewart Thompson are the officers and directors of the Manager and through their respective holding companies own 100% of the issued and outstanding shares of the Manager.
- (ii) that Old Kent Road Financial Inc. ("**OKR Manager**") is the manager of the OKR Partnership and manages all Loans funded by the OKR Partnership, either jointly with the Partnership and the Pinnacle LP or solely by the OKR Partnership, pursuant to the terms of a management agreement (the "**OKR Management Agreement**") between the OKR Partnership and the OKR Manager. Dr. Neale and R. Stewart Thompson are the officers and directors of OKR Manager and through their respective holding companies own 100% of the issued and outstanding shares of OKR Manager.

As a result of the positions of Dr. Neale and R. Stewart Thompson in the Manager, the OKR Manager and OKRF II, Messrs. Neale and Thompson manage all Loans made by the Partnership, the OKR Partnership and Pinnacle LP and are paid fees for managing the Loans made by each of the Partnership, the OKR Partnership and Pinnacle LP in accordance with the terms of the Management Agreement, the OKR Management Agreement and the OKRF II Management Agreement.

Alignment of Interests

An investment in Units has been structured, in part, to align the interests of Management with those of the Unitholders. Management, as holders of the Class B LP Units, will only be entitled to distributions from the Partnership after the Trust has received full payment of the Preferred Return.

DISTRIBUTIONS

Distribution of Interest Income from Partnership Loans

The Partnership intends to make distributions of the Preferred Return to the Trust from which the Trust will then make quarterly distributions to Unitholders, for each Fiscal Quarter during the term of the Trust with the first distribution to commence at the end of the first Fiscal Quarter that is six (6) months from the date of the first distribution of Units by the Trust to a party or parties other than the settlor of the Trust. The Partnership will thereafter calculate accrued interest under the Loans for each Fiscal Quarter and will distribute 0.002% to the General Partner, 24.999% of such amounts to the Trust (as the holder of Class A LP Units) and 74.999% to Management and Selling Agents (as the holders of Class B LP Units).

The above distributions will be paid from a combination of interest paid by Borrowers and may be paid from proceeds raised by the Trust under this Offering that have not been deployed as Loan principal at the time of a distribution. The Partnership will use GAAP to determine accrued Loan interest, associated Loan costs, operating costs and general and administrative costs of the Partnership. Upon the completion of each Fiscal Quarter, the Partnership will calculate the profits of the Partnership from all active Loans during that period. Given the nature of loaning against Government Financing Programs, payments of principal and interest under some Loans will occur in a lump sum payment when the Borrower receives their grants, loans, tax credits, financing or repayable contributions from the Government Financing Program associated with the Borrower. Under GAAP, the Partnership is required to recognize the accrued interest in its quarterly profit calculation, accounting for any anticipated principal or interest write-offs as necessary. In the event whereby a significant percentage of the Partnership's quarterly interest accrual originates from accrued but unpaid interest, it may not be possible to pay quarterly distributions to the Partnership's limited partners of profit from interest received from Borrowers in the Fiscal Quarter. In such an event, distributions made by the Partnership to its Limited Partners will be paid from a combination of interest paid by Borrowers and proceeds raised by the Trust under this Offering that have not been deployed as Loan principal at the time of a distribution to Unitholders.

It is the intention of the Trust to distribute all cash distributions it receives from the Partnership to Unitholders and as such Unitholders are effectively entitled to distributions from the Trust on the same basis as described above.

Factors Affecting Distributions

The Preferred Return payable by the Partnership to the Trust, which will ultimately form part of the distributions available from the Trust to the Unitholders, is a preferred return, but is not guaranteed and may not be paid on a current basis in each year or at all. The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a Unitholder's original investment, are not guaranteed and the anticipated return on investment is based upon many performance assumptions.

Although the Trust intends to distribute its available cash to the Unitholders, such cash distributions may be reduced or suspended in the sole Discretion of the Trustee. The ability of the Trust to make cash distributions and the actual amount distributed will depend on the ability of the Partnership to advance the Partnerships Loans to Borrowers and to collect payments under the Partnership Loans to Borrowers, and will be subject to various factors including those referenced in Item 8 - "Risk Factors" of this Offering Memorandum. It is important for Subscribers to consider the particular risk factors that may affect the business of the Partnership and therefore the availability and stability of the distributions to Unitholders. See Item 8 - "Risk Factors" for a more complete discussion of these risks and their potential consequences.

DISTRIBUTION REINVESTMENT PLAN

The Trust has adopted a Distribution Reinvestment Plan that will allow eligible Unitholders to elect to have the distributions of Cash Flow of the Trust made with respect to the Class and Series of Units held by them reinvested in additional Units of the same Class and Series on the Distribution Payment Date at a purchase price equal to \$1 per Unit at such time. See Item 2.5- "Summary of Material Agreements – Summary of the Distribution Reinvestment Plan".

Redemption of Units by the Trust

Investment Period

For the purposes of this heading the term "Investment Period" means: (i) with respect to Class A - III Units, the first 36 months from the date of issuance of a Trust Unit Certificate representing Class A - III Units; and (ii) with respect to Class A - V Units, the first 60 months from the date of issuance of a Trust Unit Certificate representing Class A - V Units.

Redemptions by Unitholders Prior to the Expiry of an Investment Period

Unitholders may redeem Units, subject to certain restrictions, by providing a duly executed Redemption Notice to the Trustee. See Item 2.5 – "Material Agreements – Summary of the Declaration of Trust - Redemption of Units". The Redemption Price shall be determined as follows: (i) within 24 months from the date of the Unit Certificate representing Class A- III Units to be redeemed, or with respect to Class A – V Units, within 48 months from the date of the Unit Certificate representing Class A – V Units to be redeemed the Redemption Price shall be \$0.93 per Class A – III Unit or Class A – V Unit; and (ii) if a request for redemption occurs at any time after the above described 24 month period with respect to Class A – III Units, or after the above described 48 month period with respect to Class A – V Units, the Redemption Price shall be \$1 per Class A – III Unit or Class A – V Unit.

Redemption Notes

The Redemption Price for Class A Units paid by the Trust prior to the expiry of an Investment Period may not be paid in cash in certain circumstances but instead may be paid through the issue of Redemption Notes by the Trust on the following basis:

- (i) where in the sole opinion of the Trustee, the payment of the Redemption Price in cash by the Trust would not be in the best interest of the Trust having regard to the then current cash position of the Trust; or
- (ii) the redemption of Class A Units will result in the Trust losing its status as a "mutual fund trust" for the purposes of the Tax Act; or
- (iii) where the Trust is able to make a cash payment having regard to its current cash position with respect to the Redemption Notices received and the total amount (the "**Redemption Amount**") payable by the Trust in respect of such Class A Units tendered for redemption exceeds the Redemption Limit (as that term is defined in below) for a Class of Units.

Subscribers should note that Redemption Notes will not be a qualified investment for tax-exempt subscribers. See Item 6 - “Income Tax Considerations”, See Item 2.5 – “Material Agreements – Summary of the Declaration of Trust – Redemption of Units” and Item 8 - “Risk Factors - Payment of Redemption Price through issuance of Redemption Notes”.

In the event that the Trust issues Redemption Notes to redeeming Unitholders, the Trust and the Trustee shall comply with the following:

- (a) the Trustee, on behalf of the Trust, shall only issue Redemptions Notes in compliance with the terms and conditions of the Declaration of Trust;
- (b) the form of the Redemption Notes to be issued by the Trust shall be approved by the Independent Directors of the Trustee in accordance with the Conflict of Interest Policy of the Trustee;
- (c) the Trustee, on behalf of the Trust, shall advise redeeming Unitholders as soon as practicable in writing (the “**Redemption Note Issuance Notice**”) that the Redemption Price for the Units tendered for redemption will be paid in whole or in part by Redemption Notes, and such Unitholders have 15 Business Days from the date of the Redemption Note Issuance Notice to rescind their redemption request, if desired; and
- (d) the Redemption Note Issuance Notice shall include: (i) the form of the Redemption Note; (ii) reference to Item 6.5 of the Offering Memorandum in relation to the ineligibility of Redemption Notes as a qualified investment for Deferred Plans and the general tax consequences to a Unitholder holding a “prohibited investment”, such as a Redemption Note in a Deferred Plan; (iii) discussion of options available to a Unitholder and a Deferred Plan Trustee of a Unitholder, as a result of receiving a prohibited investment in a Deferred Plan as issued by the Trust; (iv) reference to the Risk Factor found in Item 8 of the Offering Memorandum under the heading *Priority of Redemption Notes over Units*; (v) discussion of potential priority issues of between holders of Redemption Notes, whether held inside or outside a Deferred Plan, as applicable and Unitholders, upon the occurrence of the liquidation or potential liquidation of the Trust Assets; and (vi) advice to the Unitholder to speak with their legal counsel and tax advisors regarding points (i)-(v) above.

Redemption Limits

Where the Redemption Price of Units being redeemed is to be paid in cash, payments in cash of by the Trust shall be limited to: (i) \$150,000 with respect to Redemption Notices received for each Class of Units in the Calendar Year 2017; and (ii) in any one Calendar Year commencing 2018, the aggregate Redemption Amount of each Class of Units shall be 5% of the AUM of the Partnership, calculated as of December 31 of the year preceding the year in which a Redemption Notice is received See Item 2.5 – “Material Agreements – Summary of the Declaration of Trust – Redemption of Units”.

Redemptions by Unitholders After the Expiry of an Investment Period

Upon receipt by the Trustee of a Redemption Notice: (i) with respect to Class A - III Units at any time after 36 months from the date of issue of the Trust Unit Certificate representing Class A - III Units to be redeemed; or (ii) with respect to Class A - V Units, after 60 months from the date of issue of the Trust Unit Certificate representing Class A - V Units to be redeemed, the Trust shall redeem such Units for the Redemption Price of \$1 per Class A - III or Class A - V Unit and shall pay the Redemption Price to the Trust Unitholder in cash within 90 days of the date of the receipt by the Trustee of a Redemption Notice. Redemption Notices received by the Trustee in accordance with the above terms and conditions shall not be subject to any Redemption Limit.

Redemption by Trust After Expiry of an Investment Period

The Trust may, upon 90 days written notice (the “**Trust Redemption Notice**”) to a Trust Unitholder: (i) redeem the Class A - III Units of Trust Unitholder at any time after 36 months from the date of the Trust Unit Certificate representing Class A - III Units to be redeemed; or (ii) with respect to Class A - V Units, redeem the Class A - V Units of a Trust Unitholder at any time after 60 months from the date of the Trust Unit Certificate representing Class A - V Units to be redeemed. The Trust shall redeem such Units for the Redemption Price of \$1 per Class A - III or Class A - V Unit and shall pay the Redemption Price to the Trust Unitholder in cash within 90 days of the date of the Trust Redemption Notice.

Hardship Redemptions

A Trust Unitholder, or his or her personal representative, as the case may be, shall be entitled to request the Trust to redeem (a “**Hardship Redemption**”) up to the entire amount of a Trust Unitholder’s Class A Units, for the Subscription Price per Unit (the “**Hardship Redemption Amount**”), at any time during the term of the Trust upon written notice (a “**Hardship Redemption Notice**”) to the head office of the Trust: (i) in the event of the death or permanent disability of an individual Trust Unitholder holding Class A Units; (ii) in the event of the death or permanent disability of the spouse of an individual Trust Unitholder holding Class A Units; or (iii) upon any act whether voluntary or involuntary of bankruptcy by an individual Trust Unitholder holding Class A Units. The approval of any request for a Hardship Redemption shall only occur when permitted by law and shall be at the sole and unfettered discretion of the Trustee. Where a Hardship Redemption is approved by the Trustee, the Trust shall pay the aggregate of the Hardship Redemption Amount in cash to a Trust Unitholder within 60 days of the receipt of a Hardship Redemption Notice.

From and after the date of a Hardship Redemption Notice, the Trust Units to which the Notice applies shall not be entitled to any further distributions of Cash Flow of the Trust.

Any payments of Hardship Redemption Amounts made by the Trust with respect to Hardship Redemptions shall be included in the Redemption Limit for the year in which such Redemptions occurred.

Redemption Rights and Liquidity

The redemption right is intended to be the primary mechanism for Unitholders to liquidate their investment in the Trust. There will be no public market for the Units and an application for listing of the Units on a stock exchange will not be made. Units in the Trust are highly illiquid investments and should only be acquired by investors able to bear the economic risk of an investment in the Units for an indefinite period of time. The Units will be subject to “hold periods” under applicable securities legislation and, as the Trust is currently not a “reporting issuer” in any province or territory in Canada, the “hold periods” may never expire. Additionally, Unitholders will not be permitted to transfer or sell their Units without the consent of the Trustee. See Item 8 – “Risk Factors”.

Investment Restrictions and Operating Policies

Investment Restrictions

The assets of the Trust will be invested only in accordance with the following restrictions:

- (a) the Trust shall not make any investment, take any action or omit to take any action that would result in the Trust not qualifying, at all times, as a “mutual fund trust” within the meaning of the Tax Act;
- (b) except for temporary investments held in cash, the Trust shall only invest in deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities or money market instruments maturing prior to one year from the date of issue;
- (c) the Trust shall not take any action, or acquire, retain or hold any investment in any entity or other property that would result in the Trust being a “SIFT trust” as defined in the Tax Act.

Operating Expenses of the Trust and the Partnership

The Partnership will pay for all ordinary expenses incurred in connection with the operation and administration of the Trust and the Partnership. It is expected that these expenses will include, without limitation: mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications; any reasonable out-of-pocket expenses incurred by Management and paid to third parties in connection with their on-going obligations to the Trust and Partnership; fees payable to the auditors and legal advisors of the Trust and the Partnership; regulatory filing fees, administrative expenses and costs incurred in connection with the continuous filing requirements of the Trust and investor relations, costs and expenses arising as a result of complying with all applicable laws, regulations and policies, extraordinary expenses the Trust and Partnership may incur and any expenditures incurred upon the termination of the Trust and Partnership.

If the Maximum Offering is raised and the Partnership fully deploys the maximum amount of working capital available to it through the advance of Partnership Loans, the aggregate amount of the fees and expenses referred to above is estimated to be a minimum of \$100,000 and a maximum of one percent (1%) of the Gross Proceeds of this Offering over the 12 months ensuing from the date of this Offering Memorandum.

The total amount of operating and administration expenses that will be incurred by the Partnership and the Trust are dependent upon: (i) the funds raised under this Offering; (ii) the number and nature of Partnership Loans advanced by the Partnership; and (iii) external factors which cannot be anticipated or controlled by the Partnership or the Trust. As a result the Partnership and the Trust are unable to accurately estimate these costs at this time other than as stated above.

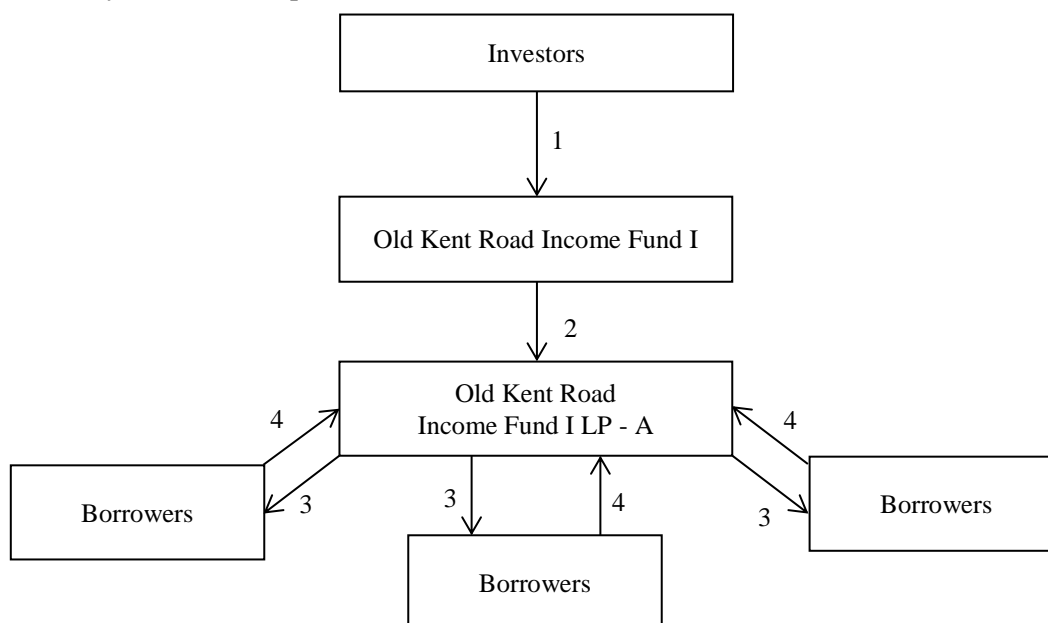
The Partnership may reallocate the Partnership's cash assets to the advance of new Partnership Loans or allocate cash flows from the Partnership's assets to alternative near-cash short-term investment vehicles until the opportunity for new Partnership Loans are identified.

The following is an illustration of the relationship between the Trust, the Partnership and the various parties related to the Partnership and the Trust.

- 1) Investors under this Offering will be Unitholders of the Trust.
- 2) Dr. Neale and R. Stewart Thompson, through their holding companies, are the shareholders of the Trustee and together with the Independent Directors are directors and officers of the Trustee.
- 3) Old Kent Road Financial III Inc. is the Manager of the Partnership and is responsible for managing the business of the Partnership.
- 4) Old Kent Road Income Fund I GP - A Inc. is the General Partner of the Partnership.
- 5) The Trust will hold Class A LP Units of the Partnership.
- 6) The Class B LP Unitholders of the Partnership will be the holding companies of Dr. Neale and R. Stewart Thompson and Selling Agents.

DISTRIBUTION OF FUNDS BY THE TRUST AND THE PARTNERSHIP

The following illustrates how funds raised under this Offering, after payment of all costs and commissions associated with the Offering, including payment of the Management Fee to the Manager, will be deployed as Partnership Loans by the Partnership.



- 1) Trust investors advance subscription proceeds to the Trust.
- 2) The Trust acquires Class A LP Units from the Partnership with the funds received under point 1 above.
- 3) The Partnership will advance the majority of the funds received from the Trust in point 2 above as Partnership Loans to Borrowers who qualified under a Government Financing Program.
- 4) The Borrowers will pay back the Loans with the funds they receive from the Government Financing Programs or from funds from other sources.

An investment in Units will be an indirect investment in the Partnership Loans. The payments of interest and principal by Borrowers to the Partnership with respect to the Partnership Loans will ultimately form part of the distribution made by the Trust to Unitholders.

2.3 DEVELOPMENT OF THE BUSINESS

The following are the major events that have occurred with respect to the business of the Partnership and the Trust to the date of this Offering Memorandum:

- (i) The Trust, the Manager and the Partnership have been established;
- (ii) The Trust and the Partnership have entered into the Funding Agreement (see Item 2.5 – “Material Agreements - Summary of the Funding Agreement”);
- (iii) The Trust has adopted the Distribution Reinvestment Plan (see Item 2.5 – “Material Agreements - Summary of the Distribution Reinvestment Plan”);
- (iv) The Partnership and the Manager have entered into the Management Agreement (see Item 2.5 – “Material Agreements – Summary of the Management Agreement”); and
- (v) The Partnership has entered into the Joint Lending Agreement (see Item 2.5 – “Material Agreements – Summary of the Joint Lending Agreement”).

The Trust may enter into a number of distribution agreements with Exempt Market Dealers to affect the distribution of Units under this Offering and may also enter into wholesaling agreements with one or more wholesalers to represent the Trust and the Offering to Exempt Market Dealers.

There have been no unfavorable developments affecting the Trust or the Partnership’s business since inception.

2.3.1 SHORT AND LONG TERM OBJECTIVES

The Trust

The Trust's short term and long term objectives with respect to this Offering, are to raise \$50,000,000 in the aggregate under this Offering and to acquire up to 50,000,000 Class A LP Units from the Partnership with the objective of generating returns to Unitholders. The number of Class A LP Units acquired by the Trust will be contingent on the amount of funds raised pursuant to this Offering. An investment in the Trust should be considered long-term in nature.

The costs and expenses associated with this Offering (See Item 1.2 – “Use of Available Funds – The Partnership”), assuming the Maximum Offering, are estimated to be \$5,975,000. All expenses of the Offering will be borne by the Partnership rather than the Trust pursuant to the terms of the Funding Agreement. See Item 1.2 - “Use of Available Funds”.

The Partnership

The Partnership plans deploy up to \$44,225,000 in capital from this Offering through the advance of Partnership Loans to Borrowers.

The following are the estimated costs that the Partnership expects to incur in pursuing its business objectives over the ensuing 12 months from the date of this Offering Memorandum:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our costs to complete
Raise \$50,000,000 under this Offering	October 20, 2018	\$5,775,000 ⁽¹⁾
Deploy the available funds of this Offering in the advance of Partnership Loans to Borrowers:	October 20, 2018	\$200,000 ⁽²⁾
Total		\$5,975,000

(1) Inclusive of all costs referenced in the table set forth in Item 1.2 - “Use of Available Funds – The Partnership” under the column entitled “Assuming Maximum Offering”.

(2) Estimated expenses related to loan origination costs, anticipated legal expenses and due diligence expenses that will be paid to unrelated third parties or used to reimburse related parties that have incurred such expenses on behalf of the Partnership.

2.4 INSUFFICIENT FUNDS

The Trust

The Trust intends that all or substantially all of the Gross Proceeds of the Offering will be used to acquire Class A LP Units in the Partnership. The Trust does not intend to hold any significant cash reserves. The proceeds of this Offering may not be sufficient to accomplish all of the Trust's proposed objectives and there is no assurance that alternative financing will be available.

The Partnership

The Partnership intends that all or substantially all of the Gross Proceeds of the Offering, after payment of all costs, expenses and Selling Commissions, the Wholesaling Fee associated with this Offering and payment of the Management Fee to the Manager, will be used to advance Partnership Loans to Borrowers and to pay for the operating and administration expenses of the Trust and the Partnership. The Partnership does not intend to hold any significant cash reserves. The proceeds of this Offering may not be sufficient to accomplish all of the Partnership's proposed objectives and there is no assurance that alternative financing will be available.

2.5 MATERIAL AGREEMENTS

The Trust

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

- the Declaration of Trust;
- the Funding Agreement; and
- the Distribution Reinvestment Plan.

The Partnership

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

- the Partnership Agreement;
- the Funding Agreement;
- the Management Agreement; and
- the Joint Lending Agreement.

After the initial Closing under this Offering the Partnership intends to enter into a series of Loan Agreements with multiple Borrowers.

SUMMARY OF THE DECLARATION OF TRUST

The following is a summary of the Declaration of Trust which is dated May 3, 2017. This is a summary only and is subject to the complete terms and conditions of the Declaration of Trust.

For the purposes of this summary the following capitalized terms shall have the meanings as provided for below:

“**AUM**” with respect to a Limited Partnership means with respect to the year in which AUM is being calculated, the aggregate of the principal balance of all loans made by the Limited Partnership outstanding as of December 31 of that year, together with the aggregate of the Limited Partnership’s cash on hand, cash on account and cash on deposit as of December 31 of that year;

“**Class III Units**” means collectively the Class A - III Units, Class B - III Units, Class C - III Units and Class D - III Units of the Trust;

“**Class V Units**” means collectively the Class A - V Units, Class B – V Units, Class C - V Units and Class D – V Units of the Trust;

“**Limited Partnerships**” or “**Partnerships**” means collectively Old Kent Road Income Fund I LP – A, Old Kent Road Income Fund I LP – B, Old Kent Road Income Fund I LP – C and Old Kent Road Income Fund I LP – D established or to be established under the laws of the Province of Alberta, the general partners of which will each be controlled by R. Stewart Thompson and Dr. Jason Neale and “**Partnership**” means any one of the above Limited Partnerships as the context requires;

“**Trust Unit**” or “**Unit**” means collectively the Class III Units and the Class V Units.

General

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

Nature of Units

- (a) The beneficial interests in the Trust shall be represented by Units which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust. The Trustee, in its sole discretion shall designate Units issued by the Trust into separate Series based on the date of issue of such Units, and the interest of each Trust Unitholder shall be determined by the number of Units registered in the name of the Trust Unitholder in each Class and Series; and
- (b) Subject to Section 5.3 of the Declaration of Trust, the Units of each Class and Series shall represent an equal undivided beneficial interest in any distribution from the Trust to which a Class and Series of Units is entitled (whether of Income of the Trust, Net Realized Capital Gains or other amounts) and in any net assets of the Trust in the event of termination or winding-up of the Trust to which a Class and Series of Units is entitled. All Units in a Class and Series shall rank among themselves equally and rateably without discrimination, preference or priority, whatever may be the actual date or terms of issue thereof. Each Unit shall entitle the holder of record thereof to one vote at all meetings of Trust Unitholders or in respect of any written resolution of Trust Unitholders.

Authorized Number of Units

The aggregate number of Units in each Series and Class which is authorized and may be issued is unlimited.

Issue of Units

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

Units Non-Assessable

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

Legal Ownership of Assets of the Trust

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

No Fractional Units

Fractions of Units shall not be issued, except pursuant to distributions of additional Units to all Trust Unitholders pursuant to Section 5.7 of the Declaration of Trust. Fractions of Units will not be entitled to vote at meetings of Trust Unitholders.

Consolidation of Units

Immediately after any pro-rata distribution of additional Units to all holders of Trust Units pursuant to Section 5.7 of the Declaration of Trust, the number of the outstanding Units will automatically be consolidated such that each such holder will hold after the consolidation the same number of Units as such holder held before the distribution of additional Units and each Unit Certificate representing a number of Units prior to the distribution of additional Units is deemed to represent the same number of Units after the distribution of additional Units and the consolidation. Such consolidation shall not constitute a redemption or cancellation of Units so consolidated and a Trust Unitholder whose Units are consolidated shall not receive, and shall not be entitled to receive, any proceeds of disposition in respect thereof. Notwithstanding the foregoing, where tax is required to be withheld in respect of a Trust Unitholder's share of the distribution, the Trust shall withhold from the cash portion of such distribution, if any, or the Trust Unitholder shall make a cash payment to the Trust, of an amount equal to the amount of tax required to be remitted to the appropriate taxation authority by the Trust, or, if such withholding cannot be made by the Trust or such payment is not made by the Trust Unitholder:

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

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

Re-Purchase of Initial Unit by Trust

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

No Conversion, Retraction, Redemption or Pre-Emptive Rights

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

Power of Attorney

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

- (a) the Declaration of Trust, any amendment, supplement or restatement of the Declaration of Trust and any other instrument required or desirable to qualify, continue and keep in good standing the Trust as a mutual fund trust;
- (b) any instrument, deed, agreement or document in connection with carrying on the affairs of the Trust as authorized in the Declaration of Trust including all conveyances, transfers and other documents required in connection with any disposition of Units required under Section 13.5 or Section 13.6 of the Declaration of Trust;
- (c) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Trust in accordance with the terms of the Declaration of Trust;
- (d) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Trust or of a Trust Unitholder's interest in the Trust; and
- (e) any amendment to the Declaration of Trust which is authorized from time to time;

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

Powers of Trustee

- (a) subject to the terms and conditions of the Declaration of Trust, the Trustee may exercise from time to time in respect of the Trust Assets and the investments and affairs of the Trust any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof;
- (b) subject to the specific limitations contained in the Declaration of Trust, the Trustee shall have, without further or other action or consent, and free from any power of control on the part of the Trust Unitholders, full, absolute and exclusive power, control and authority over the Trust Assets and over, and management of, the affairs of the Trust to the same extent as if the Trustee were the sole and absolute beneficial owner of the Trust Assets in its own right, to do all such acts and things as in its sole judgment and discretion are necessary or incidental to, or desirable for, carrying out the trust created hereunder. In construing the provisions of the Declaration of Trust, presumption shall be in favour of the granted powers and authority

to the Trustee. The enumeration of any specific power or authority herein shall not be construed as limiting the general powers or authority or any other specified power or authority conferred herein on the Trustee. To the maximum extent permitted by law the Trustee shall, in carrying out investment activities, not be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by the Trustee; and

- (c) except as expressly prohibited by law, the Trustee may grant or delegate to any person the authority and the powers of the Trustee under the Declaration of Trust as the Trustee may in its discretion deem appropriate, necessary or desirable to carry out and effect the actual management and administration of the duties of the Trustee under the Declaration of Trust, without regard to whether the authority is normally granted or delegated by the Trustee.

Specific Powers and Authorities

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

- (a) to supervise the activities and manage the investments and affairs of the Trust;
- (b) to maintain records and provide reports to Trust Unitholders;
- (c) to open, operate and close accounts and other similar credit, deposit and banking arrangements and to negotiate and sign banking and financing contracts and agreements;
- (d) without limit as to amount, issue any type of debt securities or convertible debt securities and borrow money or incur any other form of indebtedness for the purpose of carrying out the purposes of the Trust or for other expenses incurred in connection with the Trust and for such purposes may draw, make, execute and issue promissory notes and other negotiable and non-negotiable instruments or securities and evidences of indebtedness, secure the payment of sums so borrowed or indebtedness incurred and mortgage, hypothecate, pledge, assign or grant a security interest in any money owing to the Trust or in Trust Assets or engage in any other means of financing the Trust;
- (e) to obtain security, including encumbrances on assets, to secure the full payment of monies owed to the Trust and the performance of obligations in favour of the Trust, and to exercise all of the rights of the Trust, and to perform all of the obligations of the Trust, under such security;
- (f) to exercise and enforce any and all rights of foreclosure, to bid on property on sale or foreclosure, to take a conveyance in lieu of foreclosure with or without paying a consideration therefor and in connection therewith to revive the obligation on the covenants secured by such security and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies with respect to any such security or guarantee;
- (g) to establish places of business of the Trust;
- (h) to manage the Trust Assets and to, sell, transfer and assign the Trust Assets; however, the Trustee shall not sell all or substantially all of the Trust Assets without the consent of the Trust Unitholders by Extraordinary Resolution;
- (i) to invest, hold shares, trust units, beneficial interests, partnership interests (other than general partnership interests), joint venture interests or other interests in any person necessary or useful to carry out the purpose of the Trust;

- (j) to cause title to any of the Trust assets to be drawn up in the name of such person on behalf of the Trust or, to the extent permitted by applicable law, in the name of the Trust, as the Trustee shall determine;
- (k) to determine conclusively the allocation to capital, income or other appropriate accounts of all receipts, expenses and disbursements;
- (l) to enter into any agreement or instrument to create or provide for the issue of Units or (including any firm or best efforts underwriting agreement), to cause such Trust Units to be issued for such consideration as the Trustee, in its sole discretion, may deem appropriate and to do such things and prepare and sign such documents, including the prospectus and any registration rights agreement, to qualify such Units for sale in whatever jurisdictions they may be sold or offered for sale;
- (m) to enter into any agreement in connection with, or to facilitate, the issuance of Exchangeable Securities;
- (n) to determine conclusively the value of any or all of the Trust Assets from time to time and, in determining such value, to consider such information and advice as the Trustee in its sole judgment, may deem material and reliable;
- (o) to collect, sue for and receive all sums of money or other property or items that are believed due to the Trust;
- (p) to effect payment of distributions to the holders of Units;
- (q) to invest funds of the Trust;
- (r) if the Trustee become aware by written notice that the beneficial owners of 49% or more of the Units or securities exchangeable into Units then outstanding are, or may be, Non-Residents or that such situation is imminent, the Trustee shall obtain such advice as they deem appropriate in order to ascertain the tax and other implications that such level of Non-Resident ownership may have for the Trust and Trust Unitholders and if and to the extent that they determine that such level of Non-Resident ownership would have material adverse tax or other consequences to the Trust or Trust Unitholders, shall ensure that appropriate limitations on Non-Resident ownership as provided in Section 13.5 of the Declaration of Trust are met;
- (s) to possess and exercise all the rights, powers and privileges pertaining to the ownership of the securities of the Limited Partnership and other securities of the Trust to the same extent that any person might, unless otherwise limited herein, and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more persons, which proxies and powers of attorney may be for meetings or actions generally or for any particular meeting or action and may include the exercise of discretionary power;
- (t) where reasonably required, to engage, employ or contract with or retain on behalf of the Trust any persons as agents, representatives, employees or independent contractors (including without limitation, investment advisors, registrars, underwriters, accountants, lawyers, appraisers, brokers, consultants, technical advisors, depositories, custodians, transfer agents or otherwise) in one or more capacities;
- (u) except as prohibited by applicable law, to delegate any of the powers and duties of the Trustee to any one or more agents, representatives, officers, employees, independent contractors or other persons the doing of such things and the exercise of such powers hereunder as the Trustee may from time to time reasonably require, so long as any such delegation is not inconsistent with any of the provisions of the Declaration of Trust and subject at all times to the general control and supervision of the Trustee as provided for in the Declaration of Trust;

- (v) 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;
- (w) to arrange for insurance contracts and policies insuring the Trust, its assets, any affiliate of the Trust and/or any or all of the Trustee(s) or the Trust 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 Trustee(s) or Trust Unitholders;
- (x) 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 Trustee may determine and with or without disclosure that the Trust or the Trustee are interested therein; provided, however, that should legal title to any of the Trust assets be held by and/or in the name of any person or persons other than the Trustee or the Trust, the Trustee shall require such person or persons to execute a trust agreement acknowledging that legal title to such assets is held in trust for the benefit of the Trust;
- (y) to redeem Trust Units (or rights, warrants, convertible securities, options or other securities) for such consideration as the Trustee may deem appropriate in its sole discretion, such redemption to be subject to the terms and conditions of this Declaration of Trust;
- (z) to use its reasonable commercial efforts to ensure that the Trust qualifies at all times as a "mutual fund trust" pursuant to Section 132(6) of the Tax Act and not take any action that would result in the Trust, or any entity in which the Trust has invested being considered a "SIFT trust" or a "SIFT partnership" as defined in the Tax Act;
- (aa) in addition to the mandatory indemnification provided for in Section 9.8 of the Declaration of Trust to the extent permitted by law to indemnify, or enter into agreements with respect to the indemnification of, any person with whom the Trust has dealings including, without limitation, the Trustee, or the Transfer Agent, to such extent as the Trustee shall determine and to the extent permitted by law;
- (bb) without the approval or confirmation of Trust Unitholders, 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 assets and the conduct of the affairs of the Trust, but not in conflict with any provision of this Declaration of Trust;
- (cc) to pay all taxes or assessments, of whatever kind or nature, whether within or outside Canada, imposed upon or against the Trustee in connection with the Trust assets, undertaking or Income of the Trust, or imposed upon or against the Trust assets, undertaking or Income of the Trust or Net Realized Capital Gains, or any part thereof and to settle or compromise disputed tax liabilities and for the foregoing purposes to make such returns, take such deductions, and make such designations, elections, allocations and determinations in respect of the Income of the Trust or Net Realized Capital Gains distributed to holders of Units in the year and any other matter as shall be permitted under the Tax Act and analogous provisions of any provincial income tax legislation (provided that to the extent necessary the Trustee will seek the advice of Counsel or the Auditors), and do all such other acts and things as may be deemed by the Trustee in its sole discretion to be necessary, desirable or convenient;
- (dd) to guarantee the obligations of any subsidiary of the Trust including the Limited Partnership, and granting security interests in the Trust assets as security for such guarantee;
- (ee) to subdivide or consolidate from time to time the issued and outstanding Units;
- (ff) to provide indemnities for the directors and officers of any affiliate of the Trust;

- (gg) to form any subsidiary of the Trust for the purpose of making any Permitted Investment and entering into or amending any agreement on such terms as may be approved by the Trustee;
- (hh) to purchase Units for cancellation in accordance with applicable regulatory requirements; and
- (ii) to do all such other acts and things as are incidental to the foregoing, and to exercise all powers which are necessary or useful to carry on the purpose and activities of the Trust, to promote or advance any of the purposes for which the Trust is formed and to carry out the provisions of the Declaration of Trust whether or not specifically mentioned in the Declaration of Trust.

The Trustee shall, except as may be prohibited by applicable law, have the right to delegate authority for the above-referenced matters to a manager or administrator if the Trustee determines in its sole discretion that such delegation is desirable to effect the administration of the duties of the Trustee under the Declaration of Trust.

Fees and Expenses

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

The Trustee shall be paid for its services as Trustee:

- (a) such reasonable compensation as shall be negotiated between the Trust and the Trustee;
- (b) reimbursement of the Trustee reasonable out-of-pocket expenses incurred in acting as the Trustee, either directly or indirectly, including the expenses referred to in Section 9.6 of the Declaration of Trust; and
- (c) fair and reasonable remuneration for services rendered to the Trust in any other capacity, which services may include, without limitation, services as the Transfer Agent.

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

Computation of Cash Flow of the Trust

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

- (a) all amounts which are received by the Trust with respect to a Class and Series of Units, for or in respect of, a Distribution Period, including, without limitation, interest, dividends, distributions, proceeds from the disposition of securities, returns of capital and repayments of indebtedness (including without limitation all such amounts as aforesaid received from the Partnerships with respect to the Class and Series LP Unit to which a Class and Series of Units relates), or any other payment; and
- (b) all amounts received by the Trust with respect to a Class and Series of Units in any prior Distribution Period to the extent not previously distributed;

less the sum of:

- (c) all amounts used for Permitted Investments with respect to a Class and Series of Units during the Distribution Period or set aside by the Trustee for investments;
- (d) all costs and expenses of the Trust which, in the opinion of the Trustee, may reasonably be considered to have accrued and become owing in respect of, or which relate to, the Distribution Period, or a prior period if not accrued or deducted in determining the Cash Flow of the Trust with respect to a Class and Series of Units in such prior period;

- (e) all debt repayments and interest costs and expenses, if any, incurred by the Trust in the Distribution Period with respect to a Class and Series of Units;
- (f) all costs and expenses of the Trust relating to capital expenditures which, in the opinion of the Trustees, may reasonably be considered to have accrued and become owing during the Distribution Period, or a prior period if not accrued or deducted in such prior period with respect to a Class and Series of Units;
- (g) all amounts contributed or loaned, or which the Trustee reasonably expect to contribute or loan, to an associate or affiliate of the Trust with respect to a Class and Series of Units; and
- (h) any other amounts (including taxes) required by law or hereunder to be deducted, withheld or paid by or in respect of the Trust in the Distribution Period with respect to a Class and Series of Units.

Computation of Income and Net Realized Capital Gains

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

Distributions of Cash Flow of the Trust

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

Other Distributions

- (a) In addition to the distributions which are made payable to Trust Unitholders pursuant to Section 5.3 of the Declaration of Trust, the Trustee may declare to be payable and make distributions to Trust Unitholders of record, from time to time, out of Income of the Trust, Net Realized Capital Gains, the capital of the Trust or otherwise to each Class and Series is entitled in any year, in such amount or amounts, and on such record dates as the Trustees may determine;
- (b) Having regard to the present intention to allocate, distribute and make payable to Trust Unitholders all of the Income of the Trust, Net Realized Capital Gains and any other applicable amounts so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year, the following amounts shall be due and payable to Trust Unitholders of each Class and Series of record on December 31 in each such year:
 - (i) an amount equal to the amount, if any, by which the Income of the Trust for such year in respect of a Class and Series of Trust Units exceeds the aggregate of the portions, if any, of each distribution made by the Trust pursuant to Section 5.3 and Subsection 5.4(a) of the Declaration of Trust which have been determined by the Trustee, pursuant to Section 5.5 of the Declaration of Trust, to have been payable by the Trust out of Income of the Trust in respect of a Class and Series of Units for such year; and
 - (ii) an amount equal to the amount, if any, by which the Net Realized Capital Gains of the Trust for such year in respect of a Class and Series of Units exceeds the aggregate of the portions, if any, of each distribution made by the Trust pursuant to Section 5.3 and Subsection 5.4(a) of the Declaration of Trust which have been determined by the Trustee, pursuant to Section 5.5 of the Declaration of Trust, to have been payable by the Trust out of Net Realized Capital Gains in respect of a Class and Series of Units for such year;

The proportionate share of each Unit of the amount of any distribution made pursuant to either or both of Subsections 5.4(a) and 5.4(b) of the Declaration of Trust shall be determined by dividing such amount by the number of issued and outstanding Units of a Class and Series on the applicable record date in respect of a distribution pursuant to Subsection 5.4(a) of the Declaration of Trust and on December 31 in respect of a distribution pursuant to Subsection 5.4(b) of the Declaration of Trust. Each Trust Unitholder's share of the amount of any such distribution shall be an amount equal to the proportionate share of each Unit of such amount multiplied by the number of Units of a Class and Series owned of record by each such Trust Unitholder on such applicable record date or December 31 in the year of such distribution, as the case may be. Subject to Section 5.7 and Section 5.8 of the Declaration of Trust, amounts which are payable to Trust Unitholders pursuant to either Subsection 5.4(a) or 5.4(b) of the Declaration of Trust shall be paid in cash on the Distribution Payment Date which immediately follows the applicable record date in respect of a distribution pursuant to Subsection 5.4(a) of the Declaration of Trust or shall be payable December 31 in the applicable year in respect of a distribution pursuant to Subsection 5.4(b) of the Declaration of Trust and shall be paid forthwith, and in no event later than January 30 of the following year, subject to Section 5.6 of the Declaration of Trust.

Character of Distributions and Designations

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

Enforceability of Right to Receive Distributions

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

Method of Payment of Distributions

- (a) Where the Trustee determines that the Trust does not have available cash in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable pursuant to this Article 5 of the Declaration of Trust on the due date for such payment, the payment may, at the option of the Trustee include the issuance of additional Units, or fractions of Units, if necessary, having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustee to be available for the payment of such distribution; and
- (b) the value of each Unit which is issued pursuant to Subsection 5.7(a) of the Declaration of Trust shall be one dollar (\$1) per Unit.

Withholding Taxes

The Trustee may deduct or withhold from distributions payable to any Trust Unitholder all amounts required by law to be withheld from such distributions, whether those distributions are in the form of cash, additional Units or otherwise. In the event of a distribution in the form of additional Units or property other than cash, the Trustee may sell such Units or other property of those Trust Unitholders to pay those withholding taxes and to pay all of the Trustees' reasonable expenses with regard thereto and the Trustee shall have the power of attorney of the Trust Unitholder to do so. Any such sale of Units or property may be made by private sale and upon that sale, the affected Trust Unitholder shall cease to be the holder of those Units or that property. In the event that withholding taxes are eligible on any distribution or redemption amounts distributed under the Declaration of Trust and the Trust was unable to withhold taxes from a particular distribution to a Trust Unitholder or has not otherwise withheld taxes on particular distributions to the Trust Unitholders, the Trust shall be permitted to withhold amounts from other distributions to satisfy the withholding tax obligation. Each Trust Unitholder, by its acceptance of Units, agrees that it shall indemnify and hold harmless the Trust for any amount required to be withheld as provided in this Section 5.8 of the Declaration of Trust and that such Trust Unitholder is entitled to subsequent distributions from the Trust only to the extent that such distributions are, in the sole opinion of the Trustee, in excess of amounts sufficient to discharge the required withholding. Each Trust Unitholder, by its acceptance of Units, grants the Trustee the power to do so.

No Liability for Sales

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

REDEMPTION OF UNITS

Redemption Rights

- (a) The Trustee shall have the authority, in its sole discretion, to redeem Units from Unitholders on terms and conditions as the Trustee reasonably believes are in the best interest of the Trust. The terms relating to the redemption of Trust Units by the Trust shall be governed by terms specific to each Class of Units as provided for in the Declaration of Trust.
- (b) Each holder of Units shall be entitled to require the Trust, on the written demand (each a "**Redemption Notice**") of such holder of Units, in a form acceptable to the Trustee and addressed to the Trustee at its registered office, to redeem all or any part of the Units registered in the name of such holder of Units for the "**Redemption Price**" as determined in accordance with the terms and conditions of sub-paragraph (c) below. Subject to the laws of general application, the Trustee shall be entitled in its Discretion to determine and designate whether any payments in respect of any redemption are on account of income or capital.

- (c) Upon receipt by the Trustee of a Redemption Notice, the holder of the Units tendered for redemption shall be entitled to receive a price per Unit (hereinafter called the “**Redemption Price**”) determined as follows: (i) if the Trustee receives a Redemption Notice with respect to any Class III Units within 24 months from the date of the Trust Unit Certificate representing Class III Units to be redeemed, or with respect to Class V Units, within 48 months from the date of the Trust Unit Certificate representing Class V Units to be redeemed the Redemption Price shall be \$0.93 per Class III Unit or Class V Unit; and (ii) if a request for redemption occurs at any time after the above described 24 month period with respect to Class III Units, or after the above described 48 month period with respect to Class V Units, the Redemption Price shall be \$1 per Class III Unit or Class V Unit;
- (d) The Trust shall not be required to make a payment in cash of the Redemption Price with respect to Units tendered for redemption pursuant to a Redemption Notice if:
 - (i) in the sole opinion of the Trustee, the payment of the Redemption Price in cash by the Trust would not be in the best interest of the Trust having regard to the then current cash position of the Trust; or
 - (ii) the redemption of Units will result in the Trust losing its status as a “mutual fund trust” for the purposes of the Tax Act; or
 - (iii) where the Trust, is able to make a cash payment having regard to its current cash position with respect to the Redemption Notices received and the total amount (the “**Redemption Amount**”) payable by the Trust in respect of such Units tendered for redemption exceeds the Redemption Limit (as that term is defined in paragraph (e) below) for a Class of Units.
- (e) Subject to the terms of Section 6.3 below, with respect to each Class of Units, payments in cash of any Redemption Amount by the Trust shall be limited (the “**Redemption Limit**”) as follows: (i) \$150,000 with respect to Redemption Notices received for each Class of Units in the Calendar Year 2017; and (ii) in any one Calendar Year commencing 2018, the aggregate Redemption Amount of each Class of Units shall be five percent (5%) of the AUM, calculated as of December 31 of the year preceding the year in which a Redemption Notice is received. For purposes of illustration, the Redemption Limit each Class A Units shall be \$150,000 for the 2017 Calendar Year and in the Calendar Year 2018, the Redemption Limit for Class A Units shall be five percent (5%) of the AUM of Partnership A for the 2017 Calendar Year.
- (f) The Trust shall pay the Redemption Price with respect to Redemption Notices on a first received basis, based on the date on which a Redemption Notice is received by the Trustee. In the event that Redemption Notices are received in a Calendar Year after the Redemption Limit has been exceeded, such Units will be redeemed in accordance with the terms and conditions of paragraph (k) below.
- (g) The Trustee may, in its sole discretion, waive the Redemption Limit in respect of any Class or Series of Units tendered for redemption in any Calendar Year.
- (h) Where a Unitholder is entitled to receive the whole or part of the Redemption Price in cash, the Trust shall pay the Redemption Price to the Unitholder within 90 days of the receipt of a Redemption Notice.
- (i) Units to which a Redemption Notice applies shall be entitled to any Distribution of Cash Flow of the Trust that occurs in the month following the date of the Redemption Notice, but shall thereafter not be entitled to any further distributions of Cash Flow of the Trust under Sections 5.3 and 5.4 of the Declaration of Trust.
- (j) If, pursuant to paragraph (d) above, a cash payment for the whole of all the Units tendered for redemption by a Unitholder is not available to Units tendered for redemption, then the Trustee, as soon as reasonably practicable, shall advise a holder of Units in writing (the “**Redemption Limit Notice**”) that the Redemption Amount for the Units tendered for redemption pursuant to paragraph (d) above will be paid in whole or in part by Redemption Notes (as defined in paragraph (k) below), and such Unitholder shall have 15 Business Days from the date of the Redemption Limit Notice to rescind their redemption. If not rescinded, the Redemption Amount shall, subject to all necessary regulatory approvals, be paid and satisfied by the Trust issuing Redemption Notes on the terms and conditions set out in paragraph (k) below.

- (k) If the Trust is not required to pay the Redemption Amount (or any portion thereof) with respect to Trust Units by way of cash in accordance with the terms and conditions of paragraph (d) above, then the Redemption Amount (or any portion thereof), subject to all necessary regulatory approvals, if any, shall be paid and satisfied:
- i.) by the Trust issuing a promissory note (each a “**Redemption Note**”) having an interest rate that is equal to five percent (5%) simple interest per annum, calculated from the day the Redemption Note is issued and such other commercially reasonable terms as the Trustee may prescribe, including the right of the Trust to repay the principal amount of the Redemption Note or any portion thereof without notice or penalty, having a term (the “**Redemption Note Term**”): (A) with respect to Class III Units, the Redemption Note Term will be from the date of issue of the Redemption Note to that date which is 36 months from the date of issue of the Trust Unit Certificate representing the Class III Units to be redeemed; and (B) with respect to Class V Units, the Redemption Note Term will be from the date of issue of the Redemption Note to that date which is 60 months from the date of issue of the Trust Unit Certificate representing the Class V Units to be redeemed; or (C) such shorter period as determined in the sole discretion of the Trustee, provided that the applicable interest shall be paid annually on the anniversary date of the issue of the Redemption Note; or
 - ii.) by any combination of Redemption Note or other assets held by the Trust.
- (l) Payments by the Trust of the Redemption Price are conclusively deemed to have been made upon the mailing of the instruments representing the Redemption Price issued by the Trust by registered mail in a postage prepaid envelope addressed to the former holder of Trust Units. Upon such payment, the Trust shall be discharged from all liability to the former holder of Trust Units in respect of Units so redeemed.

Hardship Redemption

- (a) A Trust Unitholder, or his or her personal representative, as the case may be, shall be entitled to request the Trust to redeem (a “**Hardship Redemption**”) up to the entire amount of a Trust Unitholder’s Trust Units, for the Subscription Price per Unit (the “**Hardship Redemption Amount**”), at any time during the term of the Trust upon written notice (a “**Hardship Redemption Notice**”) to the head office of the Trust: (i) in the event of the death or permanent disability of an individual Trust Unitholder holding Trust Units; (ii) in the event of the death or permanent disability of the spouse of an individual Trust Unitholder holding Trust Units; or (iii) upon any act whether voluntary or involuntary of bankruptcy by an individual Trust Unitholder holding Trust Units. The approval of any request for a Hardship Redemption shall only occur when permitted by law and shall be at the sole and unfettered discretion of the Trustee. Where a Hardship Redemption is approved by the Trustee, the Trust shall pay the aggregate of the Hardship Redemption Amount in cash to a Trust Unitholder within 60 days of the receipt of a Hardship Redemption Notice.
- (b) From and after the date of a Hardship Redemption Notice, the Units to which the Notice applies shall not be entitled to any further distributions of Cash Flow of the Trust under Sections 5.3 and 5.4 of the Declaration of Trust.
- (c) Payments by the Trust of the Hardship Redemption Amount are conclusively deemed to have been made upon the mailing of the instruments representing the Hardship Redemption Amount issued by the Trust by registered mail in a postage prepaid envelope addressed to the former Unitholder. Upon such payment, the Trust shall be discharged from all liability to the former Unitholder in respect of Trust Units so redeemed and shall be entitled to cancel the Trust Unit Certificate(s) representing the Trust Units to which a Hardship Redemption Notice relates.
- (d) Any payments of Hardship Redemption Amounts made by the Trust with respect to Hardship Redemptions shall be included in the Redemption Limit for the year in which such Redemptions occurred.

Redemption by Trust Unitholders After an Investment Period

Upon receipt by the Trustee of a Redemption Notice: (i) with respect to Class III Units at any time after 36 months from the date of issue of the Trust Unit Certificate representing Class III Units to be redeemed; or (ii) with respect to Class V Units, after 60 months from the date of issue of the Trust Unit Certificate representing Class V Units to be redeemed. The Trust shall redeem such Units for the Redemption Price of \$1 per Class III or Class V Unit and shall pay the Redemption Price to the Trust Unitholder in cash within 90 days of the date of the receipt by the Trustee of a Redemption Notice. Redemption Notices received by the Trustee in accordance with the terms and conditions of Section 6.3 of the Declaration of Trust shall not be subject to any Redemption Limit.

Redemption by the Trust After an Investment Period

The Trust may, upon 90 days written notice (the “**Trust Redemption Notice**”) to a Trust Unitholder: (i) redeem the Class III Units of Trust Unitholder at any time after 36 months from the date of the Trust Unit Certificate representing Class III Units to be redeemed; or (ii) with respect to Class V Units, redeem the Class V Units of a Trust Unitholder at any time after 60 months from the date of the Trust Unit Certificate representing Class V Units to be redeemed. The Trust shall redeem such Units for the Redemption Price of \$1 per Class III or Class V Unit and shall pay the Redemption Price to the Trust Unitholder in cash within 90 days of the date of the Trust Redemption Notice.

Purchase for Cancellation

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

Cancellation of all Redeemed Trust Units

All Trust Units which are redeemed or purchased for cancellation under Article 6 of the Declaration of Trust shall be cancelled and such Units shall no longer be outstanding and shall not be reissued.

APPOINTMENT, RESIGNATION AND REMOVAL OF THE TRUSTEE

Appointment of Trustee

A person who is appointed as a Trustee hereunder, other than the Initial Trustee whose consent to act is given by its signature hereto, must, either before or after such election or appointment, consent in writing to do so. Upon the later of a person being appointed as a Trustee hereunder and executing and delivering to the Trust a consent substantially as set forth in Section 8.1, 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.

Ceasing to Hold Office

The Trustee ceases to hold office when:

- (a) they/it resigns or shall be declared bankrupt or insolvent or shall enter into liquidation, whether compulsory or voluntary, to wind up their/its affairs;
- (b) they/it are removed; or
- (c) they/it cease to be duly qualified to act as a Trustee.

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

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 that Trustee and to the benefits of the indemnity provided in this Declaration of Trust. Upon the resignation or removal of a Trustee, or upon a Trustee otherwise ceasing to be a Trustee, such Trustee shall cease to have the rights, privileges and powers of a Trustee hereunder, shall execute and deliver such documents as the successor Trustee(s) shall require for the conveyance of any Trust property, including without limitation the Trust Assets, held in such Trustee's name, shall account to the successor Trustee(s) as they may require for all property which that Trustee holds as Trustee, and shall thereupon be discharged as a Trustee.

Removal of Trustee

The Trust Unitholders may remove any Trustee from office, by Extraordinary Resolution at a meeting of Trust Unitholders called for that purpose. Notice of such removal shall be provided to such Trustee no less than 15 days prior to the effective date of the removal unless otherwise agreed to in writing. A vacancy created by the removal of a Trustee may be filled by Ordinary Resolution at the meeting of Trust Unitholders at which that Trustee is removed or, if not so filled, shall be filled as set forth in Section 8.5 of the Declaration of Trust.

Vacancies

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

Filing Vacancies

The remaining Trustee or Trustee (as the case may be) may fill a vacancy of the resulting through the resignation or death of a Trustee without the approval of the Trust Unitholders.

Restrictions on Trustee's Powers

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

Audit, Accounting and Reporting

The Trust's fiscal year will be December 31.

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

The Trustee will send (or make available if sending is not required under applicable securities laws) to Trust Unitholders at least 21 days prior to the date of each general meeting of Trust Unitholders, or if no general meeting is to be held in that year within six months of the fiscal year end, the annual audited financial statements of the Trust, together with comparative financial statements for the preceding fiscal year, if any, and the report of the Auditors thereon referred to in Section 17 of the Declaration of Trust; and

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

Fiduciary Duty

The Trustee shall exercise its powers and carry out its functions hereunder as Trustee honestly, in good faith and in the best interests of the Trust and the Trust Unitholders and, in connection therewith, shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. Unless otherwise required by law, the Trustee shall not be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations hereunder. The Trustee, in its capacity as Trustee, shall not be required to devote its entire time to the business and affairs of the Trust.

Conflicts of Interest

Without affecting or limiting the duties and responsibilities or the limitations and indemnities provided herein, and subject to the Trust Conflict of Interest Policy, the Trustee and the Related Parties are hereby expressly permitted to:

- (a) be, or be an associate or an affiliate of, a person from or to whom assets of the Trust have been or are to be purchased or sold;
- (b) be, or be an associate or an affiliate of, a person with whom the Trust contracts or deals or which supplies services or extends credit to the Trust or to which the Trust extends credit;
- (c) acquire, hold and dispose of, either for its own account or the accounts of its shareholders, any assets not constituting part of the Trust Assets, even if such assets are of a character which could be held by the Trust, and exercise all rights of an owner of such assets as if it were not a Trustee;
- (d) derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Trust or the relationships, matters, contracts, transactions, affiliations or other interests stated in this section without being liable to the Trust or any Trust Unitholder for any such direct or indirect benefit, profit or advantage;
- (e) the Trustee may take actions to resolve Conflict of Interest Matters without the approval of the Trust Unitholders but only in accordance with the terms and conditions of the Trust Conflict of Interest Policy; and
- (f) the Trust Unitholders agree that the activities set forth in sub-paragraphs (a)-(e) of Section 9.13 of the Declaration of Trust shall not constitute a breach of fiduciary duty by the Trustee or the Related Parties to the Trust or the Trust Unitholders and the Trust Unitholders hereby consent to such activities and the Trust Unitholders waive, relinquish and renounce any right to participate in, and any other claim whatsoever with respect to, any such activities. The Trust Unitholders further agree that no party referred to in Section 9.13 of the Declaration of Trust will be required to account to the Trust or any Trust Unitholders for any benefit or profit derived from any such activities or from such similar or competing activity or any transactions referred to in Section 9.13 of the Declaration of Trust unless such activity is contrary to the express terms of this Agreement or Applicable Laws.

Limitations on Liability of Trustee and Officers

- (a) The Trustee, shall not be liable to any Trust Unitholder or any other person, in tort, contract or otherwise, in connection with any matter pertaining to the Trust or the Trust Assets, arising from the exercise by the Trustee of any powers, authorities or discretion conferred under this Declaration of Trust, including, without limitation, any action taken or not taken, in good faith in reliance on any documents that are, prima facie, properly executed, any depreciation of, or loss to, the Trust Assets incurred by reason of the sale of any asset, any inaccuracy in any evaluation provided by any other appropriately qualified person, any reliance on any such evaluation, or any action or failure to act (including failure to compel in any way any former Trustee to redress any breach of trust or any failure by the Trustee to perform its duties under the Declaration of Trust), unless such liabilities arise out of the gross negligence, wilful misconduct or fraud of the Trustee. If the Trustee has retained an appropriate expert, advisor, Counsel or the Auditors with respect to any matter connected with its duties under this Declaration of Trust or any other contract, the

Trustee may act or refuse to act based on the advice of such expert, advisor, Counsel or the Auditors, and the Trustee shall not be liable for and shall be fully protected from any loss or liability occasioned by any action or refusal to act based on the advice of any such expert, advisor, Counsel or the Auditors.

- (b) Subject to the standard of care set out in Section 9.5 of the Declaration of Trust, the Trustee shall not be subject to any liability whatsoever in tort, contract or otherwise, in connection with Trust Assets or the affairs of the Trust, including, without limitation, in respect of any loss or diminution in value of any Trust Assets, to the Trust or to the Trust Unitholders or to any other person for anything done or permitted to be done by the Trustee; provided that the foregoing limitation shall not apply to any liability of the Trustee that arises out of the Trustees' gross negligence, wilful misconduct or fraud. The Trustee 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 Trustee, owned in its personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under the Declaration of Trust or under any other related agreements. No recourse may be had or taken, directly or indirectly, against the Trustee in its personal capacity. The Trust shall be solely liable therefor and resort shall be had solely to the Trust Assets for payment or performance thereof; and
- (c) Any liability of the Trustee for, or in respect of, or that arises out of, or results from the Trustees' breach of the Declaration of Trust shall be limited, in the aggregate, to the amount of remuneration paid by the Trust to the Trustee under this Declaration of Trust in the twelve months immediately before the Trustee first receiving written notice of such liability; provided that the foregoing limitation shall not apply to any liability of the Trustee that arises out of the Trustees' gross negligence, wilful misconduct or fraud.

Indemnification of Trustee

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

- (a) any liability and all losses, damages, costs, charges and expenses sustained or incurred in respect of any action, suit or proceeding that is proposed or commenced against the Trustee for or in respect of any act, omission or error in respect of the Trust and the Trustees' execution of all duties and responsibilities and exercise of all powers and authorities pertaining thereto;
- (b) all other costs, charges, taxes, penalties and interest in respect of unpaid taxes; and
- (c) all other expenses and liabilities sustained or incurred by the Trustee in respect of the administration or termination of the Trust;
- (d) unless any of the foregoing arise out of the gross negligence, wilful misconduct or fraud of the Trustee. This indemnification shall survive the termination of the Trust and the resignation or removal of the Trustee.

Notwithstanding any other provision of the Declaration of Trust, and whether such losses or damages are foreseeable or unforeseeable, the Trustee shall not be liable under any circumstances whatsoever for any (a) lost profits or (b) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

Transfer of Units

- (a) The right to transfer Units hereunder is restricted such that no Trust Unitholder shall be entitled to transfer Trust Units to any person unless the transfer has been approved by the Trustee and the Trustee shall have the power to restrict the transfer of the Trust Units on the books of the Trust without liability to Trust Unitholders or others who are thereby restricted from making a transfer;

- (b) Trust Units shall be transferable on the register or one of the branch transfer registers only by the Trust Unitholders of record thereof or their executors, administrators or other legal representatives or by their agents or attorneys duly authorized in writing, and only upon delivery to the Trust or to the Transfer Agent of the certificate therefor, properly endorsed or accompanied by a duly executed instrument of transfer or power of attorney and accompanied by all necessary transfer or other taxes imposed by law, together with such evidence of the genuineness of such endorsement, execution and authorization and other matters that may reasonably be required by the Transfer Agent, and no transfer of Units shall be effective or shall be in any way binding upon the Trust until the transfer has been recorded on the register or one of the branch transfer registers maintained by the Transfer Agent. Upon such delivery the transfer shall be recorded on the register or branch transfer registers and a new certificate for the Units shall be issued to the transferee and a new certificate for the balance of Units not transferred shall be issued to the transferor;
- (c) any person becoming entitled to any Units as a consequence of the death, bankruptcy or mental incompetence of any Trust Unitholder, or otherwise by operation of law, shall be recorded as the holder of such Units (and shall receive a new certificate therefor upon submission of the existing certificate for cancellation) only upon production of satisfactory evidence, but until such record is made the Trust Unitholder of record shall continue to be and be deemed to be the holder of such Trust Units for all purposes whether or not notice of such death or other event has been given; and

Trust Unit Certificates representing any number and Class and Series of Units may be exchanged without charge for Trust Unit Certificates representing an equivalent number of Units in the aggregate. Any exchange of Trust Unit Certificates may be made at the offices of the Trust or the Transfer Agent where registers are maintained for Trust Unit Certificates pursuant to the provisions of Article 13 of the Declaration of Trust. Any Trust Unit Certificates tendered for exchange shall be surrendered to the Trustee or appropriate Transfer Agent and then shall be cancelled.

Limitation on Non-Resident Ownership

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

- (a) If determined necessary or desirable by the Trustee in its sole discretion, the Trust may from time to time, among other things, take all necessary steps to monitor the activities of the Trust and ownership of the Trust Units. If at any time the Trust becomes aware that the activities of the Trust and/or ownership of the Trust Units by Non-Residents may threaten the status of the Trust under the Tax Act as a “mutual fund trust”, the Trust is authorized to take such action as may be necessary in the opinion of the Trustee to maintain the status of the Trust as a “mutual fund trust” including, without limitation, the imposition of restrictions on the issuance by the Trust of Trust Units or the transfer by any Trust Unitholder of Trust Units to a Non-Resident and/or require the sale of Trust Units by Non-Residents on a basis determined by the Trustee and/or suspend distribution and/or other rights in respect of Trust Units held by Non-Residents transferred contrary to the foregoing provisions or not sold in accordance with the requirements thereof;
- (b) in addition to the foregoing provisions, the Transfer Agent may, if determined appropriate by the Trustee, establish operating procedures for, and maintain, a reservation system which may limit the number of Trust Units that Non-Residents may hold, limit the transfer of the legal or beneficial interest in any Trust Units to Non-Residents unless selected through a process determined appropriate by the Trustee, which may either be a random selection process or a selection process based on the first to register, or such other basis as determined by the Trustee. The operating procedures relating to such reservation system shall be determined by the Trustee. Such operating procedures may, among other things, provide that any transfer of a legal or beneficial interest in any Trust Units contrary to the provisions of such reservation system may not be recognized by the Trust;
- (c) unless and until the Trustee shall have been required to do so under the terms hereof, the Trustee shall not be bound to do or take any proceeding or action with respect to this Section 13.5 by virtue of the powers conferred on it hereby. The Trustee shall not be required to actively monitor the foreign holdings of the Trust. The Trustee shall not be liable for any violation of the non-resident ownership restriction, which may occur during the term of the Trust; and

The Trustee shall have the sole right and authority to make any determination required or contemplated under Section 13.5. of the Declaration of Trust. The Trustee shall make all determinations necessary for the administration of the provisions of Section 13.5 of the Declaration of Trust and, without limiting the generality of the foregoing, if the Trustee consider that there are reasonable grounds for believing that a contravention of the non-resident ownership restriction has occurred or will occur, the Trustee 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 Trustee.

Termination of the Trust

Subject to the other provisions of the Declaration of Trust, the Trust shall exist until December 31, 2023. For the purpose of terminating the Trust by such date, the Trustee shall commence winding-up the affairs of the Trust on such date as may be determined by the Trustee, being not more than two years prior to the end of the term of the Trust.

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

Upon being required to commence wind-up the affairs of the Trust, the Trustee shall as soon as reasonably practicable give notice thereof to the Trust Unitholders, which notice shall designate the time or times at which Trust Unitholders may surrender their Units for cancellation and the date at which the registers of Units of the Trust shall be closed.

After the date on which the Trustee are required to commence to wind-up the affairs of the Trust, the Trustee shall undertake no activities except for the purpose of winding-up the affairs of the Trust as hereinafter provided and, for this purpose, the Trustee shall continue to be vested with and may exercise all or any of the powers conferred upon the Trustee under the Declaration of Trust.

General and Special Meetings of Unitholders

- (a) General meetings of the Trust Unitholders shall be called, at a time and at a place in Canada set by the Trustee. A general meeting of the Trust Unitholders shall be called within 18 months of the Effective Date, and thereafter within 15 months of the previous general meeting. The business transacted at such meetings shall include the presentation of the financial statements of the Trust for the preceding fiscal years, the appointment of Auditors for the ensuing years, and the transaction of such other business as Trust Unitholders may be entitled to vote upon as hereinafter provided in this Article 12 or as the Trustee may determine or as may be properly brought before the meeting;
- (b) special meetings of the Trust Unitholders may be called by the Trustee at any time and for any purpose;
- (c) Trust Unitholders holding in the aggregate not less than 25% of all votes entitled to be voted at a meeting of Trust Unitholders may requisition the Trustee to call a special meeting of Trust Unitholders for the purposes stated in the requisition. The requisition shall:
 - (i) be in writing;
 - (ii) set forth the name and address of, and number of Trust Units and Exchangeable Securities (and votes attached thereto which, in the aggregate, must not be less than 25% of all votes entitled to be voted at a meeting of Trust Unitholders) held by each person who is supporting the requisition; and
 - (iii) shall state in reasonable detail the business to be transacted at the meeting and shall be sent to the Trustee.
 - (iv) upon receiving a requisition complying with the foregoing, the Trustee shall call a meeting of Trust Unitholders to transact the business referred to in the requisition, unless:

- (A) a record date for a meeting of Trust Unitholders has been fixed;
- (B) the Trustee have called a meeting of Trust Unitholders and have given notice thereof pursuant to Section 12.2; or
- (C) in connection with the business as stated in the requisition:
 - (1) it clearly appears that a matter covered by the requisition is submitted by the Trust Unitholders primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Trust, the Trustee, or the Trust Unitholders, or primarily for the purpose of promoting general economic, political, religious, social or similar causes or primarily for a purpose that does not relate in a significant way to the business or affairs of the Trust;
 - (2) the Trust, at the Trust Unitholder's request, had previously included a matter substantially the same as a matter covered by the requisition in an information circular relating to a meeting of Trust Unitholders held within 36 months preceding the receipt of such requisition and the Trust Unitholders failed to present the matter, in person or by proxy, at the meeting;
 - (3) substantially the same matter covered by the requisition was submitted to Trust Unitholders in an information circular relating to a meeting of Trust Unitholders held within 36 months preceding the receipt of such requisition and the matter covered by the requisition was defeated; or
 - (4) the rights conferred by this Section 12.1 are being abused to secure publicity;
- (d) if the Trustee do not, within 90 days after receiving the requisition, call a meeting (except where the grounds for not calling the meeting are one or more of those set forth in subsection 12.1(c)(iv)(C) of the Declaration of Trust), any Trust Unitholder who signed the requisition may call the meeting in accordance with the provisions of Article 12 of the Declaration of Trust, *mutatis mutandis*;
- (e) meetings of Trust Unitholders shall be held in Calgary, Alberta, or at such other place in Canada as the Trustee shall designate;
- (f) the chair of any general or special meeting shall be a person designated by the Trustee for the purpose of such meeting;
- (g) the Trustee, the Auditors and any other person approved by the Trustee or the chair of the meeting may attend meetings of the Trust Unitholders;
- (h) any person entitled to attend a meeting of Trust Unitholders may participate in the meeting, subject to and in accordance with applicable securities laws, if any, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Trust makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of this Declaration of Trust to be present at the meeting; and
- (i) if the Trustee or the Trust Unitholders call a meeting of Trust Unitholders pursuant to this Declaration of Trust, the Trustee or Trust Unitholders, as the case may be, may determine that the meeting shall be held, subject to and in accordance with applicable securities laws, if any, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

Resolutions Binding the Trustee

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

- (a) the Trustee shall not, without the approval of the Trust Unitholders by Extraordinary Resolution sell, lease, exchange or transfer all or substantially all of the Trust Assets other than:
 - (i) pursuant to in specie redemptions permitted hereunder, or
 - (ii) in order to acquire in connection with pursuing the purpose of the Trust securities of the Limited Partnership;
- (b) Trust Unitholders shall also be entitled to pass resolutions that will bind the Trust only with respect to the following matters:
 - (i) the removal of a Trustee;
 - (ii) the approval or removal of Auditors; and
 - (iii) the termination of the Trust as provided for in the Declaration of Trust.

Except with respect to the above matters set out in Section 12.5 of the Declaration of Trust, no action taken by the Trust Unitholders or any resolution of the Trust Unitholders at any meeting shall in any way bind the Trustee. Any action taken or resolution passed in respect of any matter on which Trust Unitholder approval is required under this Declaration of Trust shall be by Extraordinary Resolution, unless the contrary is otherwise expressly provided under any specific provision of the Declaration of Trust.

Voting Rights of Unitholders

Only Trust Unitholders of record shall be entitled to vote and each Unit shall entitle the holder or holders of that Unit on a poll vote at any meeting of Trust Unitholders to the voting rights set out herein. Every question submitted to a meeting shall, unless a poll vote is demanded, be decided by a show of hands vote, on which every person present and entitled to vote shall be entitled to one vote per Unit held by such person. At any meeting of Trust Unitholders, any holder of Units entitled to vote thereat may vote by proxy and a proxy-holder need not be a Trust Unitholder, provided that no proxy shall be voted at any meeting unless it shall have been received by the Transfer Agent for verification at least 24 hours prior to the commencement of such meeting, or such lesser time as the chairman of the meeting may allow. When any Unit is held jointly by several persons, any one of them may vote at any meeting in person or by proxy in respect of such Unit, but if more than one of them shall be present at such meeting in person or by proxy, and such joint owners or their proxies so present disagree as to any vote to be cast, such vote purporting to be executed by or on behalf of a Trust Unitholder shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

Amendments to the Trust Agreement

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

- (a) for the purpose of ensuring continuing compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over the Trustee or the Trust;
- (b) in a manner which provides additional protection for the Trust Unitholders or to obtain, preserve or clarify the provision of desirable tax treatment to the Trust Unitholders;

- (c) ensuring that the Trust will satisfy the provisions of the Tax Act with respect to retaining its qualification as a “mutual fund trust”, pursuant to subsection 132(6) of the Tax Act, as the Tax Act may be amended from time to time;
- (d) to ensure that the Trust is not considered a “SIFT trust” as defined in the Tax Act;
- (e) in a manner which, in the opinion of the Trustee supported by opinion of Counsel, is necessary or desirable as a result of changes in Canadian taxation laws;
- (f) to remove any conflicts or inconsistencies in this Declaration of Trust or to make minor corrections which are, in the opinion or advice of counsel, necessary or desirable and not prejudicial to the Trust Unitholders; or
- (g) to change the status of, or the laws governing, the Trust which, in the opinion of Counsel, is desirable in order to provide Trust Unitholders with the benefit of any legislation limiting their liability,

but notwithstanding the foregoing, no such amendment shall modify the voting rights of any Trust Unit or reduce the fractional undivided interest in the Trust assets represented by any Trust Unit without the consent of the holder of such Trust Unit, and no amendment shall reduce the percentage of votes required to be cast at a meeting of the Trust Unitholders for the purpose of this Section 11.1 without the consent of the holders of all of the Trust Units then outstanding.

SUMMARY OF THE FUNDING AGREEMENT

This is a summary only and is subject to the complete terms and conditions of the Funding Agreement dated May 3, 2017.

The Partnership has agreed to pay all costs fees, Selling Commissions, Wholesaling Fee and expenses incurred by the Trust in connection with this Offering together with all costs and expenses associated with the operation and administration of the Trust.

SUMMARY OF THE MANAGEMENT AGREEMENT

The Partnership has entered into a Management Agreement with the Manager which Agreement is dated May 3, 2017 (the “**Effective Date**”).

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

In this section the following terms shall have the indicated meaning:

“**Agreement**” means the “Management Agreement”;

“**Management Services**” shall mean the management, supervision and direction of the business of the Partnership (“the “**Partnership Business**”) as described in Item 2.2 this Offering Memorandum in the broadest sense, and without restricting the generality of the foregoing shall include identifying Borrowers, negotiating and finalizing Partnership Loans to Borrowers and providing any and all other services which may be required from time to time to effectively carry out the management of the Partnership Business.

Management Services

- (a) From and after the Effective Date and thereafter until the Management Agreement is terminated in accordance with Article 7 of the Management Agreement (the “**Term**”), the Manager shall provide and furnish the Management Services to the Partnership.
- (b) Functions and duties to be exercised and carried on by the Manager under the terms of the Agreement shall at all times be subject to the direction and control of the board of directors of the General Partner and nothing contained in the Agreement shall operate in any way to derogate from or prejudice the exercise of the power and authority of the board of directors of the General Partner, or to authorize the Manager to do any act or things which, according to law or the Partnership Agreement, must be done by the board of directors of the General Partner.

Appointment As Agent

Subject to the Partnership Agreement, the Partnership appoints the Manager as the agent of the Partnership, for the purposes of making all arrangement, signing all documents and doing all other acts and things that will be necessary for the Manager to provide and perform the Management Services in accordance with the Agreement. The Partnership acknowledges that it will be bound by all agreements, documents and acts properly made or taken by the Manager in accordance with the Agreement.

Reports To The Partnership

- (a) The Manager will submit periodic reports to the General Partner regarding the Manager's activities under the Management Agreement as the General Partner may, from time to time, reasonably request.
- (b) The Manager shall at any time on the request of the General Partner provide:
 - (i) full and complete information with respect to business done or operations carried on by the Manager for the Partnership's account under the terms hereof;
 - (ii) full and complete access to and inspection of all books, records and accounts maintained for the Partnership by the Manager; and
 - (iii) full right and access to and inspection of all property managed, supervised or operated by the Manager for the Partnership's account.

Term

The obligations of the Manager to provide the Management Services and of the Partnership to pay fees and expenses under the Agreement, and the appointment of the Manager to provide the Management Services and to act as agent for the Partnership under the Agreement, will continue during the Term which commences on the Effective Date and ends upon the effective date of the removal or resignation of the Manager.

Management Fee

The Partnership shall pay an annual management fee for the Term of the Management Agreement (the "**Management Fee**") to the Manager as follows:

- 1. the Partnership shall pay to the Manager two percent (2%) of the aggregate of all funds raised by the Partnership through the issue of Class A LP Units by the Partnership to the Trust (inclusive of funds from the DRIP used by the Trust to acquire Class A LP Units), together with applicable GST thereon. The Partnership shall pay the Manager the above Fee within five (5) business days of each distribution of Class A LP Units; and
- 2. beginning in 2018 and for the remainder of the term of the Partnership, the Partnership shall pay to the Manager an annual fee of two percent (2%) of Assets Under Management as at December 31 for each preceding year, together with applicable GST thereon, which Fee shall be paid by the Partnership on January 1st of each year or such other date as shall be mutually agreed to in writing by the General Partner and the Manager.

Expenses

Except as expressly assumed by the Manager pursuant to the terms of the Management Agreement, the Partnership will be responsible for all costs, charges and expenses directly reasonably and properly incurred by the Manager in the performance of the Management Services, including:

- (a) all costs, fees, charges and expenses incurred for all agents, legal counsel, accountants, tax advisors and other advisors engaged on behalf of the Partnership;
- (b) a reasonable allocation of the overhead and general or administrative expenses of the Manager related to the Management Services; and
- (c) will either pay the amounts directly or at the direction of the Manager or will promptly reimburse the Manager with respect thereto.

Reimbursement

The Partnership will reimburse the Manager for all costs, charges and expenses properly incurred by the Manager in the ordinary course of the Partnership Business and payable by the Partnership under the Management Agreement and not specifically agreed to be borne by the Manager.

Manager Indemnity

The Manager will indemnify and save harmless the Partnership from and against any and all suits, claims, demands, liabilities, actions, causes of action, costs and expenses which arise from or are attributable to the negligence or willful misconduct of the Manager or its directors, officers, agents and employees acting within the scope of their employment, in the performance of the Management Services.

Services Not Exclusive

Nothing in the Agreement shall prevent the Manager or any affiliate of the Manager or any director, officer, employee or shareholder of the Manager from providing management for and advisory services to another person engaging in a business similar to the Partnership Business or from engaging in any other lawful activity.

Limitation of Liability of the Manager

None of the Manager and its officers, directors, employees or agents shall be liable to the Partnership or to any Limited Partner for any act, omission, receipt, neglect or default of any other person, firm or corporation employed or engaged by the Manager as permitted in the Management Agreement, or for any loss, damage or expense caused to the Partnership arising out of the act or omission of any person with whom any funds, investment or property of the Partnership shall be deposited, or for any loss occasioned by any error in judgment on the part of the Manager, or for any other loss or damage to the Partnership which may occur during or in the course of the performance of its obligations, responsibilities, powers, discretions or authorities under the Management Agreement, unless the particular loss, damage or expense shall be attributable to the willful misfeasance, bad faith or proven negligence of the Manager in the performance of the obligations, responsibilities, powers, discretions or authorities under the Management Agreement, or, shall be attributed to the Manager's reckless disregard of those obligations and responsibilities, power, discretions or authorities.

Resignation by the Manager

The Manager may resign at any time during the Term by giving 90 days prior written notice to the Partnership. If the Partnership does not remove the Manager in accordance with the terms of the Management Agreement, then the appointment of the Manager will continue until the Manager gives not less than 90 days prior written notice of resignation. Despite the foregoing, no resignation shall be effective until the earlier of the appointment of a successor to the Manager or an additional 90 day period has passed.

Removal of the Manager

The Partnership may remove the Manager and terminate the Management Agreement upon written notice to the Manager for any of the following reasons:

- (a) if the Manager is declared bankrupt or adjudged insolvent or if the Manager makes a general assignment for the benefit of its creditors;
- (b) if the Manager otherwise becomes incapable of performing its responsibilities under the Management Agreement;
- (c) if the Manager is found by a court of competent jurisdiction to have been guilty of bad faith, willful misfeasance, gross negligence or reckless disregard of its obligations and duties; or
- (d) if the Partnership is wound up or otherwise terminated in accordance with the terms and conditions of the Partnership Agreement.

Delivery of Records on Termination

Upon the termination of its obligations under the Management Agreement, the Manager will immediately deliver to or to the order of the Partnership all records of or relating to the Partnership in its custody, possession or control.

Payment on Termination

Following the end of the termination of the Management Agreement, the Partnership will remain liable for the payment to the Manager of, and upon the Manager's demand therefore will pay to the Manager, any and all unpaid fees payable under the Management Agreement and all unpaid expenses incurred and payable to the Manager in accordance with the provisions of the Management Agreement.

SUMMARY OF THE PARTNERSHIP AGREEMENT

The following is a summary of the Partnership Agreement which is dated May 3, 2017. This is a summary only and is subject to the complete terms and conditions of the Partnership Agreement. Additional terms of the Partnership Agreement are referenced in Item 2.1.2 - “The Partnership”.

Capitalized terms that are not defined in this section shall have the same meaning as ascribed to them in the Partnership Agreement.

In this section the following terms shall have the indicated meaning:

“**Class A Units**” means collectively the Class A – III Units and the Class A – V Units;

“**Class A – III Units**” means the class A – III limited partnership units of the Partnership having the rights provided for in the Partnership Agreement which Units may be issued in one or more Series as shall be designated by the General Partner in its sole discretion;

“**Class A – V Units**” means the class A – V limited partnership units of the Partnership having the rights provided for in the Partnership Agreement which Units may be issued in one or more Series as shall be designated by the General Partner in its sole discretion;

“**Class B Units**” means the Class B limited partnership units of the Partnership having the rights provided for in this Agreement; and

“**LP Units**” means collectively the Class A Units and Class B Units.

LP UNITS

Issuance of LP Units

The General Partner is authorized to, in its Discretion, cause the Partnership to issue at any time and from time to time up to 50,000,000 Class A Units on such terms and conditions of the offering and sale of LP Units as the General Partner, in its Discretion, may determine including accepting payment of consideration therefore in the form of cash, property and/or past services, and may do all things in that regard, including preparing and filing prospectuses, offering memoranda and other documents.

The General Partner, in its sole discretion may designate Class A Units issued by the Partnership into separate Series based on the date of issue of such Class A Units, and the interest of each Limited Partner holding Class A Units shall be determined by the number of Class A Units registered in the name of the Limited Partner in each Series of Class A Units.

The Class A Units of each Series shall represent an equal undivided beneficial interest in any distribution from the Partnership to which a Series of Class A Units is entitled pursuant to this Agreement. All Class A Units in a Series shall rank among themselves equally and rateably without discrimination, preference, priority, whatever may be the actual date or terms of issue thereof.

The General Partner is authorized to, in its Discretion, cause the Partnership to issue at any time and from time to time up to 40,000,000 Class B Units on such terms and conditions of the offering and sale of Class B Units as the General Partner, in its Discretion, may determine including accepting payment of consideration therefore in the form of cash, property and/or past services, and may do all things in that regard, including preparing and filing prospectuses, offering memoranda and other documents.

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

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

Limited Liability

- (a) The General Partner is not personally liable for the return of any Capital Contribution made by a Limited Partner to the Partnership.
- (b) Subject to Section 2.13 of the Partnership Agreement, the General Partner will not be liable to a Limited Partner for any act, omission or error in judgment taken or made hereunder by the General Partner honestly and in good faith in the conduct of the business of the Partnership.
- (c) The General Partner may rely, and is protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.
- (d) The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted in reliance upon the opinion (including, without limitation, an opinion of counsel) of such Persons as to matters that the General Partner reasonably believes to be within such Person's professional or expert competence will be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.
- (e) The General Partner may exercise any of the powers or authority granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents (as contemplated in Section 7.2(j) of the Partnership Agreement), and the General Partner is not responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner in good faith.
- (f) Any standard of care or duty imposed under the Act or any applicable law shall be modified, waived or limited as required to permit the General Partner to act under this Agreement or any other agreement contemplated by this Agreement and to make any decision pursuant to the power or authority prescribed in this Agreement, so long as such action is reasonably believed by the General Partner to be in, or not opposed to, the best interests of the Partnership.

Indemnity

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

The termination of any action, suit or proceeding by judgment, order, settlement or conviction does not create a presumption that the Indemnitee acted in a manner contrary to that specified above. Any indemnification pursuant to Section 7.8 of the Partnership Agreement is to be made only out of the assets of the Partnership.

- (b) To the fullest extent permitted by law, expenses (including, without limitation, legal fees and expenses) incurred by an Indemnatee in defending any claim, demand, action, suit or proceeding are to be, from time to time, advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Indemnatee to repay such amount if it is determined that the Indemnatee is not entitled to be indemnified as authorized in Section 7.8(a) of the Partnership Agreement.
- (c) The indemnification provided by Section 7.8(a) of the Partnership Agreement is in addition to any other rights to which an Indemnatee may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, both as to actions in the Indemnatee's capacity as:
 - (i) the General Partner, a Departing Partner or an Affiliate thereof,
 - (ii) an officer, director, employee, partner, agent or trustee of the General Partner, any Departing Partner or an Affiliate thereof, or
 - (iii) a Person serving at the request of the General Partner, any Departing Partner or any of their Affiliates as a director, officer, employee, agent or trustee of another Person, and shall continue as to an Indemnatee who has ceased to serve in such capacity and as to actions in any other capacity.
- (d) The Partnership may purchase and maintain insurance (or reimburse the General Partner or its Affiliates for the cost of insurance), on behalf of the General Partner and such other Persons as the General Partner determines, against any liability that may be asserted against or expense that may be incurred by such Person in connection with the Partnership's activities, whether or not the Partnership would have the power to indemnify such Person against such liabilities under the provisions of the Partnership Agreement.

Functions and Powers of the General Partner

The General Partner has:

- (i) unlimited liability for the debts, liabilities and obligations of the Partnership;
- (ii) subject to the terms of the Partnership Agreement, and to any applicable limitations set forth in the Act and applicable similar legislation, the full and exclusive right, power and authority to manage, control, administer and operate the business and affairs and to make decisions regarding the undertaking and business of the Partnership; and
- (iii) the full and exclusive right, power and authority to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying out the business of the Partnership.
- (iv) An action taken by the General Partner on behalf of the Partnership is deemed to be the act of the Partnership and binds the Partnership.

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

Specific Powers and Duties

Without limiting the generality of Section 7.1 of the Partnership Agreement, the General Partner has full power and authority for and on behalf of and in the name of the Partnership to:

- (a) negotiate, execute and perform all agreements which require execution by or on behalf of the Partnership involving matters or transactions with respect to the Partnership's business (and such agreements may limit the liability of the Partnership to the assets of the Partnership, with the other party to have no recourse to the assets of the General Partner, even if the same results in the terms of the agreement being less favourable to the Partnership);
- (b) open and manage bank accounts in the name of the Partnership and spend the capital of the Partnership in the exercise of any right or power exercisable by the General Partner hereunder;
- (c) borrow funds in the name of the Partnership from time to time, from financial institutions or other lenders as the General Partner may determine without limitation with regard to amount, cost or conditions of reimbursement of such loan;

- (d) guarantee the debts, liabilities and obligations of a third party;
- (e) mortgage, charge, assign, hypothecate, pledge or otherwise create a security interest in all or any property of the Partnership now owned or hereafter acquired, to secure any present and future borrowings and related expenses of the Partnership and to sell all or any of such property pursuant to a foreclosure or other realization upon the foregoing encumbrances;
- (f) see to the sound management of the Partnership, and to manage, control and develop all the activities of the Partnership and take all measures necessary or appropriate for the business of the Partnership or ancillary thereto;
- (g) acquire, maintain, improve, upgrade, expand or dispose of the assets of the Partnership from time to time;
- (h) incur all costs and expenses in connection with the Partnership;
- (i) employ, retain, engage or dismiss from employment, personnel, agents, representatives or professionals or other investment participants with the powers and duties upon the terms and for the compensation as in the Discretion of the General Partner may be necessary or advisable in the carrying on of the business of the Partnership;
- (j) engage agents or subcontract administrative functions, to assist the General Partner to carry out its management obligations to the Partnership;
- (k) invest cash assets of the Partnership that are not immediately required for the business of the Partnership in investments which the General Partner considers appropriate;
- (l) act as attorney in fact or agent of the Partnership in disbursing and collecting moneys for the Partnership, paying debts and fulfilling the obligations of the Partnership and handling and settling any claims of the Partnership;
- (m) commence or defend any action or proceeding in connection with the Partnership;
- (n) file returns or other documents required by any governmental or like authority;
- (o) retain legal counsel, experts, advisors or consultants as the General Partner considers appropriate and rely upon the advice of such Persons;
- (p) do anything that is in furtherance of or incidental to the business of the Partnership or that is provided for in the Partnership Agreement;
- (q) execute, acknowledge and deliver the documents necessary to effectuate any or all of the foregoing or otherwise in connection with the business of the Partnership;
- (r) obtain any insurance coverage; and
- (s) generally carry out the objectives, purposes and business of the Partnership.

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

“Old Kent Road Income Fund I LP – A is a limited partnership formed under the *Partnership Act* (Alberta), a limited partner of which is only liable for any of its liabilities or any of its losses to the extent of the amount that it has contributed or agreed to contribute to its capital and its pro rata share of any undistributed income.”

Resignation and Removal of the General Partner

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

- (a) the occurrence of any of the following events which has not been cured by the General Partner within thirty (30) days of the occurrence thereof:
- (b) the passing of any resolution of the directors or shareholders of the General Partner requiring or relating to the bankruptcy or the making of any assignment for the benefit of creditors of the General Partner (or the commencement of any act or proceeding in connection with any of the foregoing which is not contested in good faith by the General Partner); or

- (c) the appointment of a receiver of all or substantially all of the assets and undertakings of the General Partner; or
- (d) the occurrence of any gross negligence, wilful misconduct or fraud on the part of the General Partner as determined in a final judgment (not subject to further appeal) by a court of competent jurisdiction; and
- (e) the passing of a Special Resolution by the Limited Partners for the removal of the General Partner.

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

Transfer of LP Units

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

An LP Unit is not transferable in part and no transfer of an LP Unit will be accepted by the General Partner unless:

- (i) a Transfer Form, duly completed and signed by the registered holder of the LP Units and the transferee and any LP Unit Certificate held by the registered holder representing the LP Units being transferred have been remitted to the General Partner;
- (ii) the transferee is able to make the representations and warranties set forth in Section 2.6(b) of the Partnership Agreement;
- (iii) the transfer is in compliance with all applicable securities laws;
- (iv) the transferee pays such costs, expenses and disbursements, including legal fees, as they are reasonably incurred by the Partnership by reason of the transfer; and
- (v) the General Partner has consented to the transfer.

Where the transferee complies with all applicable provisions and is entitled to become a Limited Partner pursuant to the provisions of the Partnership Agreement, the General Partner is authorized to admit the transferee to the Partnership as a Limited Partner and the Limited Partners hereby consent to the admission of, and will admit, the transferee to the Partnership as a Limited Partner, without further act of the Limited Partners.

A transferee of LP Units transferred in accordance with the Partnership Agreement will automatically become bound by the provisions of the Partnership Agreement without execution of further instruments.

No transfer of LP Units will be accepted by the General Partner after any notice of dissolution of the Partnership has been given to the Limited Partners in accordance with the Partnership Agreement.

Powers Exercisable by Special Resolution

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

- (a) dissolving the Partnership, except as otherwise provided for under Section 10.2 (b) of the Partnership Agreement;
- (b) removing the General Partner and electing a new general partner as provided for in accordance with the terms of Section 7.12 of the Partnership Agreement;
- (c) amending, modifying, altering or repealing any Special Resolution previously passed by the Limited Partners;
- (d) amending this Agreement pursuant to Section 11.1 of the Partnership Agreement; and
- (e) determining to reconstitute the Partnership under Section 10.4 of the Partnership Agreement.

AMENDMENT AND APPROVAL

Amendment Procedures

Except as provided in Section 11.3 of the Partnership Agreement, all amendments to the Partnership Agreement are to be made in accordance with the following requirements. To be valid for the purposes hereof, each such proposal must contain the text of the proposed amendment. If an amendment is proposed, the General Partner will seek the approval of the Limited Partners by a Special Resolution.

Amendment Requirements

Notwithstanding the provisions of Sections 11.1 and 11.3 of the Partnership Agreement, no amendment to the Partnership Agreement may:

- (i) reduce the term of the Partnership;
- (ii) give any Person the right to dissolve the Partnership, other than the General Partner's right to dissolve the Partnership with the approval of the Limited Partners by a Special Resolution; or
- (iii) modify the amendment provisions in Article 11 of the Partnership Agreement, without the express prior written consent of the General Partner, which consent may be unreasonably withheld.

Amendment by General Partner

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

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

Notice of Amendments

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

Meetings of Limited Partners

The General Partner may call a general meeting of Limited Partners at such time and place as it deems appropriate in its absolute Discretion for the purpose of considering any matter set forth in the notice of meeting. In addition, where Limited Partners holding not less than 50% of the outstanding LP Units (the "**Requisitioning Partners**") give notice signed by each of them to the General Partner, requesting a meeting of the Limited Partners and stating the proposed business to be transacted at the meeting in reasonable detail sufficient to give valid notice, the General Partner will, within 90 days of receipt of such notice, convene such meeting, and if it fails to do so, any Requisitioning Partners may convene such meeting by giving notice in accordance with this Agreement. Every meeting of Limited Partners, however convened, must be conducted in accordance with this Agreement.

Any Limited Partner entitled to attend a general meeting of Limited Partners may participate in the general meeting by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the General Partner makes available such a communication facility. A Limited Partner participating in a general meeting by such means is deemed for the purposes of this Agreement to be present at the general meeting; and

If the General Partner or the Limited Partners call a meeting of the Partnership pursuant to this Agreement, the General Partner or Limited Partners, as the case may be, may determine that the meeting shall be held, subject to and in accordance with applicable securities laws, if any, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting

Term

The term for which the Partnership shall exist is until December 31, 2023. All provisions of the Partnership Agreement relative to dissolution, winding up and termination shall be cumulative, such that, the exercise or use of one of the provisions of the Partnership Agreement shall not preclude the exercise or use of any other provision.

Events of Dissolution

The Partnership will be dissolved upon the occurrence of any of the following events:

- (a) the Partnership is dissolved or wound-up by the express written mutual agreement of the Partners; or
- (b) upon the occurrence of any of the following events whereupon the Partnership will follow the procedure for dissolution established in Section 10.5 of the Partnership Agreement:
 - (i) the election of the General Partner to dissolve the Partnership, if approved by a Special Resolution;
 - (ii) the removal or resignation of the General Partner unless the General Partner is replaced as provided in Sections 7.12 or 7.13 of the Partnership Agreement; or
 - (iii) except as otherwise provided herein, any event which causes the dissolution of a limited partnership under the laws of the Province of Alberta.

Procedure on Dissolution

Upon the occurrence of any of the events set forth in Section 10.2(a) or (b) of the Partnership Agreement, the General Partner (or in the event of an occurrence specified in Section 10.2(b) (ii) of the Partnership Agreement, such other Person as may be appointed by Ordinary Resolution of the Limited Partners) will act as receiver and liquidator of the assets of the Partnership and is empowered hereby to:

- (a) sell or otherwise dispose of such part of the Partnership's assets as the receiver considers appropriate;
- (b) pay or provide for the payment of the debts and liabilities of the Partnership and liquidation expenses;
- (c) return to each Limited Partner any unpaid Contributed Capital amount of such Limited Partner;
- (d) if there are any assets of the Partnership remaining, distribute such remaining assets in accordance with the terms of Section 5.3 (a) (ii) and (iii) of the Partnership Agreement;
- (e) file the notice of dissolution prescribed by the Act and satisfy all applicable formalities in such circumstances as may be prescribed by the laws of other jurisdictions where the Partnership is registered. In addition, the General Partner will give prior notice of the dissolution of the Partnership by mailing to each Limited Partner such notice at least 21 days prior to the filing of the declaration of dissolution prescribed by the Act; and
- (f) file any elections, determinations or designations under the Tax Act or under any similar legislation which may be necessary or desirable.

SUMMARY OF THE LOAN AGREEMENTS

The following is a summary of the anticipated material terms of a Loan Agreement. The final terms of a Loan Agreement may vary, in some cases materially, from the terms below based on a number of factors including the financial status of the Borrower at the time a Loan is made, the business of the Borrower, the amount of the Loan, the amount of the Financing Receivable and the Government Financing Program to which the Financing Receivable relates.

For the purposes hereof:

The term “**Property**” means all of the undertaking, property and assets of the Borrower subject to the Securities; and

The term “**Securities**” shall mean the security documents to be provided by the Borrower to the Partnership pursuant to the terms of the Loan Agreement.

ADVANCES

1. The Partnership Loan will be made in multiple advances on terms as shall be agreed to between the Partnership and a Borrower.
2. The Partnership may deduct from the advance of the Term Loan the following, as applicable and in connection to the Partnership Loan: legal fees, appraisal fees, interest adjustment, prepayment penalties, and other amounts.
3. Advances on account of the Partnership Loan or any portion thereof once repaid by the Borrower will not be re-advanced by the Partnership other than through a new Loan to a Borrower.

Conditions Precedent to Advance

The obligation of the Partnership to advance the Partnership Loan is subject to the fulfillment of the following conditions to the satisfaction of the Partnership:

1. the Borrower irrevocably assigning to the Partnership all of the Borrower’s Financing Receivable;
2. the Borrower providing the Partnership with its most recent monthly report which includes: a current revenue and expense statement for the past month, a variance report for the past month showing actual revenue and expenses versus budgeted revenue and expenses, a year-to-date variance report showing actual revenue and expenses versus budgeted revenue and expenses, a detailed current balance sheet and a summary of all material events of the past month; and
3. the Borrower will have duly authorized, executed and delivered the Securities and the Securities will have been registered, filed and recorded in all offices in which, in the opinion of the Partnership, acting reasonably, registration is necessary or of advantage to preserve or perfect the priority of the security interests intended to be created thereby.

CRIMINAL CODE COMPLIANCE

In a Loan Agreement the terms “**interest**”, “**criminal rate**” and “**credit advanced**” have the meanings ascribed to them in s. 347 of the *Criminal Code* (Canada) as amended from time to time. The Borrower and the Partnership agree that, notwithstanding any agreement to the contrary, no interest on the credit advanced by the Partnership will be payable in excess of that permitted under the laws of Canada. If the effective rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed the criminal rate on the credit advanced, then:

- (a) the elements of return which fall within the term “**interest**” shall be reduced to the extent necessary to eliminate such excess;
- (b) any remaining excess that has been paid will be credited towards prepayment of the Principal; and
- (c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower upon demand,

and, in the event of dispute, a Fellow of the Canadian Institute of Actuaries appointed by the Partnership shall perform the relevant calculations and determine the reductions, modifications and credits necessary to effect the foregoing and the same will be conclusive and binding on the parties.

PREPAYMENT AND EXTENSION

Prepayment - The Borrower has the right, at any time when not in default hereunder or under the Securities, to prepay the whole or any portion of the balance outstanding without notice or bonus provided that any such payments will be applied first to interest accrued to the date of payment and second to principal and provided further that any such payment will not be taken in substitution of any monthly installment.

Extension of Balance Due Date - If the Partnership is willing to extend the maturity date of a Loan (each a "Balance Due Date"), the Partnership will, not less than 30 days before the Balance Due Date, send an offer (the "Offer to Extend") to the Borrower offering to extend the Balance Due Date and to modify the Loan Agreement. The Offer to Extend will also state:

- (a) If the Partnership is offering only one Balance Due Date, interest rate and regular periodic payment to the Borrower:
 - (i) the proposed new Balance Due Date;
 - (ii) the proposed interest rate payable under the Agreement after the Balance Due Date which is to be extended; and
 - (iii) if equal combined payments of principal and interest are to be made, the amount of equal combined payments of principal and interest to be made during the extension period;
- (b) If the Partnership is offering alternative new Balance Due Dates, interest rates and regular periodic payments to the Borrower:
 - (i) the proposed alternative new Balance Due Dates;
 - (ii) the proposed alternative new interest rates;
 - (iii) if equal combined payments of principal and interest are to be made, the amount of equal combined payments of principal and interest to be made during the extension period of the alternative selected; and
 - (iv) any other amendments that the Partnership proposes to make to the Loan Agreement.

POSITIVE COVENANTS

The Borrower will covenant with the Partnership:

- (a) that it will at all times maintain its corporate existence;
- (b) that it will carry on and conduct its business in a proper, efficient and businesslike manner and in accordance with good business practices;
- (c) that it will keep or cause to be kept proper books of account in accordance with sound accounting practice;
- (d) that it has good title and possession of the Property save any permitted encumbrances and such other encumbrances registered against the Borrower accepted by the Partnership;
- (e) that it will pay and discharge as they become due all payments due and owing under, or with respect to, any previous indebtedness created or security given by the Borrower to any person or corporation, including the Partnership, and will observe, perform and carry out all the terms, covenants, provisions and agreements relating thereto and any default in payment of any monies due and payable under or relating to any previous indebtedness or security or in the observance, performance or carrying out of any of the terms, covenants, provisions and agreements relating thereto will be deemed to be a default hereunder at the option of the Partnership and any and all remedies available to the Partnership hereunder by reason of any default hereunder or by law or otherwise will be forthwith available to the Partnership upon any default of the Borrower under the previous security;

- (f) that if the Borrower defaults in any covenant to be performed by it hereunder or under the Securities the Partnership may perform any covenant of the Borrower capable of being performed by the Partnership and if the Partnership is put to any costs, charges, expenses or outlays to perform any such covenant, the Borrower will indemnify the Partnership for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays incurred by the Partnership (including solicitors' fees and charges incurred by the Partnership) will be secured by the Securities;
- (g) that in any judicial proceedings taken to enforce the Agreement and the covenants of the Borrower hereunder or to enforce or redeem the Securities or to foreclose the interest of the Borrower in any property subject thereto the Partnership will be entitled to costs on a special costs basis. Any costs so recovered will be credited against any solicitors' fees and charges paid or incurred by the Partnership relating to the matters in respect of which the costs were awarded and which may have been charged by the Partnership in accordance with clause (g) above;

Financial and Other Information – Throughout the term of the Agreement, the Borrower will supply to the Partnership at the request of the Partnership:

- (a) annual financial statements of the Borrower, prepared at least to a “**Review Engagement**” basis, within 90 days of the fiscal year end of the Borrower;
- (b) monthly reports which include: a current revenue and expense statement for the past month, a variance report for the month showing actual revenue and expenses versus budgeted revenue and expenses, a year-to-date variance report showing actual revenue and expenses, a detailed current balance sheet and a summary of all material events of the past month; and
- (c) such other financial or other information as the Partnership may require from time to time acting reasonably.

NEGATIVE COVENANTS

The Borrower covenants with the Partnership during the term of the Agreement not to:

- (a) make, give or create or attempt to make, give or create any mortgage, charge, lien or encumbrance upon the Property or any part or parts thereof ranking or purporting to rank prior to or *pari passu* with the Securities or any of them other than any permitted encumbrances;
- (b) demolish, remove or destroy any of the Property or any part or parts thereof or cause or permit the demolition, or removal or destruction of the same except in the ordinary course of business;
- (c) make any sale or dispose of any substantial part of the Property at less than market value and then only in the ordinary course of business and if the Borrower disposes of the whole or any substantial part of the Property it will hold the proceeds of the sale thereof in trust for the Partnership;
- (d) subject to the provisions of Article 6 of the Agreement or the terms of any other loan agreement made between the Borrower and the Partnership, pay or satisfy, before the due date thereof, any obligation of the Borrower;
- (e) make any payments to any person other than in the ordinary course of the Borrower's business;
- (f) make loans or extend credit to any person (including specifically if it is a corporation, any directors, officers or shareholders of the Borrower and any person related by blood or marriage to such persons or any corporation controlled by such person or relative or by the Borrower) except customers of the Borrower in the ordinary course of business;
- (g) purchase or redeem any of its shares or otherwise reduce its share capital;
- (h) declare or provide for any dividends or other payments based upon share capital;
- (i) raise or borrow any money from any person other than the Partnership or trade creditors in the ordinary course of business;
- (j) acquire any new business or undertaking;
- (k) make or enter into any commitment to make capital expenditures in any one calendar year in excess of \$50,000.00 which amount will not be cumulative from year to year;
- (l) guarantee, indemnify any person for, or endorse for accommodation, the obligations of any other person, directly or indirectly;
- (m) sell, agree to sell or otherwise dispose of any of the Property subject to a specific mortgage or charge under the Securities; or
- (n) assign or agree to assign all or any part of the Borrower's Financing Receivable.

EVENTS OF DEFAULT

Events of Default - The whole of the outstanding balance of the Partnership Loan (including principal, interest and all other amounts) will immediately become due and payable and the Securities will become enforceable in each and every of the following events:

- (a) if the Borrower fails to repay the amounts owing under the Agreement to the Partnership within three (3) business days of receipt of the refund from the Canada Revenue Agency for a Financing Receivable;
- (b) if the Borrower fails to pay to the Partnership any amount of money pursuant to this Agreement as such payment falls due, including the failure of the Borrower to pay the amount due on the Balance Due Date, unless the Balance Due Date has been extended in accordance with the terms of the Loan Agreement;
- (c) if the Borrower fails to observe or perform something hereby required to be done or some covenant or condition hereby required to be observed or performed;
- (d) if the Borrower does, or permits to be done, anything which the Borrower has herein agreed not to do or permit to be done;
- (e) if any representation or warranty given by the Borrower (or any director or officer thereof if the Borrower is a corporation) is untrue in any material respect on the date of the Borrower executing the Agreement;
- (f) if an order is made or a resolution passed for the winding-up of the Borrower, or if a petition is filed for the winding-up of the Borrower;
- (g) if the Borrower commits or threatens to commit any act of bankruptcy or becomes insolvent or makes an assignment or proposal under the *Bankruptcy and Insolvency Act* or a general assignment in favour of its creditors or a bulk sale of its assets, or if a bankruptcy petition is filed or presented against the Borrower;
- (h) if any proceedings with respect to the Borrower are commenced under the *Companies Creditors Arrangement Act*;
- (i) if any execution, sequestration, extent or any other process of any Court become enforceable against the Borrower or if a distress or analogous process is levied against the property of the Borrower or any part thereof;
- (j) if the Borrower permits any sum which has been admitted as due by the Borrower or is not disputed to be due by the Borrower and which forms or is capable of being made a charge upon any of the Property in priority to the Securities to remain unpaid after proceedings have been taken to enforce the same as a prior charge;
- (k) if the Borrower defaults in payment of any indebtedness or liability to the Partnership (whether secured hereby or not) or to any other lender;
- (l) except in the ordinary course of business if, without the prior written consent of the Partnership, the Borrower sells, agrees to sell licenses, leases, subleases, agrees to lease or sublease or otherwise disposes or agrees to dispose of its assets or any part or parts thereof or any interest therein;
- (m) if, without the prior written consent of the Partnership, the Borrower grants or agrees to grant any further mortgage of the Borrower's assets or any part or parts thereof or any interest therein or otherwise permits the Borrower's assets to be encumbered in any manner other than by a permitted encumbrances and such other encumbrances registered against the Borrower on the date the Agreement is executed by the Borrower;
- (n) if, without the prior written consent of the Partnership, there is in the opinion of the Partnership acting reasonably a change of effective control of the Borrower;
- (o) if an event of default occurs under any of the Partnership security or with respect to other indebtedness secured by the Partnership security; or
- (p) ceases or threatens to cease to carry on all or substantially all of its business.

SUMMARY OF THE 2017 JOINT LENDING AGREEMENT

The terms of the Joint Lending Agreement are summarized in Item 2.2 – “Our Business” under the heading “2017 Joint Lending Agreement Between the Partnership, Old Kent Road Financial I LP and Pinnacle LP.”

SUMMARY OF DISTRIBUTION REINVESTMENT PLAN

The following is a summary of the Distribution Reinvestment Plan (the “**Plan**”) which is dated May 10, 2017. This is a summary only and is subject to the complete terms and conditions of the Plan.

Capitalized terms that are not defined in this section shall have the same meaning as ascribed to them in the Plan.

In this section the following terms shall have the indicated meaning:

“**Class(es)**” means the alphabetical designation made by the Trustee with respect to each of the Units issued by the Trust, as either Class A – III, Class A – V, Class B – III, Class B – V, Class C – III, Class C – V, Class D – III and Class D – V, which Units may be issued in Series as the Trustee in its sole discretion may designate.

“**Distribution Payment Date**” means, in respect of a Distribution Period, on the fifth Business Day immediately following the end of the Distribution Period or such other date determined from time to time by the Trustee.

“**Distribution Period**” with respect to each Class means each quarterly period ending on March 31, June 30, September 30 and December 31 during each year of the term of the Trust, or such other periods as may be hereafter determined from time to time by the Trustee from and including the first day thereof and to and including the last day thereof.

“**Distribution Record Date**” means, the last day of each Distribution Period, or such other date determined from time to time by the Trustee.

“**DRIP Unit Price**” means a price per Trust Unit equal to the most recent subscription price per Trust Unit that the Trust Units were offered to investors for purchase.

“**Eligible Holders**” means Trust Unitholders who are Canadian residents.

“**Eligible Trust Units**” means Trust Units held by Eligible Holders.

“**Participant**” means an Eligible Holder who has elected, in accordance with the terms hereof, to participate in the Plan and includes both Registered Participants and Non-Registered Participants (as those terms are defined herein).

The Trust has established the Plan which is for the purposes of offering to Unitholders a method to reinvest distributions of Cash Flow of the Trust declared and payable to them to acquire additional Units of the Trust.

Features

Under the Plan, a Participant may purchase additional Units of the same Class with the cash distributions paid on the Eligible Trust Units of that Class which are registered in the name of the Participant who is a registered holder of Trust Units at any time and from time to time, as shown on the register maintained by or on behalf of the Trust for outstanding Trust Units and who has enrolled in the Plan (a “**Registered Participant**”) or held by a Participant who holds Trust Units through an intermediary such as a financial institution, broker or nominee and has enrolled in the Plan through the intermediary account maintained pursuant to the Plan (a “**Non-Registered Participant**”). The price at which Trust Units will be issued from treasury under the Plan will be calculated by reference to the DRIP Unit Price. No commissions, service charges or brokerage fees are payable by Participants in connection with the Plan.

Distributions in respect of whole and fractional Trust Units (up to six decimal places) purchased under the Plan will be credited to a Participant’s account and will be automatically invested under the Plan in additional Trust Units until such time as the Participant’s participation in the Plan is terminated.

The Trust shall determine the number of Trust Units available to be issued under the Plan at any time.

Participation and Enrollment in the DRIP

Provisions of this Plan apply to all Participants, but are subject to the administrative practices and requirements of intermediaries through whom Trust Units are held by Non-Registered Trust Unitholders. Those administrative practices and requirements may vary, and Non-Registered Trust Unitholders should contact their intermediary to determine the requirements of such intermediary regarding participation in the Plan.

In order to be eligible to participate in the Plan, a holder must be an Eligible Holder. An Eligible Holder who is a registered holder of Trust Units of record may enroll in the Plan at any time by duly completing and returning a Plan Enrollment Form to the Trust on or before the close of business on the fifth Business Day prior to a Distribution Record Date for it to be effective on such Distribution Payment Date. Any Plan Enrollment Form received after such time will be applied to the next applicable Distribution Record Date.

Eligible Holders who are Non-Registered Trust Unitholders may request Enrollment in the Plan through such broker or investment dealer. Once a Participant has enrolled in the Plan, participation continues automatically unless terminated in accordance with the terms of the Plan.

Once a Participant is enrolled, on each Distribution Payment Date, the Trust shall promptly pay to the account of the Participants, all cash distributions paid on their Trust Units, which shall be immediately applied to purchase additional Trust Units from treasury (with no action upon the part of the Trust Unitholder) at the then applicable DRIP Unit Price as determined by the Trust. The Trust shall retain such portion of the cash concurrently with the issuance of additional Trust Units from treasury to the Participants.

If any Trust Units are held by a non-resident of Canada, such Trust Unitholder is not eligible to participate in the Plan. Upon ceasing to be a resident of Canada, a Participant shall forthwith notify the Trust of same and shall automatically be deemed to cease to be a Participant as of the date the Participant ceased to be a resident of Canada.

A Plan Enrollment Form may be obtained from the Trust any time upon written request addressed to the Trust.

No interest will be paid to Participants on any funds held for investment under the Plan.

Transfer of Participation Rights

The right to participate in the Plan may not be transferred by a Participant.

Termination of Participation

Participation in the Plan may be terminated by a Registered Participant once per calendar year, effective as of the first Distribution Record Date of the following year by notice in writing to the Trust or Partnership (as applicable). Non-Registered Participants can terminate their participation in the Plan by notifying the broker or other investment dealer with whom they hold their Trust Units.

Following such termination, a certificate for the number of whole Trust Units issued to the Registered Participant under the Plan will be issued to, and in the name of, such Participant, together with a cheque for the value of any remaining fraction of a Trust Unit held for the account of such Participant.

The amount of the payment for any such fraction will be determined by the prevailing DRIP Unit Price on the day of termination.

If the notice of termination is received by the close of business on the last Business day of the calendar year, termination of the Participant's participation in the Plan will be effective in respect of the next Distribution Record Date of the following year. Otherwise, the termination will be effective in respect of the next succeeding year. For greater certainty, termination by a Participant will not prevent such Participant from participating in the Plan at a later date. No termination requests will be processed between a Distribution Record Date and the related Distribution Payment Date. Normally, a certificate will be sent to a Participant within three (3) weeks of receipt by the Trust of a Participant's termination request.

After termination of participation in the Plan, all subsequent distributions will be paid to the former Participant in cash in the usual manner.

Amendment, Suspension or Termination of the DRIP

The Trust reserve the right to amend, suspend or terminate the Plan at any time, but such action has no retroactive effect that would prejudice the interest of the Participants. Participants will be sent written notice of any such amendment, suspension or termination.

In the event of suspension or termination of the Plan by the Trust, no investment in additional Trust Units on behalf of Participants will be made on the Distribution Payment Date immediately following the effective date of such suspension or termination.

Any Trust Unit distribution subject to the Plan and paid after the effective date of any such suspension or termination will be remitted by the Trust to the Participants in cash only, in the usual manner.

Rules and Regulations

The Trust may from time to time adopt rules and regulations to facilitate the administration of the Plan. The Trust also reserves the right to regulate and interpret the Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Plan.

Proration in Certain Events

The Trust reserves the right to determine, promptly following each Distribution Record Date, the amount of new equity, if any, to be made available under the Plan on the Distribution Payment Date to which such record date relates. No assurances can be made that new Trust Units will be made available under the Plan on a regular basis, or at all.

Compliance with Laws

The operation and implementation of the Plan is subject to compliance with all applicable legal requirements, including obtaining all appropriate regulatory approvals and exemptions from registration and prospectus requirements. The Trust may limit the Trust Units issuable under the Plan in connection with discretionary exemptive relief relating to the Plan granted by any securities regulatory authority.

ITEM 3 - DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 COMPENSATION AND SECURITIES HELD

3.1.1 THE TRUST

The following table sets out information about the Trustee and each person who, directly or indirectly, beneficially owns or controls ten percent (10%) or more of any Units:

Name and municipality of principal residence	Position held and date of obtaining that position ⁽¹⁾	Compensation paid by the Trust or Trustee since inception and the compensation anticipated to be paid in current financial year	Number, type and percentage of securities of the Trust held after completion of the Minimum Offering	Number, type and percentage of securities of the Trust held after completion of the Maximum Offering
William Green District of Cold Stream, BC	Initial Unitholder and Settlor since May 3, 2017	Nil	1 ⁽²⁾	Nil
Dr. Jason Neale Lake Country, BC	Director of the Trustee since February 17, 2017	Nil	Nil	Nil
R. Stewart Thompson Calgary, AB	Director of the Trustee since February 17, 2017	Nil	Nil	Nil
John Pinsent Edmonton, AB	Director of the Trustee since February 17, 2017	\$10,000 ⁽³⁾	Nil	Nil
Ken Davidson Kelowna, BC	Director of the Trustee since February 17, 2017	\$10,000 ⁽³⁾	Nil	Nil

(1) Each of these individuals have held these positions since the establishment of the Trust and the Trustee.

(2) Represents the Initial Unit that will be redeemed by the Trust upon the Closing of the Minimum Offering amount.

(3) Each of these directors will be paid \$10,000 in director fees for 2017 for acting as directors of each of the Trustee and the General Partner. Commencing in 2018 and for so long as they remain as directors of each of the Trustee and the General Partner, they will each be paid an annual fee of the greater of \$10,000 and 0.05% of Assets Under Management.

3.1.2 THE GENERAL PARTNER

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

Name and municipality of principal residence	Position held and date of obtaining that position	Compensation paid by the General Partner since inception and the compensation anticipated to be paid in current financial year	Number, type and percentage of securities of the General Partner held after completion of the Minimum Offering	Number, type and percentage of securities of the General Partner held after completion of the Maximum Offering
William Green District of Cold Stream, BC	Chief Financial Officer since February 17, 2017	Nil	Nil	Nil
Dr. Jason Neale Lake Country, BC	Director, President and Treasurer since February 17, 2017	Nil ⁽¹⁾	Nil ⁽²⁾	Nil ⁽²⁾
R. Stewart Thompson Calgary, AB	Director and Secretary since February 17, 2017	Nil ⁽¹⁾	Nil ⁽²⁾	Nil ⁽²⁾
John Pinsent Edmonton, AB	Director since February 17, 2017	\$10,000 ⁽³⁾	Nil	Nil
Ken Davidson Kelowna, BC	Director since February 17, 2017	\$10,000 ⁽³⁾	Nil	Nil
7865546 Canada Inc. Lake Country, BC	Shareholder since February 17, 2017	Nil ⁽¹⁾	100 Class A Common shares (50%)	100 Class A Common shares (50%)
Seahawk Holdings Ltd. Calgary, AB	Shareholder since February 17, 2017	Nil ⁽¹⁾	100 Class A Common shares (50%)	100 Class A Common shares (50%)

- (1) Dr. Neale and R. Stewart Thompson, are also officers and directors of the Manager. Dr. Neale and R. Stewart Thompson, may receive payment of some or all of the Management Fee during the term of the Partnership. See Item 2.1.3 - “The Manger”.
- (2) The shareholders of the General Partner are 7865546 Canada Inc. and Seahawk Holdings Ltd., corporations owned and controlled by Dr. Neale and R. Stewart Thompson respectively.
- (3) Mr. Pinsent and Mr. Davidson are also directors of the Manager. They will each be paid \$10,000 as director fees for 2017 for acting as directors of each of the Trustee, the Manager and the General Partner. Commencing in 2018 and for so long as they remain as directors of each of the Trustee, the Manager and the General Partner, they will each be paid an annual fee of the greater of \$10,000 and 0.05% of Assets Under Management.

3.2 MANAGEMENT EXPERIENCE

The names and principal occupations of the directors and officers of the General Partner for the past five (5) years are set forth below.

R. Stewart Thompson

Mr. Thompson has been active in the start-up venture space for 20 years as a builder of companies, angel investor and angel group leader at Canada's most active angel group. He is founder and CEO of VA Angels, which has 140 members who have collectively funded 157 companies in excess of \$47 million dollars. The majority of these companies are located in Canada, however, a number of companies are also located in the US, UK, and Africa. Through the creation of VA Angels Mr. Thompson has been named Startup Canada's investor of the year for 2015 and was a finalist for the same award with Techvibes magazine the two years prior.

Mr. Thompson has invested in 40 start-up companies and, as an entrepreneur, he has been the founder or founding partner of four funds including VA Angels Fund I, Lat18 Capital, and two debt funds- AMIL and Old Kent Road Financial Fund I. Mr. Thompson is currently building Generus Marketing Solutions, a platform for Not4Profits and merchants to develop relationships through ecommerce.

Early in his career Mr. Thompson founded Alberta SuperNet, worked as a venture capital advisor to the Province of Alberta, and currently works internationally with companies in Puerto Rico and the UK. In addition to this work, Mr. Thompson is also a member of the A100, an Alberta based collection technology founders who act as mentors for Alberta based technology start-ups.

Dr. Neale

Dr. Jason Neale is a serial entrepreneur, turnaround and technology executive. Dr. Neale has experience starting new ventures, turning around struggling companies, developing novel technology and managing fast growing opportunities. Dr. Neale also has direct experience of raising Government funding and equity (approximately \$150 million), buying and selling technology and other operating businesses(seven), business turnarounds (seven), winning major contracts (\$100+ million) and the sale of (nine) technology companies, in part or whole.

In 1998 Dr. Neale earned a PhD in Electronic Systems Engineering from the University of Essex (UK) with his thesis titled, "Remote News Reports via Digital Cellular Networks" sponsored by the British Broadcasting Corporation (BBC). His research transformed the way that news was gathered throughout the broadcasting industry.

Dr. Neale holds an MBA from Columbia Business School (US) and an MBA from London Business School (UK), graduating from their joint EMBA program in 2005. At Columbia he graduated as part of the Beta Gamma Sigma Honor Society. He also completed the one year Entrepreneurship Development Program from the Massachusetts Institute of Technology (MIT) (US) (2009). Dr. Neale was previously an Ernst and Young Entrepreneur of the Year winner (National - Innovation and Development and Quebec - Emerging Entrepreneur) (2009), a Deloitte Top 10 Fast 50 CEO (2010) and the National Research Council (NRC) Leaders in Innovation award recipient (2009).

Before his entrepreneurial experience, Dr. Neale enjoyed a successful scientific career, specifically at SPAR Aerospace, the company that made the CANADARM, where he was granted several patents, was widely published in scientific journals and conferences and became the youngest Specialist Engineer in the company's history.

For the past five years, Dr. Neale has largely focused on business turnarounds and helping companies secure Government grants and debt, as well as investing in and buying several ventures, ranging from Internet Acceleration and Telecommunication through to Transportation and Travel companies. With his long history of using Canada's SR&ED Program to fund technology companies, in 2013 Dr. Neale co-founded AMIL, which has successfully provided several million dollars of asset backed financing spread over 16 separate loans. Loans that AMIL has advanced between May 2013 to December 1, 2015 had a weighted average IRR of 41.37%.

Dr. Neale was previously an MIT Sloan School of Management Business Coach as well as a guest speaker at numerous universities throughout the world.

William (Bill) Green

Over a career of close to thirty years, Mr. Green has worked with start-ups through to major corporations, both public and private, with revenues from zero to well into the millions.

Mr. Green's career began with a retail electronics start-up in Victoria, British Columbia which eventually grew to 21 locations in Canada before opening more than 200 locations in the US and ultimately was acquired by US investors. He then spent thirteen years with Slocan Forest Products at three operations across British Columbia with the last seven years as part of a three-person team turning around the Reman Operation in Chilliwack.

A Chartered Professional Accountant (CPA, CMA), Mr. Green focuses on helping connect SMEs with the resources that will help them succeed. After 2 ½ years as CFO with startup VeriCorder Technology Inc., he has spent the past four years providing consulting and CFO services to many companies locally and across Canada. A significant amount of that time has involved developing business plans and financial models for SMEs prior to preparing grant and loan proposals and providing representation to various federal and provincial agencies (including IRAP, BDC, EBC, WINN, SADI, SDTC) as well as angel investor groups.

Mr. Green also provides advisory services to technology companies including WTFast and Webilize Applications Inc. and has been involved in a number of recent turnarounds. Mr. Green was an original investor in AMIL.

John Pinsent

Mr. Pinsent's education includes receiving a BEd from the University of Alberta (1983) and a BComm (AD) from the University of Alberta (1985). Mr. Pinsent obtained his Chartered Accountant designation in 1996, an ICD.D designation in 2010, a FCA designation in 2013 and a FCPA designation in 2013.

In 2004, Mr. Pinsent became a founding partner with St. Arnaud Pinsent Steman Chartered Professional Accountants "SPS" following a ten-year career with Ernst and Young LLP as an Assurance Senior Manager and their Director of Technology, Communication and Entertainment (TCE) assurance services for Northern Alberta. SPS is a three partner, 25 staff mid-tier general accountancy practice providing corporate compliance, business advisory and personal tax services to the Alberta business community.

At SPS, Mr. Pinsent specializes in the provision of accounting, audit, tax and business advisory services for entrepreneurial businesses of various sizes. John has a particular passion for assisting early stage, high growth companies and has been an active angel investor and mentor to organizations in this space for a number of years. Mr. Pinsent is a strong supporter of knowledge based businesses. He is active in a number of information, communication and technology (ICT) and biotechnology initiatives within the Province and serves on the boards of Capital Roads (annual presenters of the Banff Venture Forum, the Canadian Financing Forum and the Propel Energy Forum), Alberta's A-100 and various other industry initiatives. In 2006, Mr. Pinsent was awarded the Institute of Chartered Accountants of Alberta ("ICAA") Distinguished Service Award for his support of the Province's high technology community. Previously, he was the recipient of the ICAA Early Achievement Award in 2001 for his work with South American refugee support organizations and the 2002 Economic Development Edmonton Ambassador Award for his formation work on the Greater Edmonton Competitiveness Strategy including the creation of Edmonton's Deal Generator angel network. In June 2013, Mr. Pinsent's outstanding service to the accounting professional and the greater community was acknowledged when he was awarded a Fellowship (FCA) by the Institute of Chartered Accountants of Alberta. Mr. Pinsent currently serves as a director on a number of public company boards including Hyduke Energy Services Inc. (TSX) Synodon Inc. (TSX.V) and Enterprise Oilfield Group (TSX.V). John earned his ICD.D from the Institute of Corporate Directors in 2010 and has extensive experience as both the Board and Audit Committee Chair in the organizations that he serves. Mr. Pinsent also services on the boards of numerous private companies including Innovative Trauma Care Inc., Smilesonica Inc. and IMBiotechnologies Inc.

Ken Davidson

Currently Mr. Davidson heads the Atlantic region of BDO Canada, managing 11 regional offices and more than 100 accounting and financial practitioners. In addition, Mr. Davidson is Leader of Development with respect to mergers and acquisitions for BDO nationwide. Prior to these roles Mr. Davidson was a member of the board of BDO Canada and later as the Chair of BDO Canada; a Canadian firm with more than 100 offices, more than 400 partners and nearly 2,500 accounting professionals which generated circa \$500M of revenue in 2015 during his tenure as chairman.

Mr. Davidson's area of interest within BDO is Entrepreneurship and he thrives on guiding entrepreneurs to achieve their business goals. He has a proven track record of facilitating growth, shareholder wealth and successful exits. Outside of BDO Mr. Davidson leads by example - bringing 30+ years of experience as a CA, corporate VP, real estate investor and independent owner of several private enterprises - to help a range of ventures as either a board member or by directly creating ventures.

Mr. Davidson graduated from Lakehead University, Ontario with a Bachelor of Business Administration in 1985, achieved Chartered Accountant status in 1986, and became a Certified Financial Planner in 1999. He is also a Rainmaker Academy Graduate and Spirit of Rainmaker Award recipient (2004) from BDO Canada. In 2005, Mr. Davidson received the CA Institute's Community Service Award in recognition of his outstanding contributions to the community.

3.3 PENALTIES, SANCTIONS AND BANKRUPTCY

There is no penalty or sanction that has been in effect during the last ten (10) years, and no cease trade order that has been in effect for a period of more than 30 consecutive days during the last ten (10) years, against any executive officer, director or control person of the Trustee, the Trust nor the General Partner nor against an issuer of which any of the foregoing was an executive officer, director or control person at the time.

Other than as disclosed herein, no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, has been in effect during the last ten (10) years with regard to any executive officer, director or control person of the Trustee, the Trust nor the General Partner nor an issuer of which any of the foregoing was an executive officer, director or control person at that time.

Dr. Neale was an officer, director and shareholder of OmniGlobe Networks Inc. ("**OmniGlobe**") a Canadian technology company, between 2005 and 2011. On April 11, 2011 OmniGlobe made a bankruptcy declaration. Dr. Neale resigned as an officer and director OmniGlobe on the above date.

ITEM 4 - CAPITAL STRUCTURE

4.1 TRUST'S CAPITAL

The following table sets out the capitalization of the Trust as at October 20, 2017, both before and after giving effect to this Offering:

Description of Security	Number Authorized to be Issued	Number Outstanding as at the date hereof	Price Per Security	Number Outstanding After Minimum Offering	Number Outstanding After Maximum Offering
Units	unlimited	1 ⁽¹⁾	\$1	1,000,000 Units representing gross proceeds of \$1,000,000	50,000,000 Units representing gross proceeds of \$50,000,000

(1) This Unit is held by the settlor of the Trust and was issued for \$100. The Trust will redeem this Unit upon the Closing of the Minimum Offering amount.

4.2 PARTNERSHIP'S CAPITAL

The following table sets out the capitalization of the Partnership as at October 20, 2017:

Description of Security	Number Authorized to be Issued	Number Outstanding as at the date hereof	Price Per Security	Number Outstanding After Minimum Offering	Number Outstanding After Maximum Offering
Class A LP Units	50,000,000	Nil	\$1	1,000,000	50,000,000 Class A LP Units
Class B LP Units	40,000,000	26,668,000 ⁽¹⁾	\$.00001	26,934,640 ⁽²⁾	40,000,000 Class B LP Units ⁽³⁾

(1) These Class B LP Units are held equally by R. Stewart Thompson and Dr. Neale through their respective holding companies. See Item 4.4 - "Prior Sales - Class B LP Units".

(2) Assumes that the maximum number of Class B Options (266,640) are exercised by Selling Agents with respect to the Minimum Offering amount.

(3) Assumes that the maximum number of Class B Options (13,332,000) are exercised by Selling Agents with respect to the Maximum Offering amount.

4.3 LONG-TERM DEBT

(a) The Trust

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

(b) The Partnership

As of the date of this Offering Memorandum, the Partnership has no long-term debt.

4.4 PRIOR SALES

(a) The Trust

Except for the issuance of the one (1) Class A-III Unit (for \$100) to the initial unitholder of the Trust on the formation of the Trust, the Trust has not issued any Units during the last 12 months. After the initial Closing of the issuance of Units, the interest of the Initial Unitholder is expected to be redeemed by the Trust in the amount of the initial contribution of \$100.

(b) The Partnership

Class A LP Units

The Partnership issued one hundred (100) Class A-III LP Units (for \$100.00) to the initial limited partner on May 25, 2017. This Class A-III LP Unit was redeemed by the Partnership on July 4, 2017.

Class B LP Units

The following Class B LP Units of the Partnership have been issued during the last 12 months:

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received ⁽⁷⁾
July 4, 2017	Class B LP Units	13,334,000 ⁽¹⁾	\$0.00001	\$133.34
July 4, 2017	Class B LP Units	13,334,000 ⁽¹⁾	\$0.00001	\$133.34
TOTAL:		26,668,000		\$266.68

⁽¹⁾ These Class B LP Units re held by R. Stewart Thompson through his holding company.

⁽²⁾ These Class B LP Units re held by Dr. Neale through his holding company.

ITEM 5 - SECURITIES OFFERED

5.1 TERMS OF SECURITIES

An unlimited number of Units may be created and issued pursuant to the Declaration of Trust. Each Unit shall entitle the holder thereof to one vote at any meeting of the Unitholders or in respect of any written resolution of Unitholders and represents an equal undivided beneficial interest in any distribution from the Trust (whether of income, net realized capital gains or other amounts) and in any net assets of the Trust in the event of termination or winding-up of the Trust. All Units shall rank among themselves equally and rateably without discrimination, preference or priority, whatever may be the actual date or terms of issue thereof.

Each Unit is transferable (subject to the terms of the Declaration of Trust and Applicable Laws) and is not subject to any conversion or pre-emptive rights and entitles the holder thereof to require the Trust to redeem any or all of the Units held by such holder. See Item 2.5 – “Material Agreements – Summary of Declaration of Trust – Redemption of Units”.

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

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

Limited Liability

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

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

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

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

Distributions

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

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

Rights of Redemption

Each holder of Units shall be entitled to require the Trust, on the demand of such holder of Units, to redeem all or any part of the Units registered in the name of such holder of Units at the Redemption Price. See Item 2.5 – “Material Agreements – Summary of Declaration of Trust – Redemption of Units” for the specific terms of Unitholder’s rights of redemption.

5.2 SUBSCRIPTION PROCEDURE

The Trust may accept subscriptions for Units in amounts of less than \$10,000 where in the sole Discretion of the Trustee the acceptance of such subscriptions are necessary in order for the Trust to satisfy the minimum investor requirements of a “mutual fund trust” under the Tax Act or in such other circumstances as the Trustee deems to be beneficial to the Trust.

An investor who wishes to subscribe for Units must:

1. complete and execute the Subscription Agreement which accompanies this Offering Memorandum, including all applicable schedules, appendices and/or exhibits thereto; and
2. pay the subscription price by certified cheque or bank draft dated the date of the Subscription Agreement in the amount of the applicable Unit Subscription Price for each Unit subscribed for made payable to "Old Kent Road Income Fund I" or as the Trustee may otherwise direct; and
3. complete and execute any other documents deemed necessary by the Trustee to comply with Applicable Laws; and
4. deliver the foregoing to the Trust at Suite 2815, 150 - 9 Avenue SW, Calgary, Alberta, T2P 3H9, or such other location as the Trustee may specify.

If the conditions of Closing are not satisfied within the required time, all documents and subscription funds will be returned to the subscribers without interest or deduction.

A Subscriber will become a Unitholder of the Trust following the acceptance of a Subscription Agreement by the Trust. If a subscription is withdrawn or is not accepted by the Trustee, all documents will be returned to the subscriber within thirty (30) days following such withdrawal or rejection without interest or deduction.

The initial Closing is expected to be held on or before November 30, 2017 and subsequent Closings may occur from time to time and at any time on such other dates as the Trustees determine. If subscriptions for 1,000,000 Units (\$1,000,000) are not received and accepted and certain other conditions have not been satisfied or waived on or before November 30, 2017, subscriptions and subscription funds will be returned to subscribers by December 15, 2017 without interest or deduction.

The consideration tendered by each Subscriber will be held "in trust" for a period of two days during which period the Subscriber may request a return of the tendered consideration by delivering a notice to the Trust not later than midnight on the second business day after the Subscriber signs the Subscription Agreement.

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

5.3 OFFERING JURISDICTIONS

The Offering is being made pursuant to the exemptions from the prospectus requirements contained in the Applicable Laws in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec, Saskatchewan or Yukon pursuant to the exemptions from the prospectus requirements afforded by Section 2.9 of NI 45-106 (the "**Offering Memorandum Exemption**")

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

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

ITEM 6 - INCOME TAX CONSIDERATIONS

You should consult your own professional advisors to obtain advice on the tax consequences that apply to you.

6.1 GENERAL

The following summary fairly describes the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Unitholder who acquires the Units pursuant this Offering and who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length with, and is not affiliated with, the Trust, and where the Unitholder is a trust governed by a registered retirement savings plan, a registered retirement income fund or a tax-free savings account (together the "**Restricted Plans**"), the controlling individual of the Restricted Plan does not have a "significant interest" in the Trust (as defined in subsection 207.01(4) of the Tax Act) and holds the Units as capital property.

Generally, an individual has a significant interest in the Trust if at any time, the individual, together with other individuals, corporations, trusts, and partnerships that do not deal at arm's length with the individual, hold at any time Units that have a fair market value of 10% or more of the fair market value of all the outstanding Units of the Trust. Generally, Units will be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business of trading or deal in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

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

This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"), existing case law and the understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing by it. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations which may differ significantly from the Canadian federal income tax considerations discussed herein. There can be no assurance that the Proposed Amendments will be enacted in the form publicly announced or at all.

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

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

6.2 STATUS OF THE TRUST

This summary assumes that the Trust will qualify at all relevant times as a "mutual fund trust" within the meaning defined in the Tax Act and that the Trust will validly elect under the Tax Act to be a mutual fund trust from the date it was established. To qualify as a mutual fund trust, the sole undertaking of the Trust must be the investing of its funds in property (other than certain real property or interests in real property), or the acquiring, holding, maintaining, improving leasing or managing of any real property (or interest in real property) that is capital property of the trust, or a combination of these activities, the Trust must comply on a continuous basis with certain requirements relating to maintaining a diversity of investments, the qualification of the Units for distribution to the public, the number of Unitholders and dispersal of ownership of Units and the Trust must not be reasonably considered to have been established or maintained primarily for the benefit of non-residents of Canada.

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

There can be no assurance that the Trust will maintain its status as a “Mutual Fund Trust”. If the Trust were not to qualify as a mutual fund trust at all times or the Trust were to become a SIFT trust, the income tax considerations described below would, in some respects, be materially and adversely different from those described below.

6.3 TAXATION OF THE TRUST

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

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

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

In the event the Trust would otherwise be liable for tax on its net realized taxable capital gains for a taxation year, it would be entitled for such taxation year to reduce (or receive a refund in respect of) its liability for such tax by an amount determined under the Tax Act based on the redemption of Units of the Trust during the year (the “**capital gains refund**”). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the Trust’s tax liability for the taxation year arising in connection with the transfer of property *in specie* to redeeming Unitholders on the redemption of Units. The Declaration of Trust provides that all or a portion of any capital gain or income realized by the Trust in connection with such redemptions may, at the Discretion of the Trustee, be treated as capital gains or income paid to, and designated as capital gains or income of, the redeeming holder. Such income or the taxable portion of the capital gain so designated must be included in the income of the redeeming holder (as income or taxable capital gains) and will be deductible by the Trust in computing its income.

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

6.4 TAXATION OF UNITHOLDERS

6.4.1 *Trust Unit Distributions*

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

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

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

6.4.2 *Disposition of Trust Units*

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

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

6.4.3 *Redemption of Trust Units*

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

6.4.4 Capital Gains and Losses

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

6.4.5 Alternative Minimum Tax

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

6.5 QUALIFIED INVESTMENTS FOR DEFERRED PLANS

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

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

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

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

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

The income tax information contained in sections 6.1 – 6.5 was provided pursuant to the advice received from Collins Barrow Calgary LLP, and it is based on the current provisions of the Income Tax Act, the Regulations there under and published administrative practices of the CRA. The comments do not take into account or anticipate changes in the law, whether by judicial, regulatory, governmental or legislative action after the date of this document. The comments offered do not address the possibility of any challenge to the structure by the CRA under the specific and/or general anti-avoidance rules. No assurance can be given that the Tax Act will not be amended in a manner which will fundamentally alter the income tax consequences to a Subscriber for securities.

Accordingly, this summary is not exhaustive of all possible Canadian Federal income tax considerations that apply to an investment in the Units of the Trust. This summary is of a general nature only and is not intended to be and should not be taken as legal, tax or business advice to any particular Subscriber to these securities. Consequently, Subscribers should seek independent professional advice regarding the income tax consequences of investing in the securities, based upon their own particular circumstances.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

Selling Agents

The Trust reserves the right to retain Selling Agents to effect sales of the Units, in which case, subject to applicable securities legislation, Selling Agents may receive a fee of up to seven percent (7%) of the proceeds realized from the sale of Units sold directly by such parties as follows:

- (i) A commission of up to five percent (5%) of the proceeds realized from the sale of Units to an investor upon Closing of any such sale;
- (ii) The Trust may pay Exempt Market Dealers up to one percent (1%) of the proceeds realized from the sale of Units sold directly by dealing representatives employed by such Dealers;
- (iii) The Trust has entered into a distribution agreement with respect to the sale of the Units under this Offering with Pinnacle. The Trust has agreed to pay Pinnacle a “**Lead Agent Fee**” equal to one percent (1%) of the Gross Proceeds raised by all Selling Agents, including Pinnacle, within 12 months of the first Closing. In the event that the Trust raises \$20,000,000 (the “**Lead Agent Fee Threshold**”) or more within 12 months of the date of the first Closing under this Offering, the Trust will continue to pay Pinnacle the Lead Agent Fee with respect to all funds raised under this Offering. Funds from the first Closing under this Offering shall be included in determining the Lead Agent Fee Threshold.

Class B Options

As additional compensation to Selling Agents, such Agents shall have the option (the “**Class B Options**”) to acquire 0.26664 of a Class B LP Unit in the Partnership for the subscription price of \$.00001 per one (1) whole Class B LP Unit, for every Unit in the Trust sold by such Agents. Selling Agents are expected to include Exempt Market Dealers.

Related and Connect Issuer Matters

Should one or more Exempt Market Dealers acquire Class B LP Units in the Partnership, the Trust will be considered to be related and connect to such Exempt Market Dealers in accordance with Applicable Laws the relationship between the Trust and such Exempt Market Dealers may lead a reasonable prospective purchaser of the Units to question the independence of such Exempt Market Dealers for purposes of the distribution of the Units under this Offering.

Where an Exempt Market Dealer, acting as a Selling Agent, expects to acquire Class B LP Units as partial compensation for selling Units under this Offering, Canadian provincial and Applicable Laws require such Exempt Market Dealers and their dealing representatives, when they trade in or advise with respect to the sale of Units under this Offering, to do so only in accordance with particular disclosure.

Further, these rules require such Exempt Market Dealer, prior to trading with or advising their clients, to inform clients of the relevant relationships and connections with the Trust.

The Trustee expects that Pinnacle will sell some or potentially all of the Units under this Offering and as the Trust should be considered to be a related and connected issuer to Pinnacle in accordance with Applicable Laws. In addition, the general partner of the Pinnacle LP is an affiliate of the Pinnacle. As the Partnership is a party to the Joint Lending Agreement with OKR Partnership and the Pinnacle LP, the Partnership should be considered to be a related and connected issuer to Pinnacle in accordance with Applicable Laws on this basis also.

Purchasers should refer to the applicable provisions of the relevant Applicable Laws for the particulars of these rules or consult with a legal advisor.

Payment of Selling Commissions

The Partnership will pay all Selling Commissions and fees incurred by the Trust with respect to this Offering pursuant to the terms of the Funding Agreement.

Wholesaling Fee

The Trust may pay up to one and one quarter percent (1%) of the Gross Proceeds of this Offering to parties, including Exempt Market Dealers, who provide wholesaling services to the Trust with respect to the sale of Units under this Offering.

ITEM 8 - RISK FACTORS

An investment in the Trust is speculative and contains certain risks. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Class A Units. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Trust will meet its business objectives.

The Trust's returns may be unpredictable and, accordingly, the Class A Units are not suitable as the sole investment vehicle for an investor or for an investor that is looking for a predictable source of cash flow. An investor should only invest in the Trust as part of an overall investment strategy. Based on, among others, the factors described below, the possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.

RISKS ASSOCIATED WITH THE UNITS

No Review by Regulator

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

Restrictions on redemption and transfer; Illiquidity of Units

It is intended that the Trust will continue until December 31, 2023. As a result, a Unitholder's principal source of liquidity for its Class A Units will be through its limited right of redemption. Unitholders should be aware that redemption rights in their favour are subject to significant limitations and restrictions. There will be no public market for the Units and an application for listing of the Class A Units on a stock exchange will not be made. Class A Units are highly illiquid investments and should only be acquired by investors able to bear the economic risk of an investment in the Class A Units for an indefinite period of time. The Class A Units are being sold on a "private placement" basis in reliance upon exemptions from prospectus and registration requirements of Applicable Laws and therefore are subject to significant statutory restrictions on transfer or sale. The Class A Units will be subject to "hold periods" under applicable securities legislation and, as the Trust is currently not a "reporting issuer" in any province or territory in Canada, the "hold periods" may never expire. Additionally, Unitholders will not be permitted to transfer or sell their Class A Units without the consent of the Trustee, which may be withheld in the Trustee's sole Discretion, and may be subject to the satisfaction of certain other conditions, including the provision of an opinion of counsel that such a transfer would not subject the Trust or the Unitholders to any regulatory or tax burdens or result in violation of any applicable law or governmental regulation.

RISKS ASSOCIATED WITH REDEMPTIONS

Use of Available Cash

The payment in cash by the Trust of the Redemption Price of Class A Units (as opposed to payment of the Redemption Price by way of Redemption Notes) will reduce the amount of cash available to the Trust for the payment of distributions to Unitholders, as the payment of the amount due in respect of cash payments of the Redemption Price redemptions will take priority over the payment of cash distributions.

Limitation on Payment of Redemption Price in Cash

The total cash amount available for the payment of the redemption price of Units by the Trust shall be limited as follows: (i) \$150,000 with respect to Redemption Notices received for each Class of Units in the Calendar Year 2017; and (ii) in any one Calendar Year commencing 2018, the aggregate Redemption Amount of each Class of Units shall be five percent (5%) of the Assets Under Management, calculated as of December 31 of the year preceding the year in which a Redemption Notice is received.

Payment of Redemption Price issuance of Redemption Notes

The redemption of Class A Units may be paid and satisfied by way of Redemption Notes, as determined by the Trustee in their sole Discretion, to the redeeming Unitholder. Such property may not be liquid and will not be a qualified investment for Deferred Plans and will be a prohibited investment for Deferred Plans. Adverse tax consequences generally may apply to a Unitholder, or Deferred Plan and/or its annuitant, beneficiary thereunder or holder thereof, as a result of the redemption of Class A Units. Accordingly, investors that propose to invest in Class A Units through Deferred Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Class A Units.

Redemption Notes will be Unsecured

Redemption Notes issued by the Trust will be unsecured debt obligations of the Trust and may be subordinated to other financing obtained by the Trust.

Priority of Redemption Notes over Class A Units

Redemption Notes, if issued by the Trust, may, in certain circumstances, have priority over Class A Units in the event of the liquidation of the assets of the Trust. There are various considerations with respect to creditor rights and bankruptcy law that will need to be considered both at the time Redemptions Notes are issued and at the time of any liquidation of the assets of the Trust in order to determine if such a priority exists.

Payment of Redemption Notes

The Trust will create a reserve fund for interest payable with respect to Redemption Notes issued by the Trust. In the event that the Trust is unable to pay out a Redemption Note on maturity it may borrow funds from related and unrelated parties or seek to extend the terms of the Redemption Note. Notwithstanding the aforesaid circumstances may arise resulting in the Trust may not have funds available to pay on maturity the principal balance and accrued unpaid interest under any Redemption Notes issued.

No Assurances of Achieving Objectives

There is no assurance that the Trust will be able to achieve its investment objectives, including being able to pay distributions to Unitholders or to enhance long-term total return.

Conflicts of Interest

The Trustee, the General Partner and the Manager have each adopted Conflict of Interest Policies. All Conflict of Interest Matters with respect to each of entities will be governed by the applicable Conflict of Interest Policy. See Item 2.1.1 – “The Trust – Conflict of Interest Policies”. All Related Party Loans will necessarily be Conflict of Interest Matters and must be approved by the Independent Directors of the Manager. See Item 2.2 – “Our Business – Approval of Independent Directors of Related Party Loans”. The Independent Directors of the Manager must approve either of Dr. Neale or R. Stewart Thompson becoming a Related Party to a Borrower subsequent to the advance of a Loan to a Borrower. See Item 2.2 – “Our Business – Approval by Independent Directors of Dr. Neale and R. Stewart Thompson Becoming Related Parties”.

Less than Full Offering

There can be no assurance that more than the Maximum Offering will be sold. If less than all of the \$50,000,000 of Class A Units are sold pursuant to this Offering, then less than the maximum proceeds will be available to the Trust. Consequently, the Trust’s business development plans and prospects could be adversely affected, since fewer Partnership Loans will be advanced by the Partnership.

Distribution of Income

The Trust will distribute Trust Income and Trust Capital Gains for each taxation year, so that Trust Income and Trust Capital Gains may be taxable to Unitholders and the Trust will not have any obligation to pay tax under the Tax Act. Payment of distributions is intended to be made in cash, but the Trust may, in certain circumstances, make distributions by distributing additional Units. See Item 2.5 – “Material Agreements - Summary of the Declaration of Trust - Distributions”. In the event that the Trust does not make cash distributions, Unitholders will have to rely solely on the redemption of their Units to obtain a cash return on their investment in Class A Units.

Distributions may be Reduced or Suspended

Although the Trust intends to distribute Cash Flow of the Trust to the Unitholders, such cash distributions may be reduced or suspended, or the Trust may not make any distributions at all. Class A Units are not traditional fixed income securities. The Class A Series III Preferred Return and Class A Series V Preferred Return payable by the Partnership, which will ultimately form part of the distributions available from the Trust to the Unitholders, is a preferred return, but is not guaranteed and may not be paid on a current basis in each year or at all. Class A Units do

not have a fixed obligation to make payments to Unitholders and do not promise to return the initial purchase price of a Unit on a certain date in the future. The ability of the Trust to make cash distributions and the actual amount distributed will depend on the ability of the Partnership to advance Partnership Loans to Borrowers, to collect principal and interest payments from the Borrowers and will be subject to various factors beyond the Partnership's control. An investment in the Class A Units is not comparable to an investment in a fixed income security. Cash distributions, including a return of a Unitholder's original investment, are not guaranteed and the recovery of an investor's original investment is at risk and the anticipated return on investment is based upon many performance assumptions. It is important for Subscribers to consider the particular risk factors that may affect the investment markets generally and therefore the availability and stability of the targeted distributions to Unitholders.

Nature of Class A Units

Each Unit represents an equal undivided beneficial interest in the Trust. The Class A Units do not represent debt instruments and there is no principal amount owing to Unitholders under the Class A Units, and the Class A Units are not insured against loss through the Canada Deposit Insurance Corporation.

Highly Speculative

The purchase of Class A Units is highly speculative. A Subscriber should purchase Class A Units only if it is able to bear the risk of the loss of his/her entire investment. An investment in the Class A Units should not constitute a significant portion of a Subscriber's portfolio.

Class A Units are intended to be held by taxable and tax exempt investors

The Class A Units are intended to be held by taxable and tax exempt investors. Taxable investors may be subject to tax as a result of holding Class A Units. The Trust intends to make all taxable income of the Trust payable to Unitholders each year and to distribute such income by distributing cash or Class A Units. In addition, income allocated by the Trust to Unitholders may exceed the amount payable to them on a redemption of their Class A Units. Investors should consult their own tax advisors respecting the tax consequences of owning the Class A Units.

Mutual fund trust status

To qualify as a mutual fund trust, the sole undertaking of the Trust must be the investing of its funds in property (other than certain real property or interests in real property), the Trust must comply on a continuous basis with certain requirements relating to maintaining a diversity of investments, the qualification of the Class A Units for distribution to the public, the number of Unitholders and the dispersal of ownership of Class A Units and the Trust must not be reasonably considered to have been established or maintained primarily for the benefit of non-residents of Canada. If the Trust ceases to qualify as a "mutual fund trust", there may be adverse tax consequences to the Trust and Unitholders.

Eligibility of Class A Units for investment by Deferred Plans

If the Trust fails to or ceases to qualify as a "mutual fund trust" the Class A Units may not be or may cease to be qualified investments for Deferred Plans which will have adverse tax consequences to Deferred Plans and their annuitants, holders or beneficiaries. If the Class A Units are or become a prohibited investment for trusts governed by tax-free savings accounts, adverse tax consequences may result to the holder of the tax-free savings account.

Trust Assets or Redemption Notes received as a result of a distribution or redemption of Class A Units will not be a qualified investment for Deferred Plans, which may give rise to adverse consequences to a Deferred Plan or the annuitant, holder or beneficiary thereunder.

Tax treatment of Class A Units and Unitholders

Canadian federal or provincial income tax legislation may be amended, or their interpretation changed, so as to fundamentally alter the tax consequences of holding or disposing of Class A Units or the investments held by the Trust. The alternative minimum tax could limit tax benefits available to Unitholders.

There is no assurance that income tax laws or administrative practices of tax officials in the various jurisdictions of Canada will not be changed in a manner which will adversely alter the tax treatment of Unitholders.

Tax characterization of Trust Income and Trust Capital Gains

The designation of income or gains realized by the Trust to Unitholders, including the designation of gains realized on the disposition of investments as capital gains will depend largely on factual considerations. Management will endeavor to make appropriate characterizations of income or gains realized by the Trust for purposes of designating such income or gains to Unitholders based on information reasonably available to it. However, there is no certainty that the manner in which the Trust characterizes such income or gains will be accepted by the CRA. If it is subsequently determined that the Trust's characterization of a particular amount was incorrect, Unitholders might suffer material adverse tax consequences as a result.

SIFT status

If investments in the Trust are listed or traded on a stock exchange or other public market, the Trust may be taxable as a "*SIFT trust*" under the Tax Act, which will have adverse tax consequences to the Unitholders and the Trust and the Canadian federal income tax considerations of investing in the Trust will be materially different from those described herein.

RISKS ASSOCIATED WITH THE TRUST

Blind Pool Offering

This is a "blind pool" Offering. Although the Trust expects that the available funds of the Offering will be advanced by the Partnership to Borrowers through Partnership Loans, the identity of the Borrowers and the amount of each Partnership Loan and the specific security to be granted by each Borrower to secure a Loan have not been identified. The Unitholders' return on their investments in the Class A Units will vary depending on the return on investment achieved through the Partnership Loans advanced with the available funds of the Offering. An investment in Class A Units is appropriate only for Subscribers who have the capacity to absorb a loss of some or all of their investment.

Nature of investment

An investment in the Trust requires a long-term commitment, with no certainty of return. Investments made by the Trust, including in the Partnership, may not generate current income.

Distributions May Be Comprise of Proceeds from the Offering or Future Offerings

The Trust intends that distributions to Unitholders will be from cash flow from the business and operations of the Partnership. However, in certain circumstances, distributions may exceed the cash flow of the Partnership for any particular distribution period. In such circumstances, distributions to Unitholders may consist, directly or indirectly, of the proceeds from the sale of Class A Units by the Trust (including this Offering).

No Guarantee that Investment in Class A Units will be Successful

There can be no guarantee against losses resulting from an investment in the Class A Units and there can be no assurance that the Trust's investment in Class A LP Units in the Partnership will be successful or that the Partnership's objective of creating a portfolio of Partnership Loans will be achieved. The success of the Trust in these objectives will depend, to a certain extent, on the efforts and abilities of the management of the General Partner in executing the business strategy of the Partnership.

No assurance of investment return

The success of the Trust and, accordingly, a return on investment for a purchaser of Class A Units, is entirely dependent upon the success of the Partnership's investment strategy. As a result, there is no assurance or guarantee that the Trust and, correspondingly, the purchasers of Class A Units pursuant to this Offering, will earn a return on their investment. Unitholders could lose the entire amount of their investment.

Concentration of investments

The Trust's investments will be limited to that of a single business (being the Partnership). Concentration of the Trust's investments in such a manner involves greater risk to an investor of Class A Units than the exposure generally associated with more diversified investment funds, and may result in greater fluctuations in returns.

Reliance on the Trustee

All decisions with respect to the Trust Assets and the operations of the Trust are expected to be made exclusively by the Trustee. Unitholders will have no right to make any decisions with respect to the Trust's business and affairs. No prospective investor should purchase a Unit in the Trust unless such prospective investor is willing to entrust all aspects of the management of the Trust to the Trustee.

Lack of operating history

The Trust and the Partnership have been established in connection with this Offering and have limited operating history. The past performance of any of Management in funding Finance Receivables should not be construed as a guarantee or expectation of future results of any investment in the Trust. Accordingly, there is limited operating history upon which to base an evaluation of the Trust or the Partnership or their business or prospects. The Trust and the Partnership are in the early stages of their business and therefore are subject to the risks associated with early stage entities, including start-up losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature of their business and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Trust or the Partnership will be successful in doing what they are required to do to overcome these risks. No assurance can be given that the Trust's or the Partnership's business activities will be successful. A total loss of an investment in Class A Units is possible.

Limited working capital

The Trust will have a limited amount of working capital, as all or substantially all of the Available Funds of the Offering will be used to acquire Class A LP Units from the Partnership.

Termination of the Trust

Although the Trust is expected to continue until December 31, 2023, Unitholders may, by Extraordinary Resolution, vote to terminate the Trust at any meeting of Unitholders duly called by the Trustee or the Unitholders for the purpose of considering termination of the Trust, following which the Trustee will commence winding-up of the Trust. Such Extraordinary Resolution may contain directions to the Trustee as the Unitholders determine, including a direction to distribute the securities held by the Trust, or all of them, *in specie*. If the termination occurs earlier than the term of the Trust, the Trust may not have been in existence for the period of time necessary to achieve the business objectives of the Trust.

Leverage of the Trust

The Trust may borrow or incur indebtedness for any purpose, including for the purposes of acquiring investments, distributing Trust Income or Trust Capital Gains or redeeming Class A Units. The requirement to repay principal and pay the associated debt service costs could impair the Trust's ability to make distributions to Unitholders, particularly if the value of the Trust's investments decline and/or the Trust is unable to liquidate some or all of its investments to refinance any such borrowings. If the Trust is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the ability of the Trust to make distributions would be impaired and the value of the Class A Units could be significantly reduced or even eliminated.

In addition, if the borrowings are used to acquire investments, the interest expense and banking fees incurred in respect of any such loans may exceed the incremental capital gains and tax benefits generated by the investments. There can be no assurance that the borrowing strategy employed by the Trust will enhance returns.

Lack of independent counsel representing Unitholders

The Trust has consulted with and retained for their benefit legal counsel to advise them in connection with the formation and terms of the Trust and the offering of Class A Units. Unitholders have not, however, as a group been represented by independent legal counsel. Therefore, to the extent that the Unitholders could benefit by further independent review, such benefit will not be available unless individual Unitholders retain their own legal counsel.

Liability for return of distributions

Generally, the Unitholders do not have personal liability for the obligations of the Trust. However, under applicable law, Unitholders could be required to return distributions previously made by the Trust if it is determined that such distributions were wrongfully made or in certain other circumstances under the terms of the Declaration of Trust. Where a Unitholder has received the return of all or part of the amount contributed to the Trust, the Unitholder is nevertheless liable to the Trust or, where the Trust is terminated, to its creditors for any amount, not in excess of the amount returned with interest, necessary to discharge the liabilities of the Trust to all creditors who extended credit or whose claims otherwise arose before the return of the contribution. Additionally, Unitholders may have to return all or a portion of distributions made to them to the extent the Trust has an obligation to withhold any amounts from such distribution for tax purposes.

Recourse to the Trust's Assets

The Trust's Assets, including any investments made by the Trust and any capital held by the Trust, are available to satisfy all liabilities and other obligations of the Trust. If the Trust itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Trust's Assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Indemnification

The Trustee and each former Trustee of the Trust is entitled to indemnification and reimbursement out of the Trust Assets, except under certain circumstances, from the Trust. Such indemnification obligations could decrease the returns which would otherwise be available to the Unitholders of the Trust.

Effect of expenses on returns

Although the Partnership has agreed to bear all costs and expenses related to the activities and business of the Trust, the Trust generally remains responsible to pay the same. Accordingly, if the Partnership were to fail or refuse to pay any such costs or expenses, the Trust would remain liable to pay the same, and if it were to do so, such costs and expenses would reduce, and could eliminate, the actual returns to the Unitholders.

Lack of regulatory oversight

The Trust is not subject to any regulatory oversight in Canada.

Rights of Unitholders

A Unitholder does not have all of the same protections, rights and remedies as a shareholder would have under the ABCA. The matters in respect of which Unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of an ABCA corporation. Unitholders do not have recourse to a dissent right under which shareholders of an ABCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, the sale of all or substantially all of its property, or a going private transaction). Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of an ABCA corporation which would apply where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties. Shareholders of an ABCA corporation may apply to a court to order the liquidation and dissolution of the corporation in certain circumstances whereas Unitholders may rely only on the general provisions of the Declaration of Trust which permit the winding-up of the Trust with the approval of an Extraordinary Resolution of the Unitholders. Shareholders of an ABCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The ABCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Declaration of Trust does not include comparable rights.

RISKS ASSOCIATED WITH THE PARTNERSHIP'S BUSINESS

An investment in Class A Units is an investment in Partnership Loans advanced by the Partnership. Deployment of Partnership Loans is subject to numerous risks, including the factors listed below and other events and factors which are beyond the control of the Partnership.

Timing for Investment of Subscription Proceeds

The time period for the full investment of such proceeds of this Offering is not certain. The timing of such investment will depend, among other things, upon the identification of Borrowers by the Partnership and the advance of Partnership Loans to qualifying Borrowers. There is a risk that the Trust may not deploy all proceeds of the Offering through the advance of Partnership Loans in a timely manner and may not be able to generate sufficient funds to pay the expected distributions.

Possible Loss of Limited Liability of Limited Partners

Limited partners may lose their limited liability in certain circumstances, including by taking part in the control of the partnership's business. The principles of law in the various jurisdictions of Canada recognizing the limited liability of the limited partners of limited partnerships subsisting under the laws of one province, but carrying on business in another jurisdiction, have not been authoritatively established. If limited liability is lost, there is a risk that limited partners may be liable beyond their contribution and share of the Trust's undistributed net income in

the event of judgment on a claim in an amount exceeding the sum of the General Partner's net assets and the Trust's net assets.

Non-Regulated Business

The business to be conducted by the Partnership and the Trust is not a "trust business", "deposit business", "mortgage business" or "insurance business" and as such neither the Partnership nor the Trust are subject to the minimum capital requirements and other regulatory provisions imposed on such businesses by federal or provincial legislation.

Borrower Risks Relating to Partnership Loans

Partnership Loans made to Borrowers will involve certain risks. The Partnership Loans will expose the Partnership and the Trust to the credit risk of the Borrowers. The Partnership Loans will not be investment grade loans or securities. Partnership Loans will involve greater risks than if the Partnership were investing in investment grade debt, including risks of default in the payment of interest and principal, lower recovery rates on debt that is in default due to such factors as general economic conditions and the Borrower's creditworthiness.

Related Party Loans

Up to 40% of the AUM of the Partnership may be used to fund Related Party Loans. In addition there is no funding limitation with respect to Loans made by the Partnership to Borrowers in which a Majority Equity Interest is held by a Venture Fund controlled by Dr. Neale and/or R. Stewart Thompson. Accordingly a significant percentage of the Loans made by the Partnership may be made to Related Parties. As such there is the potential for a Conflict of Interest Matter arising in all actions taken by Dr. Neale and Mr. Thompson with respect to a Related Party Loan. In the event that a Conflict of Interest Matter arises with respect to a Related Party Loan, that Matter will be determined with by the Independent Directors in accordance with the Partnership Conflict of Interest Policy. No prospective investor should purchase a Unit in the Trust unless such prospective investor is willing to accept the possible concentration of Partnership funds in Related Party Loans as discussed above and the potential for Conflicts of Interest Matters arising with respect to such Loans.

Creditworthiness and Borrower Defaults

The Partnership will specialize in advancing Partnership Loans to small businesses. Small businesses may be more vulnerable than large businesses to economic downturns, typically depend upon the management talents and efforts of one person or a small group of persons and often need substantial additional capital to expand or compete. Partnership Loans, therefore, may entail a greater risk of delinquencies and defaults than Loans entered into with larger, more creditworthy Borrowers. Compared to larger, publicly owned firms, these companies generally have more limited access to capital and higher funding costs, may be in a weaker financial position and may need more capital to expand or compete. Accordingly, advances made to these types of Borrowers entail higher risks than advances made to companies who are able to access traditional credit sources.

In addition, there is typically only limited publicly available financial and other information about small businesses and they often do not have audited financial statements. Accordingly, in making credit decisions, the Partnership relies upon the accuracy of information about these small businesses obtained from the small business owner and/or third party sources, such as credit reporting agencies. If the information the Partnership obtains from small business owners and/or third party sources is incorrect, the Partnership's ability to make appropriate credit decisions will be impaired. If the Partnership inaccurately assesses the creditworthiness of Borrowers, it may experience a higher number of Partnership Loan defaults and related decreases in its earnings.

The Partnership may underwrite Partnership Loans based on detailed financial information and projections provided to it by its Borrowers. Even if Borrowers provide the Partnership with full and accurate disclosure of all material information concerning their businesses, the Partnership's investment officers, underwriting officers and credit committee members may misinterpret or incorrectly analyze this information. Mistakes by the Partnership's staff and credit committee may cause it to issue Partnership Loans that the Partnership otherwise would not have made, to fund advances that it otherwise would not have funded or result in losses on one or more of its existing Partnership Loans.

A Borrower's fraud could cause the Partnership to suffer losses.

The failure of Borrowers to accurately report its financial position, compliance with Partnership Loan covenants or eligibility for additional borrowings could result in the loss of some or all of the principal of a Partnership Loan including amounts the Partnership may not have advanced had it possessed complete and accurate information.

Enforcement Risk with Respect to Borrower's Assets

In the event that a Borrower defaults in its obligations under a Partnership Loan, the Partnership will have to enforce its security registered against a Borrower's personal property only. There may be intervening encumbrances or interests of other third parties that may stand in priority to the Partnership's security over a Borrower's assets which may prevent the Partnership from realizing on or enforcing some or all of its security against the personal property of a Borrower. There may be principals at law or at equity that may prevent the Partnership from enforcing some or all of its security against a Borrower or its personal property. The personal property of a Borrower may not have a sufficient value to satisfy any outstanding debt obligations to the Partnership.

In certain circumstances, applicable legislation provides for the granting of security over the assets of entities to secure repayment of liabilities owing by such entities to certain parties. Such legislated security sometimes is granted priority over security granted by the entity itself. An example is that certain taxation authorities (including the CRA) are provided with such legislated priority security over the assets of a taxpayer with respect to certain amounts owing by the taxpayer to the taxation authority. Such priority security would have priority over the security granted to the Partnership over the collateral under a Partnership Loan.

2017 Joint Lending Agreement

The terms of the 2017 Joint Lending Agreement provide that should an Event of Default occur and the Partnership, OKR Partnership and the Pinnacle LP not agree as to the steps or action to be taken with respect to the Event of Default, the party with the largest proportionate share of funds with respect to the 2017 Loan to which the Event of Default relates shall have the right to instruct the Administrator with respect to the steps or action to be taken in respect of such Default. Based on the aforesaid terms the Partnership may not have the ability to control the enforcement measures taken against a Borrower in such a circumstance. As the intention of the 2017 Joint Lending Agreement is that may Pinnacle LP fund 75% of 2017 Loans, the Partnership may not have any measure of control regarding Events of Default with respect to all 2017 Loans. See Section 2.2 – "Our Business – Joint Lending Agreement with OKR Partnership and the Pinnacle LP."

In the event Pinnacle LP makes a Liquidity Request and all of the funds advanced by Pinnacle LP to the Administrator are committed to 2017 Loans, the Partnership and the OKR Partnership have agreed that they will jointly acquire one or more of the five "highest risk" 2017 Loans (based on the Internal Credit Rating of all 2017 Loans) in which Pinnacle LP holds an interest in an amount which matches the amount of the Liquidity Request to be funded by the Administrator. Acquisition by the Partnership of "high risk" Loans may alter the risk profile of the Partnership Loan portfolio and expose the Partnership to the possibility of an increased rate of default within its Loan portfolio.

Dr. Neale and Mr. Thompson are the officers and directors of the Manager, OKR Manager, OKRF II and the Administrator. As such there is the potential for a conflict of interest arising in all actions taken by Dr. Neale and Mr. Thompson with respect to 2017 Loans. In the event that a Conflict of Interest Matter arises with respect to a 2017 Loan, that Matter will be determined with by the Independent Directors in accordance with the Partnership, Trustee and Manager Conflict of Interest Policies as applicable.

Competitive Marketplace

The Partnership will be competing for lending opportunities with respect to Financing Receivables with other entities offering similar financing to Borrowers, including banks, private equity funds and strategic investors. As a result of this competition, there can be no assurance that the Partnership will be able to identify and consummate Partnership Loans with suitable Borrowers that will allow the Partnership to achieve its targeted rate of return or fully invest its capital contributions. In addition, if the Partnership makes only a limited number of Partnership Loans, the aggregate returns realized by the Trust could be adversely affected in a material manner by the unfavourable performance of even one such Loan.

RISK FACTORS RELATING TO CANADIAN TAXES

Taxation of Partnerships – The SIFT Rules apply to a partnership that is a "SIFT partnership" as defined in the Tax Act. Provided that either:

- (a) the Class A Units and any other securities issued by the Trust, or any securities that derive their value from, or replicate the return on, the Class A Units, are not listed or traded on a stock exchange or other organized facility; or

- (b) a partnership does not own “non-portfolio property” (as defined in the Tax Act), it will not be subject to the SIFT Rules. The Trust does not expect the Trust or the Partnership to own “non-portfolio property”, in which case these entities will not be subject to the SIFT Rules. However, there can be no assurance that the SIFT Rules or the administrative policies or assessing practices of the CRA will not be changed in a manner that adversely affects the Trust, the Partnership or the Unitholders.

Taxable Income – In general, a Unitholder must include in computing the Unitholder’s income, gain, loss and deduction the Unitholder’s proportionate share of income of the Trust allocated to the Unitholder pursuant to the Trust’s Declaration of Trust for the fiscal period of the Trust ending on or within the Unitholder’s taxation year. However, the cash distributed to a Unitholder may not be sufficient to pay the full amount of such Unitholder’s tax liability in respect of its investment in the Trust. In addition, no assurances can be given that the Trust will make the cash distributions intended. Even if the Trust is unable to distribute cash in amounts that are sufficient to fund the Unitholders’ tax liabilities, each of the Unitholders will still be required to pay income taxes on its proportionate share of Trust’s taxable income.

For all of the above reasons and others set forth herein, the Class A Units involve a certain degree of risk. Any person considering the purchase of Class A Units should be aware of these and other factors set forth in this Offering Memorandum and should consult with his or her legal, tax and financial advisors prior to making an investment in the Class A Units. The Class A Units should only be purchased by persons who can afford to lose all of their investment.

ITEM 9 - REPORTING OBLIGATIONS

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

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

The Trustee will, within the time frame required under the Tax Act, forward to each Unitholder who received distributions from the Trust in the prior calendar year, such information and forms as may be needed by the Unitholder in order to complete its income tax return in respect of the prior calendar year under the Tax Act and equivalent provincial legislation in Canada.

The Trust is not a “reporting issuer” or equivalent under the securities legislation of any jurisdiction. Accordingly, the Trust is not subject to the “continuous disclosure” requirements of any securities legislation other than as provided for under National Instrument 45-106 *Prospectus Exemptions* (“**National Instrument 45-106**”) and there is therefore no requirement that the Trust make ongoing disclosure of its affairs including, without limitation, the disclosure of financial information on a quarterly basis or the disclosure of material changes in the business or affairs of the Trust. The Trust however will be subject to reporting requirements applicable to an Alberta issuer of securities under an Offering Memorandum as required by NI 45-106. The Trust will deliver to prospective investors certain documents, including this Offering Memorandum, a subscription agreement and any updates or amendments to the Offering Memorandum required by law, from time to time by way of facsimile or e-mail. In accordance with the terms of the subscription agreement provided to prospective investors, delivery of such documents by email or facsimile shall constitute valid and effective delivery of such documents unless the Trust receives actual notice that such electronic delivery failed. Unless the Trust receives actual notice that the electronic delivery failed, the Trust is entitled to assume that the facsimile or e-mail and the attached documents were actually received by the prospective investor and the Trust will have no obligation to verify actual receipt of such electronic delivery by the prospective investor. Annually at the same time the Trust files its audited annual financial statements on SEDAR, the Independent Directors of the Trustee, the Manager and the General Partner shall provide an annual report to Unitholders on all Conflicts of Interest Matters reviewed and their approvals including any standing orders.

ITEM 10 - RESALE RESTRICTIONS AND REDEMPTION RIGHTS

10.1 GENERAL

The Class A Units will be subject to a number of resale restrictions, including restrictions on trading. Until the restriction on trading expires, you will not be able to trade the Class A Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation. Additionally, Unitholders will not be permitted to transfer their Class A Units without the consent of the Trustee. See Item 2.5 “Material Agreements - Summary of the Declaration of Trust - Transfer of Units” and “Limitation on Non-Resident Ownership”.

10.2 RESTRICTED PERIOD

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

10.3 MANITOBA RESALE RESTRICTIONS

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

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

10.4 REDEMPTION RIGHTS

Each holder of Class A Units shall be entitled to require the Trust, on the demand of such holder of Class A Units, to redeem all or any part of the Class A Units registered in the name of such holder of Class A Units at the Redemption Price. See Item 2.5 – “Material Agreements – Summary of Declaration of Trust – Redemption of Units” for the specific terms of Unitholder’s rights of redemption.

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

ITEM 11 - PURCHASERS’ RIGHTS

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

11.1 TWO DAY CANCELLATION RIGHT

You can cancel your agreement to purchase these Class A Units. To do so, you must send a notice to the Trust by midnight on the 2nd business day after you sign the Subscription Agreement to buy the Class A Units.

11.2 STATUTORY RIGHTS OF ACTION IN THE EVENT OF A MISREPRESENTATION

Securities legislation in certain of the provinces of Canada provides purchasers with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a “**misrepresentation**”). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by purchasers within the time limits prescribed and are subject to the defences and limitations contained under the applicable securities legislation. Purchasers of Class A Units resident in provinces of Canada that do not provide for such statutory rights will be granted a contractual right similar to the statutory right of action and rescission described below for purchasers resident in Ontario and such right will form part of the subscription agreement to be entered into between each such purchaser and the Trust in connection with this Offering.

The following summaries are subject to the express provisions of the securities legislation applicable in each of the provinces of Canada and the regulations, rules and policy statements thereunder. Purchasers should refer to the securities legislation applicable in their province along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor. The contractual and statutory rights of action described in this Offering Memorandum are in addition to and without derogation from any other right or remedy that purchasers may have at law.

Rights of Purchasers in Alberta

If you are a resident of Alberta, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

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

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the Persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

Rights of Purchasers in British Columbia

If you are a resident of British Columbia, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

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

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the Persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

Rights of Purchasers in Saskatchewan

If you are a resident of Saskatchewan and if there is a misrepresentation in this Offering Memorandum, or any amendment thereto, you have a statutory right to sue:

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust, every promoter of the Trust, every Person whose consent has been filed respecting the offering but only with respect to reports, opinions and statements made by that Person, and every other Person who signed this Offering Memorandum.

These statutory rights to sue are available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the Persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six (6) years after the day you purchased the securities.

Rights of Purchasers in Manitoba

If you are a resident of Manitoba, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

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

These statutory rights to sue are available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the Persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to rescind the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or two (2) years after the day you purchased the securities.

Rights of Purchasers in Ontario

If you are a resident of Ontario, and if there is a misrepresentation in this Offering Memorandum, a purchaser who purchases a security offered by this Offering Memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, the following rights:

- (a) the purchaser has a right of action for damages against the Trust and a selling securityholder on whose behalf the distribution is made, or
- (b) where the purchaser purchased the securities from a Person or the Trust referred to in clause (a), the purchaser may elect to exercise a right of rescission against the Person or the Trust, in which case the purchaser shall have no right of action for damages against such Person or the Trust.

The Trust will not be held liable under this paragraph if the subscriber purchased the securities with the knowledge of the misrepresentation. In an action for damages, the Trust will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon and in no case will the amount recoverable under this paragraph exceed the price at which the securities were sold to the subscriber.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three (3) years after the day you purchased the securities.

Rights of Purchasers in Nova Scotia

If you are a resident of Nova Scotia and if there is a misrepresentation in this Offering Memorandum, or any amendment thereto, you have a statutory right to sue:

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

These statutory rights to sue are available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the Persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three (3) years after the day you purchased the securities.

Rights of Purchasers in New Brunswick

If you are a resident of New Brunswick and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Trust to cancel your agreement to buy these securities, or
- (b) for damages against the Trust or the seller.

The Trust will not be held liable under this paragraph if the subscriber purchased the securities with the knowledge of the misrepresentation. In an action for damages, the Trust will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon and in no case will the amount recoverable under this paragraph exceed the price at which the securities were sold to the subscriber. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the day you purchased the securities.

Rights of Purchasers in Newfoundland and Labrador, Northwest Territories, Yukon, Nunavut or Prince Edward Island

If you are a resident of Newfoundland and Labrador, Northwest Territories, Yukon, Nunavut or Prince Edward Island, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Trust to rescind your agreement to buy these securities, or
- (b) for damages against the Trust, the selling security holder on whose behalf the distribution is made and every other Person who signed this Offering Memorandum.

These statutory rights to sue are available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the Persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Trust, you will have no right of action against the Persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to rescind the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or three (3) years after the day you purchased the securities.

Rights of Purchasers in Quebec

If this Offering Memorandum, together with any amendment to it, is delivered to a Subscriber resident in Quebec and contains a Misrepresentation that was a Misrepresentation at the time of purchase, the Subscriber will be deemed to have relied upon the Misrepresentation and will have a statutory right of action against the issuer, the officers and directors of the issuer or any dealer under contract with the issuer for damages or for rescission or revision of the price. This right of action is subject to the following limitations:

- (a) the right of action for rescission or revision of the price must be exercised within three years of the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission or revision of the purchase price, the earlier of: (i) three years after the plaintiff first had knowledge of the facts giving rise to the cause of action unless the delay in knowledge is caused by the negligence of the plaintiff, or (ii) five years after the Offering Memorandum is filed with Autorité des marchés financiers du Quebec;
- (b) no person or company will be liable if it proves that the Subscriber acquired the Notes with knowledge of the Misrepresentation;

- (c) in the case of an action for damages, the officers or directors of the issuer or the dealer under contract with the issuer will not be liable if they acted with prudence and diligence; and
- (d) a defendant may defeat an action based on a misrepresentation in forward-looking information by proving that
 - (i) the document containing the forward-looking information contained, proximate to that information,
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and
 - (ii) the defendant had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

General

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

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

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

ITEM 12 - FINANCIAL STATEMENTS

12.1 THE TRUST

Old Kent Road Income Fund I
Financial Statements
May 3, 2017

Independent Auditors' Report

To the Board of Directors of the Trustee of
Old Kent Road Income Fund I

We have audited the accompanying financial statements of Old Kent Road Income Fund I, which comprise the statement of financial position and the statement of changes in trust unitholder's equity as at May 3, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Old Kent Road Income Fund I as at May 3, 2017 in accordance with International Financial Reporting Standards.

Collins Barrow Calgary LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Calgary, Canada
October 20, 2017

Old Kent Road Income Fund I
Statement of Financial Position
May 3, 2017

(expressed in Canadian dollars)

Assets

Current asset

Cash

\$ 100

Trust Unitholder's Equity

\$ 100

Subsequent event (note 7)

See accompanying notes to the financial statements.

Approved by the Board of Directors of Old Kent Road Income Fund I Trustee Inc., as Trustee:

(signed) "R. Stewart Thompson", Director

(signed) "Dr. Jason Neale", Director

Old Kent Road Income Fund I
Statement of Changes in Trust Unitholder's Equity
May 3, 2017

(expressed in Canadian dollars)

Issuance of settlor Trust Unit (note 4(b)), being Trust unitholder's equity, May 3, 2017	\$ <u>100</u>
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See accompanying notes to the financial statements.

Old Kent Road Income Fund I

Notes to Financial Statements

May 3, 2017

1. Nature of operations

Old Kent Road Income Fund I (the "Trust") is a private, unincorporated, open-ended limited purpose mutual fund trust formed under the laws of the Province of Alberta on May 3, 2017 pursuant to a Declaration of Trust. The term of the Trust is to December 31, 2023. The Trust was established for the purpose of acquiring Class A Limited Partnership Units in Old Kent Road Income Fund I LP (the "Partnership") as well as acquiring limited partnership units in other limited partnerships (collectively, the "Future Partnerships") to be established under the laws of the Province of Alberta, the general partners of which will each be controlled by R. Stewart Thompson and Dr. Jason Neale, the current officers and directors of the Trustee, the Manager and General Partner (see below). The number of Class A Limited Partnership Units to be acquired by the Trust will be contingent on the amount of funds raised pursuant to an amended and restated Offering Memorandum (the "Offering") (note 7).

The business of the Partnership will be to provide loans to Canadian ventures (each a "Borrower") as bridge financing with respect to the future receipt by each Borrower of funding from approved Canadian Federal or Provincial Government tax credit and tax incentive programs, loan programs, financing programs, repayable contribution programs (collectively, "Government Financing Programs"). It is expected that funding received by a Borrower from a Government Financing Program will be used to repay a loan, though a Borrower may use funds from other sources to repay a loan.

The General Partner of the Partnership is Old Kent Road Income Fund I GP - A Inc. The manager of the Partnership's business is Old Kent Road Financial III Inc. (the "Manager"). The Trustee of the Trust is Old Kent Road Income Fund I Trustee Inc., which has common officers and directors of the Manager and through their respective holding companies, are the only shareholders of the Manager. The officers and directors of the Trustee are also officers and directors of the General Partner and through their respective holding companies, own all issued and outstanding shares of the General Partner.

The Trust Units will be a qualified investment under the *Income Tax Act* (Canada) for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, or a tax-free savings account.

The address of the head office of the Trust is 2815, 150 - 9 Avenue SW, Calgary, Alberta T2P 3H9.

The Trust has not commenced operations at the statement of financial position date and all costs incurred by the Trust related to the Offering will be paid for by the Partnership. Accordingly, statements of income and comprehensive income and cash flows have not been prepared.

Old Kent Road Income Fund I

Notes to Financial Statements

May 3, 2017

2. Basis of presentation

(a) Statement of compliance

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

(b) Basis of measurement and preparation

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value. These financial statements are presented in Canadian dollars, which is the Trust's functional currency.

The financial statements were authorized for issue by the Trustee on October 20, 2017.

3. Significant accounting policies

(a) Financial instruments

The Trust has early adopted IFRS 9, *Financial Instruments* (IFRS 9).

IFRS 9 contains two primary measurement categories for financial assets: amortized cost and fair value. Unless it is designated as measured at fair value, a financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise to specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Trust recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost.

All financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate.

The Trust classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Old Kent Road Income Fund I
Notes to Financial Statements
May 3, 2017

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 Inputs are unobservable for the asset or liability.

Cash is measured at fair value using a Level 1 designation.

(b) Impairment of financial assets

At each reporting date, the Trust assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Trust recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(c) Capital disclosures

The Trust's capital consists of the Trust Unit of \$100. The capital of Trust is managed in accordance with its investment objective as described in (note 1). There have been no changes to the way the Trust manages or defines capital.

(d) Income taxes

The Trust intends to qualify as a mutual fund trust under the provisions of the *Income Tax Act* (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its Unitholders as at the end of the taxation year. It is the intention of the Trust to distribute all of its net income and sufficient net realized capital gains so that the Trust will not be subject to income taxes other than foreign withholding taxes, if applicable. Accordingly, no income tax provision has been recorded.

Income tax on net realized capital gains not paid or payable will be generally recoverable by virtue of refunding provisions contained in the *Income Tax Act* (Canada) and provincial income tax legislation, as redemptions occur.

Occasionally, distributions by the Trust will exceed the net investment income and taxable capital gains realized by the Trust. To the extent that the excess is not designated by the Trust to be income for Canadian tax purposes and taxable to Unitholders, this excess distribution is a return of capital and is not immediately taxable to holders of redeemable Units.

Old Kent Road Income Fund I
Notes to Financial Statements
May 3, 2017

(e) Use of estimates and judgments

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

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

Classification of Trust Units

In determining whether Trust Units should be classified as liabilities or equity, management assesses whether the Trust Units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the Units are puttable, and whether the criteria in IAS 32, *Financial Instruments: Presentation* which permit classification of a puttable instrument as equity have been satisfied. Management has been determined that the Trust Unit is to be classified as equity.

4. Trust Units

(a) Authorized

Unlimited number of Trust Units in Classes and Series

(b) Issued

The Trust has issued 1 Class A - III Trust Unit to the settlor for \$100. Immediately after the first closing of the Offering (note 7), the Trust shall redeem the initial Trust Unit from the settlor for \$100 and the Trust Unit shall be cancelled.

(c) Nature of Trust Units and redemptions

The Trustee, in its sole discretion, may designate Trust Units issued by the Trust into separate Series based on the date of issue of such Trust Units, and the interest of each Trust Unitholder will be determined by the number of Trust Units registered in the name of the Trust Unitholder in each Series. The Trust Units of each Series shall represent an equal undivided beneficial interest in any distribution from the Trust and in any net assets of the Trust in the event of termination or winding-up of the Trust to which a Series of Trust Units is entitled. All Trust Units in a Series shall rank equally among themselves. Each Trust Unit shall entitle the holder thereof to one vote at all meetings of Trust Unitholders.

Old Kent Road Income Fund I
Notes to Financial Statements
May 3, 2017

The Trustee shall have the authority, in its sole discretion, to redeem Trust Units from Unitholders on terms and conditions as the Trustee reasonably believes are in the best interest of the Trust. The terms relating to the redemption of Trust Units by the Trust shall be governed by terms specific to each of Trust Units as provided for herein.

Each holder of Trust Units shall be entitled to require the Trust to redeem all or any part of the Trust Units for the redemption price determined as follows: (i) with respect to any Class III Units redemption within 24 months from issuance of the Class III Unit, or with respect to Class V Units redemption within 48 months from issuance of the Class V Unit, at a redemption price of \$0.93 per Class III or Class V Unit; and (ii) if a request for redemption occurs at any time after the above described 24 month period with respect to Class III Units, or after the above described 48 month period with respect to Class V Units, at a redemption price of \$1 per Class III or V Unit.

Payments in cash of any redemption amount by the Trust shall not be required if, in the sole opinion of the Trustee, the payment of the redemption price in cash would not be in the best interest of the Trust having regard to the then current cash position of the Trust or redemption of the Trust Units will result in the Trust losing its status as a mutual fund trust. In addition, total payments for redemptions by the Trust shall be limited ("Redemption Limit") as follows: (i) \$150,000 with respect to redemption notices received for each Class of Units in 2017; and (ii) in any one calendar year commencing 2018, the aggregate redemption amount of each Class of Units shall be 5% of the AUM, calculated as of December 31 of the year preceding the year in which a redemption notice is received. If cash redemption is not required, the Trustee is to notify the Unitholder and the Unitholder has the option to rescind their redemption notice or have the redemption satisfied through the issuance of a promissory note bearing interest at 5% per annum with a maximum term of 36 and 60 months for Class III and V Units, respectively.

"AUM" means with respect to a Limited Partnership with respect to the fiscal year it is being calculated, the aggregate of the principal balance of all Limited Partnership loans outstanding as of December 31 of that year, together with the aggregate of the Limited Partnership's cash on hand, cash on account and cash on deposit as of December 31 of that year.

Any Class III and V Units' redemption notices received by the Trust after 36 and 60 months from issuance of the Class III and V Units, respectively, shall be paid by the Trust in cash at \$1 per Class A - III or V Unit and shall not be subject to any Redemption Limit.

The Trust may redeem the Class III and V Units after 36 and 60 months from issuance of the Class III and V Units, respectively, at \$1 per Class III or V Unit.

Old Kent Road Income Fund I

Notes to Financial Statements

May 3, 2017

5. Distributions

The Trustee may declare cash flow of the Trust payable to the holders of each Class and Series of Trust Units. The cash flow of the Trust for any distribution period is equal to:

- the sum of all amounts received by the Trust including interest, dividends, distributions, proceeds from the disposition of securities, returns of capital and repayments of indebtedness (including without limitation all such amounts as aforesaid received from the Partnership with respect to the Class and Series Limited Partnership Unit to which a Class and Series of Trust Units relates), or any other payments, and any amounts received by the Trust not previously distributed,
- less the sum of amounts used for any investments made by the Trust, all costs and expenses of the Trust, all debt repayments and interest costs and expenses, all capital expenditures, all amounts contributed or loaned to an associate or affiliate of the Trust with respect to Class and Series of Trust Units, and any other amounts (including taxes) required by law or per the Declaration of Trust to be deducted, withheld or paid.

Distributions are determined each quarterly period ending on March 31, June 30, September 30 and December 31 during each year of the term of the Trust, or such other periods as may be hereafter determined from time to time by the Trustee from and including the first day thereof and to and including the last day thereof. It is the intention of the Trust to distribute all cash distributions it receives from the Partnership to Unitholders. Although the Trust intends to distribute its available cash to the Unitholders, such cash distributions may be reduced or suspended. The ability of the Trust to make cash distributions and the actual amount distributed will depend on the ability of the Partnership to advance loans to Borrowers and to collect payments therefrom.

6. Income taxes

The Trust has \$NIL of taxable temporary differences and \$NIL of deductible temporary differences as at May 3, 2017.

7. Subsequent event

On October 20, 2017, the Trust issued an amended and restated Offering Memorandum to issue a minimum of 1,000,000 Class A-III and V Trust Units (collectively, the "Units") and a maximum of 50,000,000 Units at \$1 per Unit. The initial closing of the Offering is expected to occur on or about November 30, 2017 and subsequent closings may occur from time to time.

Upon the initial closing of the Offering, the Trust will acquire Class A Limited Partnership Units from the Partnership with the available funds received from the initial closing of the Offering.

Old Kent Road Income Fund I
Notes to Financial Statements
May 3, 2017

Thereafter, the Trust will continue to acquire Class A Limited Partnership Units from the Trust at \$1 per Class A Limited Partnership Unit with all proceeds from future closings of the Offering.

Pursuant to a Funding Agreement between the Trust and the Partnership effective May 3, 2017, the Partnership will pay all selling commissions and exempt market dealer administration fees incurred by the Trust in connection with the Offering, as well as all costs, fees and expenses associated with the operation and administration of the Partnership.

The estimated costs of the Offering, including management fees of \$1,000,000 to the Manager, are \$5,275,000, assuming the maximum Offering is met, for net proceeds of \$44,725,000. As additional compensation to Selling Agents of the Offering, the Trust shall grant the Selling Agents an option to acquire 0.26664 of a Class B Limited Partnership Unit at \$0.00001 per whole Class B Limited Partnership Unit for every Unit of the Trust sold by such Selling Agents in the Offering.

12.2 THE PARTNERSHIP

Old Kent Road Income Fund I LP - A
Financial Statements
May 3, 2017

Independent Auditors' Report

To the Board of Directors of the General Partner of
Old Kent Road Income Fund I LP - A

We have audited the accompanying financial statements of Old Kent Road Income Fund I LP - A, which comprise the statement of financial position and the statement of changes in partners' equity as at May 3, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Old Kent Road Income Fund I LP - A as at May 3, 2017 in accordance with International Financial Reporting Standards.

Collins Barrow Calgary LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Calgary, Canada
October 20, 2017

Old Kent Road Income Fund I LP - A
Statement of Financial Position
May 3, 2017

(expressed in Canadian dollars)

Assets

Current asset

Cash

\$ 100

Partners' Equity

\$ 100

Commitments (note 5)

Subsequent events (notes 5 and 6)

See accompanying notes to the financial statements.

Approved by the Board of Directors of Old Kent Road Income Fund I GP - A Inc.:

(signed) "R. Stewart Thompson", Director

(signed) "Dr. Jason Neale", Director

Old Kent Road Income Fund I LP - A
Statement of Changes in Partners' Equity
May 3, 2017

(expressed in Canadian dollars)

Issuance of Partnership Unit (note 4), being balance, May 3, 2017	\$ <u>100</u>
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See accompanying notes to the financial statements.

Old Kent Road Income Fund I LP - A

Notes to Financial Statements

May 3, 2017

1. Nature of operations

Old Kent Road Income Fund I LP - A (the "Partnership") is a limited partnership formed under the *Partnership Act* (Alberta) pursuant to a Limited Partnership Agreement (the "Agreement") dated May 3, 2017. The term of the Partnership is to December 31, 2023.

The Partnership intends to raise funds by issuing Class A Limited Partnership Units to Old Kent Road Income Fund I (the "Trust") through a private placement offering (the "Offering") (note 6). Class B Limited Partnership Units of the Partnership will be held by the respective holding companies of R. Stewart Thompson and Dr. Jason Neale, the current officers and directors of the Trustee, the Manager and the General Partner (see below) (66.67% of the issued Class B Limited Partnership Units). Class B Limited Partnership Units will also be held by the Selling Agents of the Offering (33.33% of the issued Class B Limited Partnership Units, assuming Selling Agents exercise the Class B Acquisition Option) (note 6). The business of the Partnership is to provide loans to Canadian ventures (each a "Borrower") as bridge financing with respect to the future receipt by each Borrower of funding from approved Canadian Federal or Provincial Government tax credit and tax incentive programs, loan programs, financing programs, repayable contributions programs (collectively, "Government Financing Programs"). It is expected that funding received by a Borrower from a Government Financing Program will be used to repay a loan, though a Borrower may use funds from other sources to repay a loan.

The General Partner of the Partnership is Old Kent Road Income Fund I GP - A Inc. The manager of the Partnership's business is Old Kent Road Financial III Inc. (the "Manager"). The Trustee of the Trust is Old Kent Road Income Fund I Trustee Inc., which has common officers and directors of the Manager and through their respective holding companies, are the only shareholders of the Manager. The officers and directors of the Trustee are also officers and directors of the General Partner and through their respective holding companies, own all issued and outstanding shares of the General Partner.

Taxable income or tax losses for a given year are allocated as follows:

- (i) firstly, as 0.002% thereof, to the General Partner;
- (ii) secondly, to the Limited Partners holding Class A - III and V Limited Partnership Units, an amount equal to the aggregate Class A - III and V Preferred Return, in accordance with their Class A Proportionate Shares;
- (iii) thirdly, 24.999% to the Limited Partners holding Class A Limited Partnership Units in accordance with their Class A Proportionate Shares and 74.999% to the Limited Partners holding Class B Limited Partnership Units in accordance with their Class B Proportionate Shares;
- (iv) fourthly, if at anytime there are no Limited Partners, then any amount which would have been allocated to the Limited Partners will be allocated to the General Partners.

Old Kent Road Income Fund I LP - A

Notes to Financial Statements

May 3, 2017

The General Partner of the Partnership may in its discretion make distributions of distributable cash as follows:

- (i) firstly, 0.002% to the General Partner;
- (ii) secondly, to the Limited Partners holding Class A - III and V Limited Partnership Units, until there has been distributed an amount of cash equal to the Cumulative Preferred Return Deficiency, if any, whereupon distributions shall thereafter be made;
- (iii) thirdly, (a) 24.999% to the Limited Partners holding Class A Limited Partnership Units, in accordance with their respective Class A Proportionate Shares, and (b) 74.999% to the Limited Partners holding Class B Limited Partnership Units in accordance with their Class B Proportionate Shares; and
- (iv) fourthly, if at any time there are no Limited Partners, then any amount which would have been distributed to the Limited Partners will be allocated to the General Partner.

"Preferred Return", as it applies to the holders of Class A - III and V Limited Partnership Units, shall mean an amount equal to 6% per annum and 7.5% per annum, respectively, of the Limited Partner's capital contribution to the respective series of Partnership Units until the capital contribution has been returned through distributions of distributable cash made by the Partnership to the Limited Partner.

"Cumulative Preferred Return Deficiency" means an amount which equals the excess, if any, of (i) the Cumulative Preferred Return earned by the Limited Partners as of such date less (ii) the cumulative amount of cash distributed to such Limited Partners by the Partnership in respect of the payment of the Cumulative Preferred Return to a Limited Partner.

The Partnership intends to use cash received from interest paid by Borrowers to make distributions of the Preferred Return to the Class A and B Limited Partnership Unitholders. The Trust will then make quarterly distributions to Trust Unitholders for each fiscal quarter during the term of the Trust, with the first distribution to commence at the end of the first fiscal quarter that is 6 months from the date of the first distribution of Trust Units by the Trust to a party or parties other than the settlor of the Trust.

The address of the head office of the Partnership is Suite 2815, 150 - 9 Avenue S.W., Calgary, Alberta T2P 3H9.

The Partnership has not commenced operations at the statement of financial position date. Accordingly, statements of income and comprehensive income and cash flows have not been prepared.

Old Kent Road Income Fund I LP - A
Notes to Financial Statements
May 3, 2017

2. Basis of presentation

(a) Statement of compliance

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

(b) Basis of measurement and preparation

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value. These financial statements are presented in Canadian dollars, which is the Partnership's functional currency.

These financial statements reflect only the assets, liabilities, revenues and expenses of the Partnership and consequently do not include any other assets, liabilities, revenues or expenses of the Limited Partners or the General Partner, nor any provision for taxes payable in the operations of the Partnership as the Partnership is not taxable under the *Income Tax Act* (Canada).

The financial statements were authorized for issue by the Board of Directors of the General Partner on October 20, 2017.

3. Significant accounting policies

(a) Financial instruments

The Partnership has early adopted IFRS 9, *Financial Instruments*.

IFRS 9 contains two primary measurement categories for financial assets: amortized cost and fair value. Unless it is designated as measured at fair value, a financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise to specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Partnership recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost.

All financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate.

Old Kent Road Income Fund I LP - A

Notes to Financial Statements

May 3, 2017

The Partnership classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 Inputs are unobservable for the asset or liability.

Cash is measured at fair value using a Level 1 designation.

(b) Impairment of financial assets

At each reporting date, the Partnership assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Partnership recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(c) Capital disclosures

The Partnership's capital consists of Partnership Units of \$100. The capital of the Partnership is managed in accordance with its investment objective as described in (note 1). There have been no changes to the way the Partnership manages or defines capital.

(d) Use of estimates and judgments

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

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

Old Kent Road Income Fund I LP - A
Notes to Financial Statements
May 3, 2017

Classification of Partnership Units

In determining whether Partnership Units are classified as liabilities or equity, management assesses whether the Partnership Units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the Units are puttable, and whether the criteria in IAS 32, *Financial Instruments: Presentation*, which permit classification of a puttable instrument as equity have been satisfied.

4. Partnership Units

(a) Authorized

50,000,000 Class A - III and V Limited Partnership Units
40,000,000 Class B - III and V Limited Partnership Units

The Class A Limited Partnership Units are redeemable at the option of the holder as follows: (i) with respect to Class A - III Units redemption within 24 months from issuance of the Class A - III Unit, or with respect to Class A - V Units redemption within 48 months from issuance of the Class A - V Unit, at a redemption price of \$0.93 per Class A - III or V Unit; and (ii) with respect to Class A - III Units redemption at any time after the above described 24 month period or with respect to Class A - V Units redemption at any time after the above described 48 month period, at a redemption price of \$1 per Class A - III or V Unit. Cash redemption of the Class A Units may not be applicable if the General Partner determines, in its sole discretion, that payment of redemptions requested by Class A Limited Partner Unitholders would have a detrimental effect on the Partnership's cash position. Total payments for redemptions by the Partnership are limited ("Redemption Limit") as follows: (i) \$150,000 for Class A Unit redemptions in 2017; and (ii) in any calendar year commencing 2018, the aggregate redemption amount of Class A Units shall be 5% of the AUM, calculated as of December 31 of the year preceding the year in which a redemption notice is received. If cash redemption is not required, the General Partner is to notify the holder of the Class A Units. The Unitholder has the option to rescind their redemption notice or have the redemption satisfied through the issuance of a promissory note bearing interest at 5% per annum with a maximum term of 36 and 60 months for Class A - III and V Units, respectively.

"AUM" means with respect to the fiscal year it is being calculated, the aggregate of the principal balance of all Partnership loans outstanding as of December 31 of that year, together with the aggregate of the Partnership's cash on hand, cash on account and cash on deposit as of December 31 of that year.

Any Class A - III and V Units' redemption notices received by the Partnership after 36 and 60 months from issuance of the Class A - III and V Units, respectively, shall be paid by the Partnership in cash at \$1 per Class A - III or V Unit and shall not be subject to any Redemption Limit.

Old Kent Road Income Fund I LP - A
Notes to Financial Statements
May 3, 2017

The Partnership may redeem Class A - III and V Units after 36 and 60 months from issuance of the Class A - III and V Units, respectively, at \$1 per Class A - III or V Unit.

(b) Issued

The Partnership issued an initial 100 Class A - III Units for \$100.

5. Commitments

(a) Management Agreement

Pursuant to a Management Agreement between the Partnership and the Manager effective May 3, 2017, the Partnership shall pay an annual fee (the "Management Fee") to the Manager for managing the business of the Partnership as follows:

- the Partnership shall pay the Manager 2% of the aggregate of all funds raised by the Partnership through the issue of Class A Partnership Units by the Partnership to the Trust; and
- beginning in 2018 and for the remainder of the term of the Partnership, the Partnership shall pay the Manager an annual fee of 2% of AUM as at December 31 for each preceding year.

(b) Funding Agreement

Pursuant to a Funding Agreement between the Partnership and the Trust effective May 3, 2017, the Partnership will pay all selling commissions and exempt market dealer administration fees incurred by the Trust in connection with the Offering, as well as all costs, fees and expenses associated with the operation and administration of the Trust.

(c) 2017 Joint Lending Agreement

Effective July 1, 2017, the Partnership entered into a Joint Lending and Administration Agreement (the "2017 Joint Lending Agreement") with Pinnacle Wealth Finance Limited Partnership ("Pinnacle LP"), Old Kent Road Financial I LP ("OKR Partnership"), a limited partnership related to the Trust, the Partnership and the General Partner as the officers, directors and shareholders (through their holding companies) of the OKR Partnership general partner are the same individuals, Old Kent Road Financial II Inc. ("OKRF II"), a corporation related to the Trust, the Partnership and the General Partner as the officers, directors and shareholders (through their holding companies) of OKRF II are the same individuals, and Old Kent Road Financial Loan Adminco Ltd. (the "Administrator"), a corporation related to the Trust, the Partnership and the General Partner as the officers, directors and shareholders (through their holding companies) of the Administrator are the same individuals.

Old Kent Road Income Fund I LP - A

Notes to Financial Statements

May 3, 2017

Pursuant to the 2017 Joint Lending Agreement, the Partnership, OKR Partnership and Pinnacle LP (together, the "Lenders") have agreed to jointly fund loans (each a "2017 Loan") to Borrowers.

Each of OKR Partnership, Pinnacle LP, OKRF II and the Administrator are parties to a Joint Lending Agreement dated July 1, 2016 (the "2016 Joint Lending Agreement"). The terms of the 2016 Joint Lending Agreement are similar to those of the 2017 Joint Lending Agreement with the material exception that the Partnership is not a party to the 2016 Joint Lending Agreement. Pinnacle LP and OKR Partnership expect to continue to fund loans pursuant to the 2016 Joint Lending Agreement ("2016 Loans") until the first closing of the Offering (note 6(b)). Thereafter, each of Pinnacle LP, OKR Partnership and the Partnership will fund loans pursuant to the 2017 Joint Lending Agreement. As 2016 Loans are paid out, the principal amounts from the 2016 Loans will be contributed by Pinnacle LP and OKR Partnership to fund 2017 Loans.

Under the 2017 Joint Lending Agreement, the Lenders shall fund their respective interest in a 2017 Loan (the aggregate principal balance of each 2017 Loan shall be referred to herein as the "Financing Requirement") using the following formula:

$$\text{OKR Partnership available cash} / (\text{the aggregate of available cash of OKR Partnership, the Partnership and Pinnacle LP}) \times \text{Financing Requirement} +$$
$$(\text{Pinnacle LP available cash} / \text{the aggregate of available cash of OKR Partnership, the Partnership and Pinnacle LP}) \times \text{Financing Requirement} +$$
$$(\text{the Partnership available cash} / \text{the aggregate available cash of OKR Partnership, the Partnership and Pinnacle LP}) \times \text{Financing Requirement},$$
 subject to the following:

- (i) Pinnacle LP will not be required to fund more than 75% of the principal amount of a 2017 Loan without consent and in such case where consent is not granted, then funding will be increased by OKR Partnership and the Partnership in proportionality to their respective available cash;
- (ii) In the event that neither the Partnership nor OKR Partnership has sufficient cash on hand to fund its portion, Pinnacle LP has the option to fund in excess of 75% of any 2017 Loan to a Borrower (including up to 100% of any 2017 Loan).

The Partnership, OKR Partnership and Pinnacle LP have appointed the Administrator as the administrator of the 2017 Loans. OKRF II will act as manager of the 2017 Loans and Pinnacle LP's funding of 2017 Loans.

Old Kent Road Income Fund I LP - A
Notes to Financial Statements
May 3, 2017

6. Subsequent events

- (a) On July 4, 2017, the Partnership issued 26,668,000 Class B Units for \$266.68.
- (b) On October 20, 2017, the Trust issued an amended and restated Offering Memorandum to issue a minimum of 1,000,000 Class A-III and V Trust Units (collectively, the "Units") and a maximum of 50,000,000 Units at \$1 per Unit. The initial closing of the Offering is expected to occur on or about November 30, 2017 and subsequent closings may occur from time to time.

Upon the initial closing of the Offering, the Trust will acquire Class A Limited Partnership Units from the Partnership with the available funds received from the initial closing of the Offering.

Thereafter, the Trust will continue to acquire Class A Limited Partnership Units from the Partnership at \$1 per Class A Limited Partnership Unit with all proceeds from future closings of the Offering.

The estimated costs of the Offering, including management fees of \$1,000,000 (note 5(a)), are \$5,275,000, assuming the maximum Offering is met, for net proceeds of \$44,725,000. As additional compensation to Selling Agents of the Offering, the Partnership shall grant the Selling Agents an option (the "Class B Acquisition Option") to acquire 0.26664 of a Class B Limited Partnership Unit at \$0.00001 per whole Class B Limited Partnership Unit for every Unit of the Trust sold by such Selling Agents in the Offering.

12.3 THE GENERAL PARTNER

Old Kent Road Income Fund I GP - A Inc.
Financial Statements
February 17, 2017

Independent Auditors' Report

To the Directors of
Old Kent Road Income Fund I GP - A Inc.

We have audited the accompanying financial statements of Old Kent Road Income Fund I GP - A Inc., which comprise the statement of financial position and the statement of changes in shareholders' equity as at February 17, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Old Kent Road Income Fund I GP - A Inc. as at February 17, 2017 in accordance with International Financial Reporting Standards.

Collins Barrow Calgary LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Calgary, Canada
October 20, 2017

Old Kent Road Income Fund I GP - A Inc.
Statement of Financial Position
February 17, 2017

(expressed in Canadian dollars)

Assets

Current asset

Cash	\$ <u>30</u>
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Shareholders' Equity

Share capital (note 4)	\$ <u>30</u>
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See accompanying notes to the financial statements.

Approved by the Board:

(signed) "R. Stewart Thompson", Director

(signed) "Dr. Jason Neale", Director

Old Kent Road Income Fund I GP - A Inc.
Statement of Changes in Shareholders' Equity
February 17, 2017

(expressed in Canadian dollars)

Issuance of shares (note 4), being balance, February 17, 2017	\$ <u>30</u>
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See accompanying notes to the financial statements.

Old Kent Road Income Fund I GP - A Inc.

Notes to Financial Statements

February 17, 2017

1. Nature of operations

Old Kent Road Income Fund I GP - A Inc. (the "Company" or, the "General Partner") was incorporated on February 17, 2017 under the *Business Corporations Act* (Alberta) to act as the general partner of Old Kent Road Income Fund I LP - A (the "Partnership").

The Partnership was formed on May 3, 2017 under the *Partnership Act* (Alberta). The business of the Partnership is to provide loans to Canadian ventures (each a "Borrower") as bridge financing with respect to the future receipt by each Borrower of funding from approved Canadian Federal or Provincial Government tax credit and tax incentive programs, loan programs, financing programs, repayable contributions programs (collectively, "Government Financing Programs"). It is expected that funding received by a Borrower from a Government Financing Program will be used to repay a loan, though a Borrower may use funds from other sources to repay a loan.

The manager of the Partnership's business is Old Kent Road Financial III Inc. (the "Manager"). The officers and directors of the Manager and the General Partner and through their respective holding companies, are the only shareholders of the Manager and the General Partner.

Taxable income or tax losses for a given year are allocated as follows:

- (i) firstly, as 0.002% thereof, to the General Partner;
- (ii) secondly, to the Limited Partners holding Class A - III and V Limited Partnership Units, an amount equal to the aggregate Class A - III and V Preferred Return, in accordance with their Class A Proportionate Shares;
- (iii) thirdly, 24.999% to the Limited Partners holding Class A Limited Partnership Units in accordance with their Class A Proportionate Shares and 74.999% to the Limited Partners holding Class B Limited Partnership Units in accordance with their Class B Proportionate Shares;
- (iv) fourthly, if at anytime there are no Limited Partners, then any amount which would have been allocated to the Limited Partners will be allocated to the General Partners.

The General Partner of the Partnership may in its discretion make distributions of distributable cash as follows:

- (i) firstly, 0.002% to the General Partner;
- (ii) secondly, to the Limited Partners holding Class A - III and V Limited Partnership Units, until there has been distributed an amount of cash equal to the Cumulative Preferred Return deficiency, if any, whereupon distributions shall thereafter be made;

Old Kent Road Income Fund I GP - A Inc.

Notes to Financial Statements

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- (iii) thirdly, (a) 24.999% to the Limited Partners holding Class A Limited Partnership Units in accordance with their Class A Proportionate Shares, and (b) 74.999% to the Limited Partners holding Class B Limited Partnership Units in accordance with their Class B Proportionate Shares; and
- (iv) fourthly, if at any time there are no Limited Partners, then any amount which would have been distributed to the Limited Partners will be allocated to the General Partner.

"Preferred Return", as it applies to the holders of Class A - III and V Limited Partnership Units, shall mean an amount equal to 6% per annum and 7.5% per annum, respectively, of the Limited Partner's capital contribution to the respective series of Limited Partnership Units until the date that the capital contribution has been returned through distributions of distributable cash made by the Partnership to the Limited Partner.

"Cumulative Preferred Return Deficiency" means an amount which equals the excess, if any, of (i) the Cumulative Preferred Return earned by the Limited Partners as of such date less (ii) the cumulative amount of cash distributed to such Limited Partners by the Partnership in respect of the payment of the Cumulative Preferred Return to a Limited Partner.

The address of the registered office of the Company is Suite 2815, 150 - 9 Avenue S.W., Calgary, Alberta T2P 3H9.

The Company has not commenced operations at the statement of financial position date. Accordingly, statements of income and comprehensive income and cash flows have not been prepared.

2. Basis of presentation

(a) Statement of compliance

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

(b) Basis of measurement and preparation

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

The financial statements were authorized for issue by the Board of Directors on October 20, 2017.

Old Kent Road Income Fund I GP - A Inc.
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February 17, 2017

3. Significant accounting policies

(a) Financial instruments

The Company has early adopted IFRS 9, *Financial Instruments* (IFRS 9).

IFRS 9 contains two primary measurement categories for financial assets: amortized cost and fair value. Unless it is designated as measured at fair value, a financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise to specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Company recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost.

All financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate.

The Company classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 Inputs are unobservable for the asset or liability.

Cash is measured at fair value using a Level 1 designation.

(b) Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Company recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Old Kent Road Income Fund I GP - A Inc.

Notes to Financial Statements

February 17, 2017

(c) Capital disclosures

The Company's capital consists of shareholders' equity of \$30. The capital of the Company is managed in accordance with its investment objective as described in (note 1). There have been no changes to the way the Company manages or defines capital.

(d) Taxes

Taxes are accounted for using the liability method, whereby deferred tax assets and liabilities are determined based on differences between the carrying amount of assets and liabilities and their corresponding tax bases. Deferred taxes are computed using enacted or substantively enacted tax rates for the years in which deferred tax balances are expected to reverse.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(e) Use of estimates and judgments

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

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

The Company has not made any significant estimates or assumptions in the preparation of these financial statements.

Old Kent Road Income Fund I GP - A Inc.

Notes to Financial Statements

February 17, 2017

4. Share capital

(a) Authorized

Unlimited number of voting Class "A" common shares

Unlimited number of non-voting Class "B" common
shares

Unlimited number of First Preferred shares

(b) Issued

The Company issued 300 Class A shares for \$30.

5. Income taxes

The Company has \$NIL of taxable temporary differences and \$NIL of deductible temporary differences as at February 17, 2017.

ITEM 13 – DATE AND CERTIFICATE

Dated: October 20, 2017

This Amended and Restated Offering Memorandum does not contain a misrepresentation.

OLD KENT ROAD INCOME FUND I

“R. Stewart Thompson”

R. STEWART THOMPSON

as Officer and Director of the
Trustee and Promoter

“Jason Neale”

DR. JASON NEALE

as Officer and Director of the
Trustee and Promoter