



DREAM HARD ASSET ALTERNATIVES TRUST

Annual Information Form

March 30, 2015

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GLOSSARY OF TERMS

When used in this annual information form, the following terms have the meanings set forth below unless expressly indicated otherwise.

“**2014 Financial Statements**” means the annual audited consolidated financial statements of the Trust as at and for the year-ended December 31, 2014, a copy of which has been filed on SEDAR.

“**2014 MD&A**” means the Trust’s management’s discussion and analysis of financial condition and results of operations in respect of our 2014 financial year, a copy of which has been filed on SEDAR.

“**Adjusted Partners’ Equity**” means, at any time, the aggregate of: (a) the amount of the partners’ equity in Master LP; and (b) the amount of accumulated depreciation and amortization recorded on the books and records of Master LP in respect of the properties held by Master LP and its Subsidiaries, in each case calculated in accordance with IFRS.

“**AFAD**” means adjusted funds available for distribution, being FAD, subject to certain adjustments, including adjustments in respect of (i) straight-line rents; (ii) interest earned on residential developments and investment holdings; (iii) distributions received from development and investment holdings available-for-sale for the current period; (iv) amortization of discounts and premiums on assumed mortgages receivable; (v) lender fees received during the current period; (vi) Deferred Unit compensation expense; (vii) normalized initial direct leasing costs and lease incentives; and (viii) other adjustments as we may determine from time to time. We believe that AFAD is a key measure of our economic performance; however, it is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other investment trusts. See our 2014 MD&A for a reconciliation of AFAD to net income.

“**Affiliate**” has the meaning given to such term in NI 45-106.

“**Affinity Wind Project**” has the meaning given under “Operating Segments – Renewable Power”.

“**AIF**” means this annual information form of the Trust.

“**annuitant**” means any Plan of which a holder of Units acts as a trustee or a carrier.

“**Bayfield LP Investments**” means an approximately 20% limited partnership interest in each of Bayfield Mill Woods LP and Bayfield (2009) LP.

“**Bayfield LPs**” means, collectively, Bayfield Mill Woods LP and Bayfield Retail (2009) LP.

“**Business Day**” means a day, other than a Saturday, Sunday or statutory holiday, on which Canadian chartered banks are generally open in Toronto, Ontario for the transaction of banking business.

“**CBCA**” means the Canada Business Corporations Act, as amended from time to time.

“**CDS**” means Clearing and Depository Services Inc.

“**CMCC**” means, collectively, Canadian Mortgage Capital Corporation and its servicing division, Canadian Mortgage Servicing Corporation.

“**Co-owned Properties**” means the commercial income-producing properties that the Trust co-owns with Dream Office REIT.

“**Co-owned Rooftop Solar Projects**” has the meaning given under “Operating Segments – Renewable Power”.

“**CRA**” means the Canada Revenue Agency.

“**DALP Limited Partnership Agreement**” means the amended and restated limited partnership agreement between Master GP and the Trust dated July 8, 2014.

“**DALP Units**” means, collectively, the LP A Units and the LP B Units (none of which have been issued as of March 30, 2015).

“**DAM**” means DREAM Asset Management Corporation, a corporation governed by the laws of the Province of British Columbia and a Subsidiary of DREAM Unlimited Corp.

“**debt-to-gross book value**” represents the contractual balance of debt payable divided by the gross asset value of the Trust as at the applicable reporting date. We believe this non-IFRS measurement is an important measure used in the management of the Trust’s debt levels; however, it is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other trusts. See page 4 of our 2014 MD&A for a calculation of debt-to-gross book value as at December 31, 2014.

“**Declaration of Trust**” means the amended and restated declaration of trust of the Trust dated July 8, 2014.

“**Deferred Units**” means deferred trust units and income deferred trust units under the Deferred Unit Incentive Plan.

“**Deferred Unit Incentive Plan**” means the deferred unit incentive plan adopted by the Trust on July 8, 2014.

“**Directors**” means the directors of the GP Board from time to time, and “**Director**” means any one of them.

“**Distribution Date**” means each date on which the Trust Board has determined that a distribution will be made by the Trust to the Unitholders.

“**Distribution Record Date**” means, unless otherwise determined by the Trust Board, the last Business Day of each month of each year, except for the month of December where the Distribution Record Date shall be December 31.

“**DOMC**” means Dream Office Management Corp., a corporation governed by the laws of the Province of Ontario and a Subsidiary of Dream Office REIT.

“**Dream Alternatives**” means the Trust together with Master LP and Master GP and their Subsidiaries.

“**Dream Entities**” means Dream Unlimited Corp., Dream Office REIT, Dream Industrial REIT, Dream Global REIT and the Trust.

“**Dream Global REIT**” means Dream Global Real Estate Investment Trust (formerly Dundee International Real Estate Investment Trust), an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario.

“**Dream Industrial REIT**” means Dream Industrial Real Estate Investment Trust (formerly Dundee Industrial Real Estate Investment Trust), an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario.

“**Dream Office REIT**” means Dream Office Real Estate Investment Trust (formerly Dundee Real Estate Investment Trust), an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario.

“**Dream REITs**” means, collectively, Dream Global REIT, Dream Industrial REIT and Dream Office REIT.

“**DRIP**” means the distribution reinvestment plan adopted by the Trust.

“**FAD**” means funds available for distribution, being net income, determined in accordance with IFRS, subject to certain adjustments, including adjustments in respect of (i) amortization of lease incentives; (ii) depreciation and amortization; (iii) amortization of lender fees received; (iv) fair value changes in income properties; (v) fair value changes in development and investment holdings; (vi) deferred income tax expenses; (vii) gains on acquisitions and acquisition-related costs; and (viii) other adjustments as we may determine from time to time. We believe that FAD is a key measure of our economic performance; however, it is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other investment trusts. See our 2014 MD&A for a reconciliation of FAD to net income.

“**GLA**” means gross leasable area, but excludes gross leasable area resulting from parking space, where applicable.

“**GP Board**” means the board of directors of Master GP.

“**GP Interest**” has the meaning given under “Description of Master LP – General”.

“**Income Properties**” has the meaning given under “Operating Segments – Income Properties”.

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the Chartered Professional Accountants of Canada in Part I of The Chartered Professional Accountants Canada Handbook – Accounting, as amended from time to time.

“**Indebtedness**” means all indebtedness of Master LP and its Subsidiaries and its or their, as the case may be, proportionate share of all indebtedness relating to assets in which Master LP or any of its Subsidiaries owns or has an interest, whether or not such indebtedness is required to be reflected on Master LP’s financial statements in accordance with IFRS.

“**Independent Directors**” means a Director that is independent within the meaning of NI 58-101, being one who is not an employee or executive officer of the Trust and who is free from any direct or indirect relationship which could, in the view of the GP Board, be reasonably expected to interfere with such Director’s independent judgment. The same concept applies to Trustees who are considered to be “independent” within the meaning of NI 58-101.

“**Initial Assets**” means the real property, mortgages secured by real property, loans secured by, or that provide a participating interest in, real property or participations in such mortgages or loans, together with partial ownership positions in real property by way of a limited partnership or co-ownership investment or otherwise, and such other assets that Master LP acquired, directly or indirectly, pursuant to the Reorganization.

“**Initial Public Offering**” means the initial public offering of the Trust, which was completed on July 8, 2014.

“**interest coverage ratio**” is calculated as FAD plus current income tax expense, interest expense and Deferred Unit compensation expense less straight-line rent and amortization of discount of mortgage

receivable, all divided by contractual interest expense incurred on total debt, which excludes amortization of deferred financing costs and amortization of premiums on mortgages payable. We believe our interest coverage ratio is an important measure in determining our ability to cover interest expense based on our operating performance; however, it is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other trusts. See our 2014 MD&A for a calculation of our interest coverage ratio for the year ended December 31, 2014.

“**LP A Units**” means the authorized LP A limited partnership units of Master LP, of which 72,617,739 units have been issued as of March 30, 2015.

“**LP B Units**” means the authorized LP B limited partnership units of Master LP, none of which have been issued as of March 30, 2015.

“**Management Agreement**” means the management agreement between DAM, the Trust and Master LP dated July 8, 2014.

“**market rent**” means estimated market rent through reference to recent leasing activity in the market, leasing interest in our properties, and publicly available market research.

“**Master GP**” means Dream Alternatives Master GP Inc., the general partner of Master LP and a wholly-owned Subsidiary of DAM.

“**Master LP**” means Dream Alternatives Master LP, a limited partnership formed under the laws of the Province of Ontario.

“**Named Executive Officers**” means the named executive officers of the Trust, by virtue of the duties each of them performs in respect of the Trust as an executive officer or employee of DAM, being Michael Cooper and Cecilia Williams as at December 31, 2014 and being Michael Cooper and Pauline Alimchandani as at March 30, 2015.

“**NI 45-106**” means National Instrument 45-106 - *Prospectus and Registration Exemptions* of the Canadian Securities Administrators.

“**NI 52-109**” means National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*.

“**NI 52-110**” means National Instrument 52-110 - *Audit Committees* of the Canadian Securities Administrators.

“**NI 58-101**” means National Instrument 58-101 - *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators.

“**NOI**” means the total income property revenue less income property operating, including the share of rental income from investment in joint ventures and property management income, if any.

“**Non-Resident**” means a non-resident of Canada within the meaning of the Tax Act.

“**OBCA**” means the *Business Corporations Act* (Ontario), as amended from time to time.

“**Offeror**” has the meaning given to such term in section 89 of the *Securities Act* (Ontario).

“**Original DALP Limited Partnership Agreement**” means the limited partnership agreement between the Trust and Master GP dated April 28, 2014, pursuant to which Master LP was formed.

“Partnership Net Income” means the amount of net income (or loss) of Master LP before income taxes computed in accordance with IFRS, as adjusted to exclude all fair value adjustments to the carrying-value of assets and liabilities, to include realized gains and losses on the disposition of assets, computed with reference to the historical cost of the assets disposed of and to exclude distributions to Master GP and as adjusted by any other adjustments as may be determined by Master GP, acting reasonably.

“Person” includes an individual, body corporate, partnership, limited partnership, joint venture, trust or unincorporated organization, the Crown or any agency or instrumentality thereof, or any other entity recognized by law.

“Plans” means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, tax-free savings accounts and registered education savings plans under the Tax Act.

“Preferred Units” means the authorized preferred units of the Trust, none of which have been issued as of March 30, 2015.

“Primary Distribution” has the meaning given under “General Development of the Business – Acquisition Highlights”.

“Purchase Agreement” means the amended and restated asset purchase agreement between, among others, DAM and ROI Capital made as of July 4, 2014.

“Redemption Date” has the meaning given under “Declaration of Trust and Description of Trust Units – Unit Redemption Right”.

“Redemption Price” has the meaning given under “Declaration of Trust and Description of Trust Units – Unit Redemption Right”.

“REIT” means a real estate investment trust.

“Reorganization” means the multi-stage transaction involving the reorganization of the ROI Funds that occurred on July 8, 2014 and pursuant to which, among other things, Master LP acquired the Initial Assets and following which the completion of the closing of the Initial Public Offering occurred.

“ROI Capital” means Return On Innovation Advisors Ltd.

“ROI Funds” means, collectively, ROI Canadian High Income Mortgage Fund, ROI Canadian Mortgage Income Fund, ROI Canadian Real Estate Fund, ROI Institutional Private Placement Fund, ROI Private Trust, ROI Private Capital Trust, ROI Strategic Capital Trust and ROI IPP LP.

“Secondary Distribution” has the meaning given under “General Development of the Business – Acquisition Highlights”.

“SEDAR” means the System for Electronic Documents Analysis and Retrieval.

“Services Agreement” means the services agreement between the Trust, Master LP and DOMC dated July 8, 2014.

“SIFT Legislation” means the provisions of the Tax Act that apply to a SIFT trust, taking into account all Tax Proposals with respect to such provisions.

“SIFT trust” means a specified investment flow-through trust for the purpose of the Tax Act.

“**Special Trust Units**” means units in the Trust (other than Units and Preferred Units) authorized under the Declaration of Trust for issuance to a holder of securities which are exchangeable for Units, including the LP B Units, entitling the holder to one vote per Special Trust Unit at meetings of unitholders of the Trust, but without any entitlement to distributions from the Trust, none of which are issued or outstanding as of March 30, 2015.

“**Subsidiary**” has the meaning given to such term in NI 45-106.

“**Subsidiary Securities**” means securities of Master LP or securities of a Subsidiary of Master LP, as the Trust Board may determine from time to time.

“**square feet**” means square feet of GLA, unless otherwise indicated.

“**Tax Act**” means the Income Tax Act (Canada), as amended from time to time, and the *Income Tax Regulations* (Canada), as amended from time to time, as applicable.

“**Trust**” means Dream Hard Asset Alternatives Trust, an unincorporated open-ended trust formed under the laws of the Province of Ontario.

“**Trust Board**” means the board of trustees of the Trust.

“**Trust Units**” means, collectively, the Units and the Special Trust Units.

“**Trustees**” means trustees of the Trust from time to time, and “**Trustee**” means any one of them.

“**TSX**” means the Toronto Stock Exchange.

“**Unitholder**” means a holder of Units, but “**unitholder**”, when used in lower case type, refers to all holders of Trust Units.

“**Unit**” means a unit representing an interest in the Trust (other than Special Trust Units and Preferred Units) authorized and issued under the Declaration of Trust.

“**Villarboit**” means Villarboit Development Corporation.

“**weighted average effective interest rate**” means the average effective rate of interest on a portfolio of mortgages payable or receivable, weighted by the size of the mortgages in that portfolio.

GENERAL

We provide an opportunity to invest in hard asset alternative investments managed by an experienced team with a successful track record. The specific hard asset alternative investment classes for the Trust include ownership of income property real estate, private real estate lending, equity and participating mortgage investments in real estate development and investments in infrastructure, including renewable power.

Dream Hard Asset Alternatives Trust is an unincorporated open-ended trust established under the laws of the Province of Ontario by the Declaration of Trust on April 28, 2014. The Trust is a “mutual fund trust” as defined in the Tax Act, but is not a “mutual fund” within the meaning of applicable Canadian securities legislation. Our head and registered office is located at 30 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 3H1.

Dream Alternatives Master LP is a limited partnership established on April 28, 2014 under the laws of the Province of Ontario pursuant to the Original DALP Limited Partnership Agreement and is governed by the DALP Limited Partnership Agreement. All of the outstanding LP A Units are held by the Trust and represent a 99.999% partnership interest in Master LP. The GP Interest, representing a 0.001% partnership interest in Master LP, is held by Master GP, a wholly-owned Subsidiary of DAM.

Our asset manager is DAM, which is an innovative real estate manager and developer primarily focused on the commercial and residential sectors in Canada and Germany and renewable power in Canada, and which provides asset management for approximately \$14.6 billion of assets. DAM is the asset manager for the publicly-listed Dream REITs: Dream Office REIT, Canada’s largest office REIT, Dream Global REIT, Canada’s largest REIT that invests only outside of Canada and Dream Industrial REIT, one of Canada’s largest dedicated industrial REITs. DAM also manages \$345 million of infrastructure assets with a focus on wind and solar renewable power projects. The total value of these projects is approximately \$1.45 billion, including debt.

Our investment and operating activities are limited because our operating activities are carried out by Master LP and its Subsidiaries. For simplicity, we use terms in this AIF to refer to our investments and operations as a whole. Accordingly, in this AIF, unless the context otherwise requires, when we use terms such as “Dream Alternatives”, “we”, “us” and “our”, we are referring to the Trust, Master LP and its Subsidiaries. When we refer to Master LP, we are referring to Master LP and its Subsidiaries. When we use expressions such as “our investments” or “our operations”, we are referring to the investments and operations of the Trust, Master LP and its Subsidiaries, as a whole. When we use expressions such as “our properties”, “our mortgages”, “our assets”, “our portfolio” or “we own” in relation to our assets, we are referring to our ownership of and investment in our assets indirectly through Master LP and its Subsidiaries. When we refer to the “Trust”, we are referring only to Dream Hard Asset Alternatives Trust. When we refer to “DAM”, we are referring to DREAM Asset Management Corporation, a Subsidiary of DREAM Unlimited Corp., together with its Subsidiaries other than Master GP and its Subsidiaries. When we refer to “management”, we are referring to the Dream Alternatives management team at DAM, our asset manager.

Certain market information has been obtained from CBRE, *Canadian Market Statistics*, Fourth Quarter 2014, a publication prepared by a commercial firm that provides information relating to the real estate industry. Although we believe this information is reliable, the accuracy and completeness of this information is not guaranteed. We have not independently verified this information and make no representation as to its accuracy.

Unless otherwise specified, all information in this AIF is presented as at December 31, 2014.

FORWARD-LOOKING INFORMATION

Certain information in this AIF may constitute “forward-looking information” within the meaning of applicable securities legislation. The forward-looking information in this AIF is presented for the purpose of providing disclosure of the current expectations of our future events or results, having regard to current plans, objectives and proposals, and such information may not be appropriate for other purposes. Forward-looking information may also include information regarding our respective future plans or objectives and other information that is not comprised of historical fact. Forward-looking information is predictive in nature and depends upon or refers to future events or conditions; as such, this AIF uses words such as “may”, “would”, “could”, “should”, “will” “likely”, “expect”, “anticipate”, “believe”, “intend”, “plan”, “project”, “estimate”, “continue”, and similar expressions suggesting future outcomes or events to identify forward-looking information.

Any such forward-looking information is based on information currently available to us, and is based on assumptions and analyses made by us in light of our respective experiences and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances, including but not limited to: that no unforeseen changes in the legislative and operating framework for our business will occur, including unforeseen changes to tax laws; that we will meet our future objectives and priorities; that we will have access to adequate capital to fund our future projects and plans; that our future projects and plans will proceed as anticipated; and that future market and economic conditions will occur as expected.

However, whether actual results and developments will conform with the expectations and predictions contained in the forward-looking information is subject to a number of risks and uncertainties, many of which are beyond our control, and the effects of which can be difficult to predict. Factors that could cause actual results or events to differ materially from those described in the forward-looking information include, but are not limited to: adverse changes in general economic and market conditions; our inability to raise additional capital; our inability to execute strategic plans and meet financial obligations; risks associated with our anticipated real estate operations and investment holdings in general, including environmental risks, market risks, and risks associated with inflation, changes in interest rates and other financial exposures. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking information contained, or incorporated by reference, in this AIF, see “Risk Factors”.

In evaluating any forward-looking information contained, or incorporated by reference, in this AIF, we caution readers not to place undue reliance on any such forward-looking information. Any forward-looking information speaks only as of the date on which it was made. Unless otherwise required by applicable securities laws, we do not intend, nor do we undertake any obligation, to update or revise any forward-looking information contained, or incorporated by reference, in this AIF to reflect subsequent information, events, results, circumstances or otherwise.

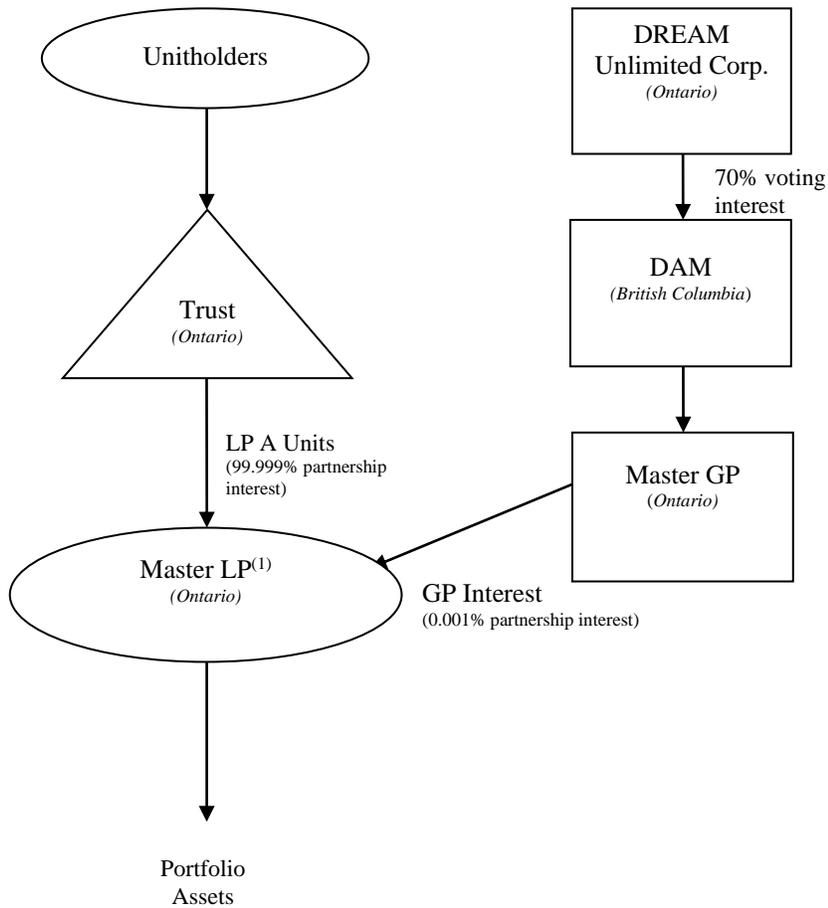
NON-IFRS MEASURES

The Trust’s consolidated financial statements are prepared in accordance with IFRS. In this AIF, the Trust discloses and discusses certain non-IFRS financial measures including AFAD, FAD, debt-to-gross book value, interest coverage ratio and NOI, as well as other measures. These non-IFRS measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. The Trust has presented such non-IFRS measures as management believes they are relevant measures of our underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to net income, total comprehensive income or cash flows generated from operating activities or comparable metrics determined in accordance with IFRS as indicators of the Trust’s performance, liquidity, cash flow and profitability. See the Glossary of Terms for definitions of AFAD, FAD, debt-to-gross book value, interest coverage ratio and NOI. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable

measure calculated in accordance with IFRS please refer to the “Non-IFRS Measures” section in our 2014 MD&A.

OUR STRUCTURE

The following chart is a simplified illustration of our organizational structure as at December 31, 2014:



Notes:

- (1) Master GP is the general partner of Master LP. It is a wholly-owned Subsidiary of DAM and holds a 0.001% partnership interest in Master LP. The Trust is the sole limited partner of Master LP and holds a 99.999% partnership interest in such partnership.
- (2) Master LP holds the portfolio assets through various limited partnerships. Other than in respect of the Affinity Wind Project and the Co-Owned Rooftop Solar Projects, Master LP holds a 99.99% partnership interest in each of such limited partnerships and the general partner of each such limited partnership is a wholly-owned Subsidiary of Master LP, holding a 0.01% partnership interest.

GENERAL DEVELOPMENT OF THE BUSINESS

Acquisition Highlights

Completion of Initial Public Offering and Acquisition of Initial Assets

The Trust was established on April 28, 2014 as an unincorporated open-ended trust to focus on providing Unitholders with exposure to hard asset alternative investments with a focus on real estate, real estate lending and infrastructure, including renewable power. On July 8, 2014, we completed our Initial Public Offering. On this date, ROI Capital subscribed for Units having an aggregate subscription price equal to \$10 million at a price of \$10.00 per Unit, for a total of 1,000,000 Units (the “**Primary Distribution**”).

On July 8, 2014, the Trust acquired all of its Initial Assets. Pursuant to the Reorganization, the assets of the ROI Funds were indirectly transferred to the Trust in consideration for the issuance of 72,617,739 Units (the “**Secondary Distribution**”). Upon completion of the Reorganization, all of the Initial Assets were held, directly or indirectly, by Master LP. The consideration for the indirect acquisition of the assets by the Trust from the ROI Funds was the issuance of 72,617,739 Units and the assumption of related property-specific debt and other liabilities by Master LP.

The Initial Assets acquired pursuant to the Reorganization were comprised of real property, mortgages secured by real property, loans secured by, or that provide a participating interest in, real property or participations in such mortgages or loans, together with partial ownership positions in real property by way of a limited partnership or co-ownership investment or otherwise. As a result of the Reorganization, Dream Alternatives had an opening equity book value of approximately \$723 million of net assets, including approximately: (a) \$238 million of commercial income-producing properties, comprising over 3.8 million square feet of GLA, co-owned with Dream Office REIT; (b) \$216 million of mortgage and loan investments in hotel, land, multi-residential, condominium, retail, retirement home and commercial assets with fixed interest rates and terms; (c) \$15 million of limited partnership equity investments in retail real estate properties; (d) \$161 million of equity and participating mortgage and co-ownership investments in retail and residential development projects that do not currently produce any cash income; and (e) \$93 million of cash and other working capital.

The only proceeds of the Initial Public Offering (before deducting expenses of the Initial Public Offering, which were approximately \$12 million and were paid by the Trust) were \$10 million, received by the Trust in connection with the Primary Distribution. The Trust used these proceeds for investments and general operating and working capital purposes.

Under applicable Canadian securities laws, the acquisition of the Initial Assets was considered a “significant acquisition”. We filed a business acquisition report in respect of the acquisition of the Initial Assets.

Dispositions

We did not dispose of any properties in 2014.

Equity and Debt Offerings

We did not complete any equity or debt offerings in 2014 following the Initial Public Offering.

Normal Course Issuer Bid

In December 2014, we filed with the TSX a notice of intention to make a normal course issuer bid, which commenced on December 30, 2014, and will remain in effect until the earlier of December 29, 2015, or the date on which we purchase the maximum number of Units permitted under the bid. Under the bid, we have the ability to purchase for cancellation up to a maximum of 7,280,818 Units (representing 10% of our public float of 72,808,178 Units at the time of entering the bid through the facilities of the TSX). At December 31, 2014, no Units had been purchased under the bid.

RECENT DEVELOPMENTS

In January 2015, we appointed Pauline Alimchandani as the Chief Financial Officer of Master GP.

Current Discussions Regarding Acquisitions and Dispositions

In the normal course of business, we are engaged in discussions with respect to possible acquisitions of new properties and dispositions of existing properties in our portfolio. However, there can be no assurance that any of these discussions will result in a definitive agreement and, if they do, what the terms or timing of any acquisition or disposition would be. We expect to continue current discussions and actively pursue other acquisition, investment and disposition opportunities.

DESCRIPTION OF THE BUSINESS

Objectives

Our objectives are to:

- provide an opportunity to invest in hard asset alternative investments, including real estate, real estate lending, real estate development, and infrastructure, including renewable power, managed by an experienced team with a successful track record in these areas;
- build and maintain a growth-oriented portfolio;
- provide predictable and sustainable cash distributions to Unitholders on a tax efficient basis; and
- grow and reposition the portfolio to increase the annualized AFAD and return on total investment and provide the opportunity to increase distributions to Unitholders over time.

Trust Strategy

Invest in Alternative Hard Assets

Our investment strategy is to provide an alternative to traditional investments in shares, bonds and cash by investing capital in assets that are not correlated to public equity or bond markets. The Trust, through Master LP, primarily invests in hard assets such as real estate and infrastructure, including renewable power, which we do primarily through private debt and private equity securities. DAM has experience in all of the asset classes in which we invest. DAM manages the assets to develop a portfolio that includes long-term infrastructure and renewable power assets, commercial real estate, real estate lending and real estate development. We rely on DAM's experience to manage our portfolio to balance the long-term high returning assets, infrastructure and renewable power assets with long-term commercial properties, lower risk, lower return real estate lending and debt and equity investments for higher yielding real estate development activities.

Employ Flexible Structure

As a taxable SIFT trust, the Trust benefits from a flexible structure: it is not restricted or limited by the exception in the SIFT Legislation that applies to REITs, nor is it required to comply with the regulations governing mortgage investment corporations. As a result, we seek to find opportunities in areas with limited competition to achieve higher risk-adjusted returns. We benefit from DAM's industry and capital markets relationships and expertise to attract partners and/or borrowers who perceive more value working with the Trust and DAM, as our asset manager, than with our competitors.

The Trust is a taxable SIFT trust which requires the Trust to pay tax at the entity level. Renewable power and real estate assets generate tax depreciation often sufficient to shelter their income and, as a result, distributions may exceed taxable income, resulting in a portion of such distributions being treated as a return of capital for tax purposes. We manage the Trust to obtain as efficient a tax result as is possible for Unitholders in the circumstances.

Increase Returns

We believe there are opportunities to increase our returns by capitalizing on DAM's expertise in managing real estate and alternative assets to generate stable and increasing returns. DAM, as our asset manager, advises the Trust and Master LP on possible actions including the potential sale of assets and reinvestment of the proceeds in assets that it expects will generate higher risk-adjusted returns. We co-own the 19 commercial income-producing Co-owned Properties with Dream Office REIT. Dream Office REIT and the Trust work in a cooperative fashion with respect to their Co-owned Properties to meet their shared objectives.

We continue to invest in traditional real estate loans to optimize the risk-reward characteristics of our portfolio. However, we anticipate continuing to reduce the amount invested in traditional real estate loans in our portfolio over time as we believe there are opportunities to achieve higher risk-adjusted returns based on DAM's core competency of lending and investing directly in development of residential properties, renewable power projects and commercial income-producing properties. In the past, DAM has provided loans to developers on projects where DAM has been able to complete a full assessment of the project. These loans are subordinate to construction loans. However, using mitigation strategies such as pre-sales or pre-leasing and construction pricing, we believe that DAM can manage these risks and realize returns that are significantly higher than traditional loans.

Portfolio Strategy

Diversify from Traditional Asset Classes

We believe that hard asset alternative investments provide diversification from the traditional asset classes broadly available to investors. The Trust is focused on hard assets and it invests in real estate, real estate loans, and infrastructure, including renewable power. Real estate investments include income properties and real estate development. Our real estate lending activities range from low ratio first mortgages, to second mortgages, mezzanine loans, equity loans, development loans and bridge financing. Infrastructure and renewable power investments are equity investments with long-term financing, long-term contracts and returns that are generally higher than real estate loans or equity when the equity investment is made prior to development.

Employ Experienced Asset Manager with a Strong Track Record

We benefit from DAM's competitive advantage over many of its peers resulting from the scale and diversity of its operations.

DAM is one of Canada's leading real estate companies with approximately \$14.6 billion of assets under management in North America and Europe. The scope of DAM's business includes residential land development, housing and condominium development, asset management for the three Dream REITs as well the Trust, investments in and management of Canadian renewable energy infrastructure and commercial property ownership. DAM has an established track record for being innovative and for its ability to source, structure and execute on compelling investment opportunities. The information gained from managing, developing and owning these assets provides insights into economic activity, often well before this information becomes broadly known or published in third-party reports or research. As a result, we benefit from DAM's ability to act quickly on trends that have not yet been generally identified to source favourable opportunities to invest in hard asset alternative investments.

Diversify Risk Across Alternative Asset Classes

We diversify risk by spreading our investments among these various types of assets. Real estate investing in income properties is cyclical but, historically, has generally provided attractive risk-adjusted returns. The returns among the different sectors within the income property business vary in different markets and value can be gained by diversifying our income property portfolio. A significant proportion of the Income Properties included in the Initial Assets are office buildings and we anticipate diversifying the

income property portfolio over the next few years to diversify the risks of having such a high proportion of our income property assets in this or any other single sector.

Real estate lending returns vary based on the risk level of the secured asset, the leverage on the asset and the competitive lending environment at the time of making the loan. Real estate loans have traditionally been a private investment that provide returns that are significantly higher than government bonds. We currently hold a large portfolio of traditional mortgages but we expect that, over time, the amounts invested in mortgages of this type will be reinvested into areas offering higher risk-adjusted returns and where we believe DAM has competitive advantages based on insights gained from managing its entire business, skills developed from managing its current assets, its relationships and its specific expertise. Traditional real estate lending is valuable by providing a base return while we seek opportunities with more desirable risk-adjusted returns. In addition, we believe that maintaining an allocation to traditional real estate lending provides more certain returns during economic uncertainty.

Development loans and development equity have historically provided very attractive returns. We benefit from DAM's position as an active developer itself, such that the risk of such development loans is reduced for us, particularly given the experience of DAM's in-house marketing, construction, finance, development and engineering professionals.

The renewable power sector is relatively new in Canada, although it has a long history elsewhere in the world. We benefit from DAM's involvement in this industry over the last nine years, through which it has developed relationships with developers, manufacturers and lenders and a track record of identifying attractive transactions and executing on them. Having invested approximately \$1.45 billion, including debt, DAM has completed numerous transactions with the same vendors and developers and we believe that these relationships will continue to provide DAM access to attractive future transactions in which we can invest.

Renewable power investments in wind and solar projects have provided DAM with predictable returns at levels that are higher than it has received from Income Properties. Contracts for renewable power are typically with entities having a low credit risk and provide for the delivery of power at a fixed rate for between 20 and 25 years. The construction costs for renewable power assets are relatively predictable and the debt is typically limited in recourse to the particular asset.

Reposition Portfolio

From the Reorganization, we have held the portfolio of Initial Assets acquired pursuant to the Reorganization. Since we began operation, DAM has started rebalancing our portfolio consistent with what it believes provides attractive risk-adjusted returns from a diversified portfolio of investments in Income Properties, traditional real estate loans, development loans and equity and infrastructure, including renewable power.

Competitive Conditions

A description of the competitive conditions relevant to our business is set out in the 2014 MD&A under "Risks and Our Strategy to Manage – Competition for Investment Opportunities may Adversely Affect our Financial Performance". The disclosure in that section is incorporated by reference into this AIF.

OPERATING SEGMENTS

Overview of the Assets

The Trust's operating segments currently consist of the following:

- **Income Properties** – a portfolio of co-owned office and retail commercial real estate properties in Canada;
- **Lending Portfolio** – interest paying mortgages and corporate loans;
- **Development and Investment Holdings** – participating mortgages receivable and indirect investments in income-producing properties;
- **Renewable Power** – operational solar power projects, solar power projects under development, and a wind power project under development.

Income Properties

Our interest in the Income Properties comprises an equity value in the Trust of approximately \$246 million and a gross asset value of \$499 million. These properties consist of 19 commercial properties comprising over 3.8 million square feet of GLA in Ontario, largely within the Greater Toronto Area (“GTA”) and Southwestern Ontario, downtown Toronto, Eastern Canada and Western Canada (the “Income Properties”). The Trust owns varying non-managing interests in the assets, in the range of 50.1-65.0%, with its owned share of GLA aggregating to approximately 2.1 million square feet. All of the Income Properties are held in co-ownership with Dream Office REIT, which provides property management services to the Income Properties for a fee of 3-3.5% of property revenues, which is in line with market terms.

As at December 31, 2014, the Income Properties had an in-place and committed occupancy of 91.2%, a weighted average remaining lease term of 4.9 years, an average tenant size of approximately 12,536 square feet and an average in place net rent of \$14.49 per square foot, which was estimated by Dream Office REIT's management to be approximately 6% below market rates, which provides an opportunity to capture rent increases and corresponding income growth in the future as leases are renewed or re-leased.

The table below provides supplemental information on each of the Income Properties, including GLA, year built and renovated, and average tenant size as at December 31, 2014.

Property	City	Trust's ownership	Total GLA	Owned share of Total GLA	Year built	Year renovated	Average tenant size
GTA and Southwestern Ontario							
London City Centre	London	60.0%	540,933	324,560	1974		24,444
Valhalla Executive Centre (300, 302 & 304 The East Mall)	Toronto	50.1%	326,389	163,521	1973		11,340
50 Sussex Centre	Mississauga	50.1%	350,997	175,850	1987		9,168
90 Sussex Centre	Mississauga	50.1%	304,750	152,679	1989		13,690
West Metro Corporate Centre (185 The West Mall)	Toronto	50.1%	297,292	148,944	1989	2006	12,772
West Metro Corporate Centre (191 The West Mall)	Toronto	50.1%	158,260	79,288	1985		18,467
West Metro Corporate Centre (195 The West Mall)	Toronto	50.1%	160,812	80,567	1984		160,812
Commerce West (401/405 The West Mall)	Toronto	60.0%	411,842	247,106	1985	2007	17,906
2810 Matheson Blvd.	Mississauga	50.1%	140,123	70,201	1989		14,312
80 Whitehall Dr.	Markham	60.0%	60,805	36,483	1990		30,403
6501-6523 Mississauga Rd.	Mississauga	60.0%	84,725	50,835	1982		3,172
6531-6559 Mississauga Rd.	Mississauga	60.0%	71,192	42,715	1978		2,866
2010 Winston Park Dr.	Oakville	60.0%	79,137	47,482	1990		6,621
10 Lower Spadina Ave.	Toronto	60.0%	60,255	36,153	1988		9,901
49 Ontario St.	Toronto	60.0%	87,105	52,263	1972		43,553
Tillsonburg Gateway (680 Broadway St.)	Tillsonburg	50.1%	47,016	23,555	2003		11,754
55 Norfolk St. S.	Simcoe	60.0%	12,887	7,732	1987	2000	12,887
Western Canada							
Lansdowne Village	Kamloops	60.0%	190,773	114,464	1970	2008	5,450
Gateway Business Centre	Victoria	60.0%	181,693	109,016	1999		21,542
Eastern Canada							
219 Laurier Ave. W.	Ottawa	60.0%	187,783	112,670	1965		37,557
460 Two Nations Crossing	Fredericton	60.0%	50,945	30,567	2008		50,945
Wedgewood Plaza	Halifax	65.0%	36,353	23,629	1994		2,555
			3,842,067	2,130,280			12,536

The table below highlights the occupancy by geographic region of our properties as of December 31, 2014:

As at	In-place and committed	CBRE Canadian Market Statistics ⁽¹⁾
	December 31, 2014	December 31, 2014
GTA and Southwestern Ontario	91.4%	86.4%
Western Canada ⁽²⁾	84.4%	86.6%
Eastern Canada	98.8%	89.6%
Weighted average occupancy	91.2%	86.6%

Notes:

- ⁽¹⁾ The market specific industry average occupancy rate applicable to the Trust's portfolio was calculated using CBRE's Canadian Market Statistics Fourth Quarter 2014 report (the "Report"). The weighted average is calculated by applying the Report's applicable downtown or suburban vacancy rate by city to the city in the closest proximity within the Trust's portfolio, weighted by the Trust's owned share of GLA by building
- ⁽²⁾ The CBRE market specific industry average occupancy rates presented for the Western Canada region were based on the office occupancy rate in the Vancouver, British Columbia, suburban area. The Income Properties held by the Trust in Western Canada are located in Victoria and Kamloops, British Columbia

Tenant Base Profile

Our tenant base includes municipal, provincial and federal governments, as well as a wide range of high-quality large international corporations, including Canada's second-largest bank and various recognizable businesses operating across Canada. We have 279 tenants and an average tenant size of 12,536 square feet. The following table outlines our top 10 tenants based on the percentage of gross rental revenues they represent as at December 31, 2014.

Tenant	Number of buildings	GLA	% of Total GLA	% of Total gross revenue	Remaining lease term (years)	Credit rating ⁽¹⁾
TD Canada Trust	2	256,609	12.0%	9.9%	7.7	AA-
SNC-Lavalin Inc.	4	180,885	8.5%	9.9%	5.9	BBB
Government of Canada	1	109,592	5.1%	5.8%	1.4	AAA
Technicolor Creative Services	1	50,262	2.4%	3.0%	3.0	B+
Government of British Columbia	2	65,628	3.1%	3.0%	1.7	AAA
Trader Corporation	1	48,318	2.3%	2.8%	2.4	N/A
Parmalat Canada Inc.	1	45,941	2.2%	2.7%	8.7	BBB+
Edward D. Jones & Co.	1	39,256	1.8%	2.7%	5.0	N/A
Livingston International Inc.	1	37,646	1.8%	2.3%	2.1	N/A
Community Door Network Service	2	30,828	1.4%	1.4%	6.8	N/A
Total		864,965	40.6%	43.5%	5.1	

Note:

⁽¹⁾ Credit ratings obtained from Standard & Poor's and Egan Jones and may reflect the parent's or a guarantor's credit rating
N/A – not applicable

Lending Portfolio

We invest in mortgages secured by all types of residential and commercial real estate property. The types of properties that we finance include multi-family residential rental properties, stabilized income properties, and hotels. We also invest in higher-yielding developer and construction loans, bridge loans, and mezzanine loans.

The Trust sources its investments in traditional mortgages by working primarily with CMCC, which provides both mortgage servicing and mortgage brokerage services. The Trust believes that CMCC's experience and information gathering capabilities will result in the origination of loans with attractive risk-adjusted returns

As at December 31, 2014, the Trust's lending portfolio segment consists of interest paying mortgages and corporate loans with fixed interest rates and terms with an equity value of approximately \$213.5 million. As at the same date, the lending portfolio consists of 28 mortgages and real property loans, and two corporate loans. This includes one portfolio-based first mortgage outstanding on five hotel properties, and a second mortgage on three hotel properties, having a combined outstanding principal of \$31.8 million. The eight hotel properties are located in British Columbia and Alberta. Outside of this hotel based portfolio and the corporate loans, the average contractual mortgage and loan investment size is approximately \$5.9 million. The lending portfolio also includes seven mortgages of development properties with a total outstanding principal of \$58.0 million.

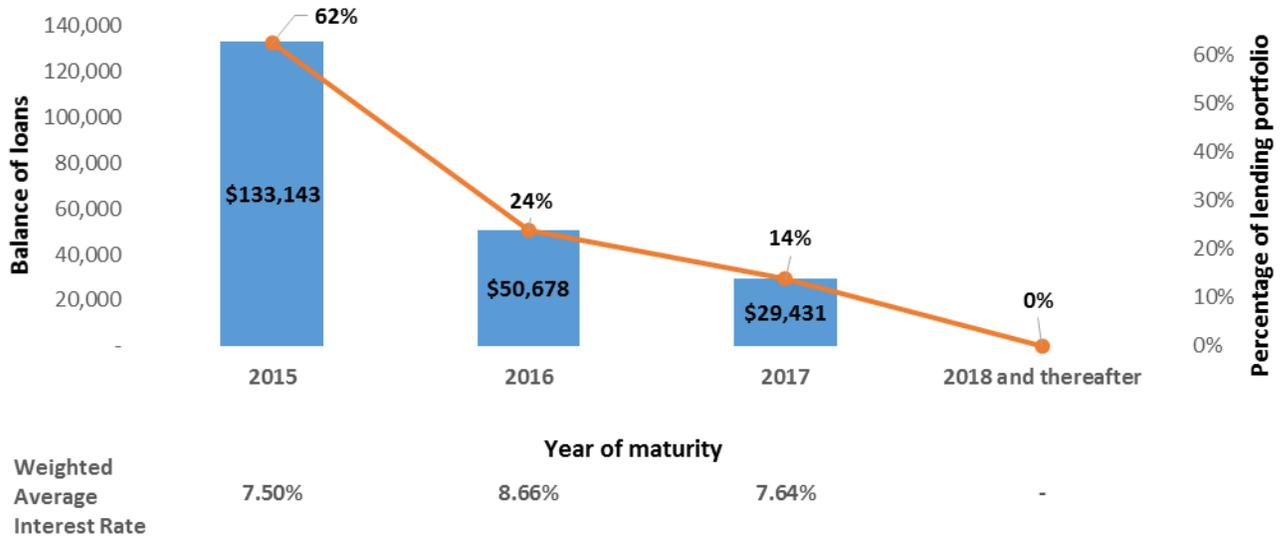
The following table illustrates the number and percentage of the lending portfolio by property type based on amortized cost.

As at December 31, 2014	No. of individual mortgages outstanding	% of total	Weighted average effective interest rate
Property Type:			
Hospitality	9	36.6%	6.75%
Corporate Loan/Other ⁽¹⁾	2	10.1%	10.00%
Industrial/Self Storage	3	8.2%	7.82%
Multi-Residential/Condominium	1	4.7%	9.00%
Retirement Home	2	9.6%	12.86%
Land	10	27.2%	8.68%
Retail	3	3.6%	6.67%
Total	30	100.0%	8.38%

Note:

⁽¹⁾ Includes an unsecured corporate loan outstanding to MMS Enterprise Holdings Inc. with an amortized cost, as at December 31, 2014, of \$21.3 million. MMS Investments Inc. is the parent company of award-winning home builder Empire, which was established in 1993. The loan is guaranteed by Empire

The chart below summarizes the maturity profile dates of the lending portfolio at face value:



We anticipate that DAM will continue to reposition a portion of the capital from the traditional real estate loans in our Lending Portfolio as they mature, as DAM believes that there are opportunities to achieve higher risk-adjusted returns based on DAM’s core competency of lending or investing in development of residential properties, development of renewable power projects and investment in commercial income-producing properties. We also expect that DAM will continue to optimize our traditional loan portfolio by working with CMCC and other licensed mortgage brokers and that CMCC’s experience and information-gathering capabilities will facilitate the creation of a portfolio of traditional loans that provides attractive risk-adjusted returns.

Development and Investment Holdings

The Trust’s Development and Investment Holdings segment consists of: (a) \$80.3 million of participating loans in seven primarily retail projects, currently in various stages of development, co-owned and managed by Villarboit Development Corporation (“**Villarboit**”); (b) \$63.8 million of participating loans in two separate residential projects in the GTA that are in pre-development, co-owned and managed by Empire Communities (“**Empire**”); (c) \$9.4 million of participating loans in a mixed-use pre-development project in Toronto, co-owned and managed by Castlepoint Studio Partners (“**Castlepoint**”); and (d) \$15.2 million of equity value in two separate limited partnerships which hold interests in an income-producing property portfolio consisting of three shopping centres and one office building (the Bayfield Limited Partnership (“**LP**”) investments). The participating loans (being those set out in (a), (b) and (c) above) have rights to participate in the underlying cash flows of the assets in pre-development, subject to various terms in the respective agreements.

The Trust’s ownership interest and key development measures for the development and investment holdings are detailed in the following table.

As at	Investment values	December 31, 2014		
	December 31, 2014	% of presold/ preleased	Total % leased and occupied	Range of dates for expected closing/ completion date
Villarboit – assets under development ⁽²⁾	\$ 75,600	30.6% ⁽³⁾	N/A	Q3 2015–Q2 2017 ⁽¹⁾
Villarboit – completed developments ⁽²⁾	4,662	N/A	91.5% ⁽³⁾	Q2 2015–Q4 2016 ⁽⁴⁾
Empire Brampton	22,308	50.0%	N/A	Q3 2017–Q3 2018
Empire Lakeshore	41,541	75.5%	N/A	Q1 2019–Q2 2020
Castlepoint	9,383	N/A	N/A	N/A
Bayfield LP Investments – income-producing	15,222	N/A	90.4%	N/A
	\$ 168,716			

Notes:

- ⁽¹⁾ The final completion dates are estimated by DAM based on information provided by the retail development project manager regarding the forecasted completion dates and development status at December 31, 2014 and are subject to change
- ⁽²⁾ During the fourth quarter, one retail asset was reclassified from assets under development to completed developments upon substantial completion, which had a value of \$3.2 million
- ⁽³⁾ Total current plus committed occupancy for the Villarboit retail assets under development and completed developments was 39.8%
- ⁽⁴⁾ As at December 31, 2014, the completed developments comprised 180,500 square feet and had a leased and occupied rate of 91.5%, which includes leasable area where tenants have occupied the space but are not yet paying rent. The dates presented represent the timing of when all tenants become rent-paying within their respective development project

Villarboit

Villarboit is a Toronto based developer of retail properties with a 25 year history of delivering properties for its clients and investors. The company is fully integrated, with in-house capabilities for all primary aspects of the development business, including acquisitions, site planning, construction and leasing, as well as property and asset management. It also provides construction services to select national retailers and other third-party developers.

The Villarboit investments are retail development projects commenced in 2012 or later and are in various stages of leasing and construction. The investments consist of six non-recourse participating loan investments with initial terms of ten years and one co-ownership interest. The Trust's security under the participating loans ranges from an approximately 65% to 89% interest in the properties and does not have recourse to Villarboit directly. Investments structured as participating mortgages have a stated interest return of up to 13% and the co-ownership investment is expected to generate a cash return once the development is complete. Projected completion dates for the developments range from the third quarter of 2015 to the end of 2017 (excluding projects fair valued based on land values). At December 31, 2014, 39.8% (July 8, 2014 – 29.7%) of the total projected development GLA of 1.2 million square feet has been committed or leased.

Empire Communities

Empire has established a tradition of creating prestigious, award-winning new homes, new condominiums, and communities in the Greater Toronto Area, Hamilton, and Niagara regions while earning a reputation for outstanding attention to detail and customer service. The company received recognition as Ontario's 2013 Green Builder of the year. Past awards include The President's Award from the Ontario New Home Warranty Program for Outstanding Service and Achievement, the Ontario Community of the Year Award for its Wyndfield and Wyndance communities, and previous Green Builder of the Year Awards from the Hamilton-Halton Home Builders' Association and Building Industry and Land Development Association.

The participating mortgage investments are in a high-rise condominium development and a detached/semi-detached/townhouse development being constructed by Empire, each by way of a

mortgage instrument and a participating agreement, which allow the Trust to participate in a percentage of the profits of the development in excess of the proceeds of the mortgages.

Castlepoint Studio Partners - 158 Sterling Road, Toronto, Ontario

The participating mortgage investment in Castlepoint's mixed-use development project is through a mortgage instrument and a participating agreement. The project is currently in pre-construction and is located in Toronto's west end. The commercial site is being redeveloped by Castlepoint Studio Partners into a mixed-use development with both residential and commercial space. The project is substantially rezoned and in the final phases of obtaining all planning approvals

Bayfield LP Investments

The Bayfield LP Investments consist of limited partnership interests of less than 20.0% in two separate limited partnerships that own co-ownership interests in three shopping centres and one office tower. RioCan REIT owns the balance of these shopping centres, and a Subsidiary of RioCan REIT is the property manager of each of the retail properties. Cash distributions received from the Bayfield LP Investments during the quarter were consistent with the annual target distribution rate of the limited partnerships as communicated by the limited partnerships' asset manager, Bayfield Realty Advisors. The Bayfield LP Investments are 90.4% occupied as at December 31, 2014.

Renewable Power

Investments in renewable power remain a key focus of the Trust. The Trust's renewable power segment now consists of solar and wind power portfolios with net assets attributable to Unitholders of the Trust of \$19.9 million at December 31, 2014. The solar power portfolio includes three operational rooftop projects in Ontario with an installed capacity of 0.7 MW and a portfolio of solar projects under development in Ontario. Of the development stage projects, one is wholly-owned by Master LP and the other two are co-owned through limited partnerships with first nations or community partners, in which our partners have a 15% interest (the "**Co-owned Rooftop Solar Projects**"). The wind power portfolio includes a 10.6 MW project located in Nova Scotia, expected to become operational in August 2015 (the "**Affinity Wind Project**"). All projects within the solar and wind power portfolio have a 20 year government or regulated utility power purchase agreement that allows the projects to sell the generated electricity at a fixed contract rate, providing a stable and predictable cash flow to the Trust.

As at December 31, 2014, the Trust has funded \$19.3 million of equity in both solar and wind power projects that are operational or under development. The projects under development are expected to have an operational capacity of 16.4 MW upon completion. The wind power project is expected to be operational in August 2015. The Trust has committed to equity investments in additional renewable power projects of \$23.8 million at December 31, 2014 that have an average yield on equity of 12% over the life of the projects.

We remain optimistic that we will be able to source and execute new renewable power investments, which provide long-term favourable returns due to the long terms of the power purchase agreements. Since the completion of the Reorganization, the Trust has committed \$49.7 million of equity in renewable power projects. Ontario continues to see the most activity of any of the Canadian provinces with the established feed-in tariff program awarding contracts for smaller projects (primarily rooftop solar projects less than or equal to 500 kW) and the newly announced large renewable procurement to award contracts for projects greater than 500 kW. An additional 100 MW of rooftop solar projects have been awarded contracts by the Ontario Power Authority, with plans to award an additional 150 MW per year, over the next two years. As both a landlord and a solar power investor, the Trust is well positioned in the Ontario rooftop solar space to develop new partnerships as well as develop solar projects on existing commercial properties. In other provinces, Hydro Québec has completed its request for proposal for an additional 450 MW of wind power generation, which resulted in bids being awarded to three parties at an average price of \$0.063 per kWh (excluding transmission costs). For comparison, the original Ontario feed-in tariff

price for wind projects was \$0.135 per kWh when the program was first introduced in 2010, demonstrating how much more competitive renewable power generation has become in recent years. As the renewables market matures, the Trust expects to see more opportunities to utilize its expertise in creating high value investment opportunities. The Trust continues to be active in both acquiring operational projects and generating new opportunities through existing partners.

INDEBTEDNESS

For the year-ended December 31, 2014, our interest coverage ratio was 3.26 times and our overall debt-to-gross book value was 25.15%. This ratio is calculated by dividing (i) our net rental income plus interest and fee income less general and administrative expenses plus deferred unit compensation expense by (ii) our interest expense incurred at the contractual interest rate. For more information, see page 33 of our 2014 MD&A. As at the same date, our variable rate indebtedness was approximately 44.6% of total debt and the weighted average term to maturity of our debt was 2.2 years. For more information, see pages 10 and 29 of our 2014 MD&A.

Mortgage Financing

Our strategy is to maintain a balanced debt profile, taking into account market conditions and the financial characteristics of each property. Our debt strategy is to obtain secured mortgage financing on a fixed rate basis, with a term to maturity that is appropriate in relation to the lease maturity profile of each property. Our preference is to have staggered debt maturities to mitigate interest rate risk and limit refinancing exposure in any particular period. We also intend to enter into long-term loans at fixed rates when borrowing conditions are favourable.

Debt Maturities

The existing mortgages payable are characterized by a staggered maturity profile and are non-recourse to the Trust. The following table sets out the principal instalments and maturity balances on the mortgages payable to be repaid each year.

Debt maturities (amounts in thousands of Canadian dollars)	Outstanding balance at maturity	Scheduled principal repayments	Amount	%	Weighted average effective interest rate on balance outstanding	Weighted average face rate on balance outstanding
2015	\$ 71,365	\$ 5,232	\$ 76,597	30.5	3.49	3.49
2016	39,050	4,462	43,512	17.3	3.43	4.15
2017	68,836	3,264	72,100	28.8	3.13	4.80
2018	51,529	1,001	52,530	21.0	3.16	3.59
2019 and thereafter	3,223	2,860	6,083	2.4	4.13	5.15
Subtotal	234,003	16,819	250,822	100.0	3.03	4.05
Fair value adjustments	-	-	4,262			
Total	\$ 234,003	\$ 16,819	\$ 255,084			

Revolving Credit Facility

A demand revolving credit facility is available up to a formula-based maximum not to exceed \$50 million, in the form of a rolling one-month Bankers' Acceptance ("BA") bearing interest at the BA rate plus 2% or at the bank's prime rate (3% as at December 31, 2014) plus 1%, and is effectively secured by a general security agreement over all assets of Dream Alternatives Lending Services LP and Dream Alternatives Master LP. As at December 31, 2014, no amounts were drawn on the facility.

Additional Financing

We may seek additional financing with one or more financial institutions from time to time. Such financing will be used for general trust purposes, which may include the funding of our operations or future property acquisitions.

TRUSTEES, DIRECTORS AND NAMED EXECUTIVE OFFICERS

Trustees of the Trust Board

Pursuant to the Declaration of Trust, the Trust may have between three and ten Trustees at any given time and a majority of the Trustees must be resident Canadians. As at March 30, 2015, the Trust had three Trustees.

Each of the Trustees is required to exercise the powers and discharge the duties of his or her office honestly and in good faith with a view to the best interests of the Trust and its unitholders and, in connection with doing so, exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

As at March 30, 2015, James Eaton, David Kaufman and Andrew Lapham were the Trustees. As each of the Trustees of the Trust also serve as a Director of the GP Board, biographical information on the Trustees is included below under the heading “Directors of the GP Board”.

The Trustees are elected at each annual meeting of our unitholders for a term expiring at the conclusion of the next annual meeting or until their successors are elected or appointed and will be eligible for re-election. A Trustee appointed by the Trustees between meetings of unitholders or to fill a vacancy will be appointed for a term expiring at the conclusion of the next annual meeting of our unitholders or until his or her successor is elected or appointed and will be eligible for election or re-election.

The Declaration of Trust provides that a Trustee may resign upon written notice to the Chair of the Trust Board or if there is no Chair, each other Trustee, and may be removed with or without cause by a majority of the votes cast at a meeting of unitholders called for that purpose or with cause by two-thirds of the remaining Trustees.

A vacancy occurring among the Trustees may be filled by resolution of the remaining Trustees, so long as they constitute a quorum, or by the unitholders at a meeting of the unitholders.

Directors of the GP Board

The Directors of Master GP oversee the management of the Trust’s operating assets, which are held through Master LP. DAM is the sole shareholder of Master GP.

The Directors of Master GP are appointed annually by DAM, the sole shareholder of Master GP, and such Directors hold office for a term expiring at the close of the subsequent annual meeting following appointment or re-appointment, as applicable, or until their respective successors are appointed.

The GP Board must consist of a minimum of one and a maximum of ten Directors, at least 25% of whom must be resident Canadians. As at March 30, 2015, the GP Board had seven Directors; as at such time, each of the Trustees served as a Director of Master GP.

A majority of the members of the GP Board must be “independent” within the meaning of NI 58-101. This is in order to promote an alignment of the interests of the GP Board with the interests of the Trust and the unitholders. Similarly, the committees of the GP Board are comprised entirely of Independent Directors.

The following table sets forth, as at March 30, 2015, the name, province or state and country of residence, position with Master GP and principal occupation for each of the Trustees and Directors.

Name and Municipality of Residence	Positions Held	Independent	Principal Occupation
Pauline Alimchandani Ontario, Canada	Director since April 28, 2014	No	Chief Financial Officer of DAM
Michael Cooper Ontario, Canada	Director since April 28, 2014	No	President and Chief Executive Officer of DAM
James Eaton ⁽¹⁾ Ontario, Canada	Trustee and Director since July 8, 2014	Yes	President of Weatons Holding Ltd.
Joanne Ferstman ⁽²⁾ Ontario, Canada	Director since July 8, 2014	Yes	Corporate Director
Jane Gavan Utah, United States	Director since July 8, 2014	No	President, Asset Management of DAM
David Kaufman ⁽³⁾ Ontario, Canada	Trustee (Chair) and Director (Chair) since July 8, 2014	Yes	President and Chief Executive Officer of Westcourt Capital Corporation
Andrew Lapham ⁽⁴⁾ Ontario, Canada	Trustee and Director since July 8, 2014	Yes	Executive Advisor to The Blackstone Group

Notes:

- (1) Member of the Audit Committee of the Trust Board, member of the Audit Committee of the GP Board, Chair of the Governance, Compensation and Environmental Committee of the GP Board.
- (2) Member of the Audit Committee of the GP Board.
- (3) Chair of the Audit Committee of the Trust Board, Chair of the Audit Committee of the GP Board, member of the Governance, Compensation and Environmental Committee of the GP Board.
- (4) Member of the Audit Committee of the Trust Board, member of the Audit Committee of the GP Board, member of the Governance, Compensation and Environmental Committee of the GP Board.

As at December 31, 2014, the Trustees, Directors and Named Executive Officers beneficially owned, directly or indirectly, as a group, 407,800 Units, which represent approximately 1% of the outstanding Units and which may not include Units issued pursuant to our DRIP. As at such date, there were no Special Trust Units or Preferred Units outstanding.

Audit Committee of the Trust Board

The Trust Board has one committee, being the Audit Committee of the Trust Board. Applicable law and the Declaration of Trust requires the Trust Board to have an audit committee consisting of at least three Trustees, each of whom must be “independent” and “financially literate”. At March 30, 2015, the Audit Committee of the Trust Board was comprised of the three Trustees, Andrew Lapham (Chair), David Kaufman and James Eaton, each of whom is considered “independent” within the meaning of NI 52-110.

While the Trust Board retains overall responsibility for corporate governance matters, the Audit Committee of the Trust Board has specific responsibilities for certain aspects of corporate governance, in addition to its other responsibilities. The Audit Committee of the Trust Board is responsible for accounting and financial reporting practices and procedures, adequacy of internal accounting and financial reporting controls and procedures, and quality and integrity of financial statements of the Trust.

The Audit Committee of the Trust Board has adopted a charter, a copy of which is attached as Schedule A to this AIF. See our most recent management information circular for a further description of the Audit Committee of the Trust Board.

Relevant Education and Experience

Each member of the Audit Committee of the Trust Board possesses considerable education and experience relevant to the performance of his or her responsibilities as a member of the Audit Committee of the Trust Board.

Mr. James Eaton is the President of Weatons Holdings Ltd. (“**Weatons**”), a Canadian private holding company. Mr. Eaton has been active in the founding, growth and divestiture stages of the Weatons portfolio companies across a wide variety of industries. His responsibilities at Weatons include overseeing numerous private investments and a portfolio of listed securities. He serves on the board of directors of JC Clark, Defyrus, Syncordia Technologies and Healthcare Solutions and Ceviche. Mr. Eaton also serves on the boards of directors of the Canadian Art Foundation, the True Patriot Love Foundation, and is a trustee of the John David and Signy Eaton Foundation. He holds a B.A. from the University of Colorado at Boulder. In 2012, Mr. Eaton was awarded a Queen Elizabeth II Jubilee Medal honouring significant contributions and achievements by Canadians.

Mr. David Kaufman is President and Chief Executive Officer of Westcourt Capital Corporation and has more than 20 years of experience in the legal, real estate and investment industries. After graduating from the University of Toronto’s Faculty of Law, Mr. Kaufman gained his real estate and private equity experience with Magna Golf Club, Menkes Developments and Lynx Equity. Mr. Kaufman then founded Westcourt Capital in 2009 with a focus on sourcing and conducting due diligence on capital-protecting alternative investment managers and funds. Mr. Kaufman is a member of the Law Society of Upper Canada and is a CAIA (Chartered Alternative Investment Analyst) charter holder. Mr. Kaufman writes a bi-weekly column, “Alternative Investor”, for the Financial Post, and is a regular contributor and co-host on CBC’s Lang & O’Leary Exchange. Mr. Kaufman was also a regular host of BNN’s “Alternative Investing”. Mr. Kaufman is also a graduate of McGill University.

Mr. Andrew Lapham has more than 15 years of principal investing experience in both public and private markets and is currently Executive Advisor to The Blackstone Group in Canada where he focuses on sourcing and evaluating large investment opportunities. Mr. Lapham was previously with Onex Partners, where he led the firm’s energy investing practice and was involved with multiple transactions across other industries in particular hospitality and manufacturing. Prior to his time with Onex, Mr. Lapham worked at Odyssey Partners, a mid-market private equity firm in New York, and was a hedge fund portfolio manager at John A. Levin & Co., a multi-strategy asset management firm. Andrew received his bachelor’s degree from Princeton University.

Pre-Approval Policies and Procedures

The Audit Committee of the Trust Board charter requires that all non-audit services to be provided to the Trust by the external auditors or any of their Affiliates which are not covered by pre-approval policies and procedures that are approved by the committee are subject to pre-approval by the committee.

Auditors' Fees

The aggregate fees billed by PricewaterhouseCoopers LLP, the Trust's external auditor, or fees accrued by the Trust in 2014 for professional services, are presented below:

	Period ended April 28, 2014⁽¹⁾ - December 31, 2014
Audit fees	
Audit fees	\$ 189,000
Review of interim financial statements	28,875
Audit of acquisitions	52,500
Audit-related fees⁽²⁾	
Other assurance, MD&A comforting and related services	113,925
IPO & prospectus-related fees	666,762
Tax fees⁽³⁾	
Tax fees (advisory and compliance)	20,000
All other fees⁽⁴⁾	0
Total	\$ 1,071,062

Notes:

- (1) The Trust was formed pursuant to the Declaration of Trust on April 28, 2014.
- (2) "Audit-related fees" are aggregate fees billed by the Trust's external auditor in 2014 for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit fees" in the table above.
- (3) "Tax fees" include the aggregate fees paid to the external auditors for tax compliance, tax advice, tax planning and advisory services.
- (4) "All other fees" aggregate fees billed in 2014 for products and services provided by our external auditor, other than the services reported under "Audit fees", "Audit-related fees" and "Tax fees" in the table above.

Committees of the GP Board

As at March 30, 2015, the GP Board had two committees: the Audit Committee of the GP Board and the Governance, Compensation and Environmental Committee. Each member of a committee of the GP Board serves on such committee until such member resigns from such committee or is replaced by the GP Board or otherwise ceases to be a Director.

Audit Committee of the GP Board

The Audit Committee of the GP Board is responsible for monitoring Master LP's systems and procedures for financial reporting and internal controls and the performance of the external auditors. The Audit Committee of the GP Board is responsible for recommending to the GP Board the firm of chartered professional accountants to be nominated for appointment as the external auditor, and for approving the assignment of any non-audit work to be performed by the external auditor. The Audit Committee of the GP Board meets regularly in private session with the external auditors, without any representatives of DAM present, to discuss and review specific issues as appropriate.

Applicable law requires the GP Board to have an audit committee consisting of at least three Directors, each of whom must be "independent" and "financially literate" within the meaning of NI 52-110. At March 30, 2015, the Audit Committee of the GP Board was comprised of the three Trustees, Andrew Lapham (Chair), David Kaufman and James Eaton, and one Director, Joanne Ferstman, each of whom is an Independent Director. The relevant education and experience of each of such Audit Committee of the

GP Board members is described above under “Audit Committee of the Trust Board – Relevant Education and Experience”.

The Audit Committee of the GP Board has adopted a charter, a copy of which is attached as Schedule B to this AIF. See our most recent management information circular for a further description of the Audit Committee of the GP Board.

Governance, Compensation and Environmental Committee

The Governance, Compensation and Environmental Committee must be comprised of at least three Directors, all of whom must be Independent Directors. As at March 30, 2015, the Governance, Compensation and Environmental Committee is comprised of the following three Directors, Andrew Lapham, David Kaufman and James Eaton (Chair), each of whom is an Independent Director.

Governance

It is the responsibility of the Governance, Compensation and Environmental Committee, in consultation with the Chair of the GP Board, to assess from time to time the size and composition of the GP Board and the committees of the GP Board; to review the effectiveness of the GP Board’s operations and its relations with DAM; to organize an orientation program for new Directors, including the creation of a “Director Orientation Binder” to provide a comprehensive understanding of both the underlying principles governing Master LP’s activities and the role of the GP Board, and an education program that is expected to include regular industry briefings, presentations by industry experts and attendance at industry events to ensure that the Directors maintain the skill and knowledge necessary to meet their obligations as Directors; to assess on not less than an annual basis the performance of the GP Board, the committees of the GP Board and individual Directors; to review from time to time Master LP’s statement of corporate governance practices; and to review and recommend on an annual basis the compensation for the Directors.

The Governance, Compensation and Environmental Committee reviews the performance of the GP Board, the committees of the GP Board and the contribution of individual Directors on an annual basis. The GP Board has adopted a formal procedure for evaluating the performance of the GP Board, the committees of the GP Board and individual Directors, consisting of questionnaires, private interviews by the Chair of the Governance, Compensation and Environmental Committee with each Director, and a report from the Chair of the Governance, Compensation and Environmental Committee to the full GP Board.

The Governance, Compensation and Environmental Committee is responsible for reviewing the credentials of proposed nominees for election or appointment to the GP Board, and for recommending candidates for the GP Board membership. To do this, the Governance, Compensation and Environmental Committee maintains an “evergreen” list of candidates to ensure outstanding candidates with the needed skills can be quickly identified to fill planned or unplanned vacancies. Candidates are assessed in relation to the criteria that is established by the GP Board to ensure that the GP Board has the appropriate mix of talent, quality, skills and other requirements necessary to promote sound governance and effectiveness of the GP Board. Nominees for election as Directors are proposed by the Governance, Compensation and Environmental Committee annually, or more frequently as the needs of the GP Board may require.

The Governance, Compensation and Environmental Committee of the GP Board reviews, at least once per year, the composition of the GP Board and its committees to ensure that committee membership complies with the relevant governance guidelines, that the workload for its Independent Directors is balanced, and that committee positions are rotated as appropriate. In doing so, the Governance, Compensation and Environmental Committee consults with the Chair of the GP Board and make recommendations to the GP Board which appoints committee members.

Environmental

The Governance, Compensation and Environmental Committee is responsible for reviewing the environmental state of any real property investments owned directly or indirectly by Master LP, and for establishing policies and procedures to review and monitor the environmental exposure of Master LP.

Compensation

The Governance, Compensation and Environmental Committee is responsible for reviewing and making recommendations to the GP Board with respect to the compensation of Directors.

The Governance, Compensation and Environmental Committee reviews and recommends to the GP Board the terms upon which the Directors, the Chair of the GP Board, and the committee Chairs are compensated (including the level and nature of such compensation) to ensure that such compensation adequately reflects the responsibilities they are assuming.

See our most recent management information circular for a further description of the Governance, Compensation and Environmental Committee.

Management¹

Neither the Trust nor Master LP has any executive officers. As at March 30, 2015, Michael Cooper and Pauline Alimchandani were the Named Executive Officers of the Trust, by virtue of the duties they perform in respect of the Trust as an officer or employee of DAM, as the asset manager of the Trust. Certain biographical information of Michael Cooper and Pauline Alimchandani can be found above under “Directors of the GP Board”.

The Trust has no employment agreements with its Named Executive Officers and does not pay any cash compensation to any Named Executive Officers, directly or indirectly. The Trust pays certain asset management and other fees to DAM pursuant to the Management Agreement. The Named Executive Officers receive cash compensation from DAM attributable to the services that such Named Executive Officers provide to the Trust. The Trust Board, on an annual basis, reviews the amount of this allocated compensation to assess how such amount compares to the amount the Trustees believe the Trust would be required to pay if it was required to employ directly individuals with comparable skills and industry and other experience to perform the services currently provided by such Named Executive Officers pursuant to the Management Agreement. As a result of the Trust’s arrangements with DAM, and because the Trust has no employees or executive officers, the Trust Board does not have a compensation committee. Instead, the Trust Board as a whole is responsible for compensation matters, to the extent applicable, including the granting of awards under the Deferred Unit Incentive Plan.

Conflict of Interest Restrictions and Provisions

The Declaration of Trust contains “conflict of interest” provisions similar to those applicable to corporations under section 132 of the OBCA which serve to protect unitholders without creating undue limitations on us. Given that the Trustees and other representatives are engaged in a wide range of real estate and other business activities, the Declaration of Trust requires each of the Trustees and other specified representatives to disclose to us if he or she is a party to a material contract or transaction or proposed material contract or transaction with us or the fact that such Person is a director or officer of or otherwise has a material interest in any Person who is a party to a material contract or transaction or proposed material contract or transaction with us. Such disclosure is required to be made by a Trustee: (a) at the first meeting of the Trust Board or the applicable committee thereof, as the case may be, at which a

¹ Cecilia Williams was Vice President, Finance of DAM from January 17, 2014 to January 23, 2015 and during the period from the Trust’s inception to January 23, 2015 performed similar function to that of a Chief Financial Officer of the Trust. Pauline Alimchandani, the Chief Financial Officer of DAM, assumed Cecilia’s role effective January 23, 2015.

proposed contract or transaction is first considered; (b) if the Trustee was not then interested in a proposed contract or transaction, at the first such meeting after a Trustee becomes so interested; (c) if the Trustee becomes interested after a contract is made or a transaction is entered into, at the first such meeting after the Trustee becomes so interested; and (d) at the first meeting after an interested party becomes a Trustee. Disclosure is required to be made by each other Person covered by the policy as soon as such individual becomes aware that a contract or transaction or proposed contract or transaction is to be, or has been, considered by the Trust Board or applicable committee thereof, as soon as such individual becomes aware of his or her interest in a contract or transaction. In the event that a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Trust Board or unitholders, that Trustee or other Person covered by the policy, as applicable, is required to disclose in writing to the Trust Board or applicable committee thereof or request to have entered into the minutes of the meeting of the Trust Board or applicable committee thereof the nature and extent of his or her interest forthwith after the Trustee or other Person covered by the policy, as applicable, becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his or her remuneration for serving as our Trustee or agent or one for indemnity under the indemnity provisions of the Declaration of Trust or the purchase of liability insurance. See “Risk Factors”.

Trustees’ Liability Insurance

We carry trustees’ liability insurance with a total annual aggregate policy limit of \$40 million (comprised of a \$10 million primary policy and three \$10 million excess policies). Under this insurance coverage, the Trust will be reimbursed for payments made under indemnity provisions on behalf of Trustees contained in the Declaration of Trust, and pursuant to individual indemnity agreements between the Trust and each Trustee (the “**Indemnities**”) subject to a deductible payable by the Trust of \$100,000 for securities claims and all other claims. The Declaration of Trust and the Indemnities provide for the indemnification in certain circumstances of Trustees from and against liability and costs in respect of any action or suit against them in respect of the execution of their duties of office.

MANAGEMENT AND ADVISORY SERVICES

Overview

We have entered into the following arrangements with respect to the management of our activities and affairs:

- (a) DAM provides us with management services and may provide us with certain administrative services pursuant to the Management Agreement; and
- (b) DOMC also provides us with certain administrative and support services on a cost recovery basis pursuant to the Services Agreement.

Management Agreement

Asset Management Services

The asset manager of each of the Trust and Master LP is DAM, who is responsible for the overall management of our investments and advising the Trust Board and the GP Board on strategic matters, including acquisitions, dispositions, strategic planning, investment plan preparation, deal structuring and financing.

Pursuant to the Management Agreement, DAM provides management services to the Trust, including:

- (a) providing the services of senior executives to the Trust acting in capacities similar to those of a chief executive officer and chief financial officer, respectively;

- (b) making recommendations to the Trust Board with respect to the payment of distributions;
- (c) providing advice to the Trust Board in connection with the preparation of investment plans and annual budgets, the implementation of such plans and budgets and the monitoring of our financial performance;
- (d) advising and assisting the Trust with borrowings, issuances of securities and other capital requirements, including assistance in dealings with banks and other lenders, investment dealers, institutions and investors;
- (e) advising the Trust Board with respect to investor relations strategies and activities; and
- (f) advising the Trust Board with respect to regulatory compliance requirements, risk management policies and certain litigation matters.

Pursuant to the Management Agreement, DAM also provides management services to Master LP, including:

- (a) providing the services of a senior management team to the GP Board to provide advisory, consultation and investment management services and to monitor financial performance;
- (b) advising the GP Board on strategic matters, including potential acquisitions, dispositions, financings and development of Master LP's assets;
- (c) identifying, evaluating, recommending and assisting the GP Board in the structuring of acquisition, disposition and other transactions involving assets or otherwise; provided that DAM will require the approval of the GP Board prior to engaging in any transaction that involves the acquisition (excluding the assumption of any Indebtedness) of assets or disposition (excluding any existing Indebtedness) of assets representing more than 5% of the Adjusted Partners' Equity in any calendar year;
- (d) advising and assisting Master LP with borrowings, issuances of securities and other capital requirements, including assisting in dealings with banks and other lenders, investment dealers, institutions and investors;
- (e) making recommendations to the GP Board with respect to the payment of distributions by Master LP to the Trust;
- (f) providing advice to the GP Board in connection with the preparation of investment plans and annual budgets, the implementation of such plans and budgets and the monitoring of Master LP's financial performance;
- (g) advising the GP Board with respect to investor relations strategies and activities; and
- (h) advising the GP Board with respect to regulatory compliance requirements, risk management policies and certain litigation matters.

Management Services Fees and Expenses

DAM is entitled to the following fees for its management services under the Management Agreement:

- base annual management fee, calculated and payable in cash on a monthly basis in arrears, equal to 1.00% per annum of Gross Asset Value of the total assets of Master LP under management. For purposes of this calculation, "**Gross Asset Value**" means: (w) the gross fair market value of the Initial Assets as of July 8, 2014 (i.e. the closing date of the Reorganization) (including all Indebtedness); plus (x) the gross cost of any asset (including an allocation of acquisition and/or

transaction costs relating to such asset where IFRS would otherwise require such costs to be expensed and all Indebtedness) acquired or originated by Master LP on the date of such acquisition or origination; plus (y) the gross amount invested in assets of Master LP following the acquisition of such assets; less (z) the gross amount previously included in the calculation of this fee in respect of any asset disposed of by or repaid to, in the case of a loan, Master LP;

- acquisition/origination fee equal to: (a) 0.40% of the principal amount of any loan originated by Master LP having an expected term of less than five years; (b) 1.00% of the principal amount of any loan originated by Master LP having an expected term of five years or more; and (c) 1.00% of the gross cost of any asset (including an allocation of acquisition and/or transaction costs relating to such asset where IFRS would otherwise require such costs to be expensed and all Indebtedness) acquired or originated by Master LP represented by all other investments, assets or projects; and
- disposition fee equal to 0.25% of the gross sale proceeds of any asset (including all Indebtedness) sold by Master LP represented by loans, investments, assets or projects disposed of during the fiscal year, excluding the repayment of loans; provided that such disposition fee shall not be payable: (a) in connection with the disposition of an asset that was acquired within the 12 immediately preceding calendar months unless such disposition has been approved by a majority of the Independent Directors, provided, however, that such requirement for Independent Director approval shall not apply to the disposition of any part of the Initial Assets, and such disposition fee will be payable in connection with any such transaction; or (b) in connection with the disposition of individual loans having a term to maturity of 12 months or less, provided, however, that such disposition fee will be payable in connection with the disposition of a portfolio of loans notwithstanding that certain loans contained in such portfolio may have a term to maturity of 12 months or less.

In addition to such fees, we reimburse DAM for out-of-pocket costs and expenses incurred and third-party fees paid by DAM, in each case, in connection with all management services performed under the Management Agreement. In addition, we reimburse DAM for costs and expenses incurred (including a reasonable allocation for overhead) in providing administrative and support services pursuant to the Management Agreement.

Other Services, Fees and Expenses

DAM also provides services to us, such as administrative, legal and regulatory, tax advisory, internal audit and control, communications, risk management, process improvements and branding, as agreed from time to time, for which DAM is compensated for the reasonable costs and expenses of providing such services. In addition, DAM may provide certain services in connection with business transformation projects across the Dream Entities as agreed from time to time, the fees in respect of which would be shared by us and the other Dream Entities participating in such projects.

DAM also provides any additional services as may from time to time be agreed to in writing by DAM, the Trust and Master LP, for which DAM is compensated (a) for the reasonable costs and expenses including out-of-pocket expenses incurred in providing such services if they are administrative in nature; or (b) on market terms agreed by the parties and approved by the Independent Directors or Trustees (as applicable) for additional advisory services or for other services not contemplated by the Management Agreement in connection with an investment by Master LP in any development or other project undertaken by DAM, or in connection with a request by Master LP in writing that DAM undertake such a project on its behalf.

Administrative Services under the Management Agreement

Pursuant to the Management Agreement, DAM provides certain administrative services to us, including: the preparation of budgets, financial forecasts, valuations and leasing analysis and amounts outstanding

with respect to all receipts, disbursements and investments; the keeping and maintaining of all books and records; the preparation of regulatory filings, including our annual information forms, management information circulars, insider trading reports, financial statements, management's discussion and analysis, business acquisition reports and press releases; the preparation of financing documents, such as prospectuses; investor relations services, including the preparation of annual and quarterly reports, investor presentations and marketing materials; the holding of annual and/or special meetings and the preparation of and arrangement for the distribution of all materials (including notices of meetings and information circulars); the preparation of reports and other disclosure documents for the Trust Board and unitholders; ensuring compliance by us with all applicable laws and stock exchange rules, including continuous disclosure obligations; the preparation of returns, designations, allocations, elections and determinations to be made in connection with our income and capital gains for tax and accounting purposes; the preparation of operational reporting, such as cash flow by property and by asset types; and the preparation of executive summaries by asset type outlining asset issues along with various other matters and development reporting costs; and, subject to applicable law, the execution of any of the foregoing where reasonably required by us or where required by applicable law.

We pay DAM an annual fee sufficient to reimburse it for the reasonable costs and expenses, including out-of-pocket expenses, incurred in providing such administrative services under the Management Agreement. Such costs and expenses do not include a profit component for DAM but do include all costs of DAM relating to making available its employees to provide such services, together with the reasonable costs incurred by DAM for office space, computer services, and accounting and other services that are reasonably allocated by DAM as costs for support of any of DAM's employees that are required to provide such services. Where such costs and expenses may reasonably be attributed partly to the provision of services under the Management Agreement and partly to another activity of DAM, the Management Agreement provides that DAM will allocate to us only that portion of such cost or expense as may reasonably be attributed to the provision of the services to be provided pursuant to the Management Agreement. Such costs and expenses are not subject to a cap, but the Management Agreement provides that we may request and approve an annual budget with respect to such costs and expenses, and it includes a dispute resolution mechanism in the event of any disagreement between us and DAM over the costs incurred in the preceding year.

Non-Competition Covenant and Trust Investment Opportunities

The Management Agreement prohibits DAM and its Subsidiaries (other than Master GP) from investing on its own behalf, directly or indirectly, in: (a) a renewable energy project; (b) a development loan to a third party; (c) a real estate loan, or (d) a real estate development not managed by DAM, unless such opportunity has first been offered to us by a notice in writing advising us of such opportunity. Notwithstanding the foregoing, DAM and its Subsidiaries are not restricted from making, and have no obligation to offer to us, any of the following investments: (x) any investment relating to DAM's lines of business as of July 8, 2014 (i.e. the closing date of the Reorganization) (other than a renewable energy project), or which is required to be presented for consideration as an investment in accordance with the terms of an agreement with an existing client of DAM as of July 8, 2014 (i.e. the closing date of the Reorganization) or in respect of which DAM is the developer of such investment, including vacant land, master planned communities, single residential and multi-residential housing developments, condominium developments, commercial properties and retail developments; (y) any investment in any property used by DAM; or (z) any investment that results from the realization of a loan secured by the applicable investment by DAM or a Subsidiary of DAM.

The Management Agreement also provides that DAM will provide us with: (a) advice with respect to investments in income properties, subject to DAM's fiduciary and other obligations to its other clients; and (b) the opportunity to invest, on market terms, in any real property or project not otherwise subject to the right of first offer under the Management Agreement for which DAM is seeking external capital, subject to applicable laws relating to related party transactions and, to the extent required, to the prior approval of the board of directors of DAM. For the avoidance of doubt, nothing in the Management

Agreement prohibits DAM or any of its clients from co-investing in any opportunities identified by DAM with our agreement and, if we elect not to invest in any opportunity presented to us by DAM, DAM will not be restricted in offering it to other investors.

DAM, as the asset manager for the three Dream REITs, is party to an opportunities agreement with the Dream REITs and, under such agreement, has obligations to offer certain investment opportunities to such REITs on a preferred basis. However, this opportunities agreement does not prohibit DAM from providing us with the right of first offer referred to above or, subject to its fiduciary obligations to its clients, other investment opportunities provided for in the Management Agreement.

Term and Termination

The term of the Management Agreement commenced on July 8, 2014 (i.e. the closing date of the Reorganization) and will continue until it is terminated in accordance with its terms. DAM may terminate the Management Agreement: (a) with 180 days' prior written notice of termination to Master LP and the Trust if Master LP and/or the Trust defaults in the performance or observance of any material term, condition or agreement of the Management Agreement in a manner that results in material harm to DAM and such default continues unremedied for a period of 60 days after notice is given by DAM to the Trust or Master LP, as the case may be; or (b) at any time if the Trust or Master LP makes a general assignment for the benefit of its creditors, institutes proceedings to be adjudicated voluntarily bankrupt, consents to the filing of a petition of bankruptcy or other similar proceedings.

Master LP has the right to terminate the Management Agreement for "fault" where: (a) DAM defaults in the performance or observance of any material term, condition or covenant contained in the Management Agreement in a manner that results in material harm to Master LP and the default continues unremedied for a period of 60 days after written notice of the breach is given to DAM by Master LP; (b) DAM engages in any act of fraud, misappropriation of funds or embezzlement against Master LP and such act results in material harm to Master LP; (c) DAM is grossly negligent in the performance of its duties under the Management Agreement and such gross negligence results in material harm to Master LP; or (d) certain events relating to the bankruptcy or insolvency of DAM occur. The Management Agreement may not be terminated by Master LP for any other reason, including if DAM, either directly or indirectly, undergoes a change of control, and the Management Agreement may not be terminated by Master LP due solely to the poor performance or the underperformance of Master LP's operations or any investment made by Master LP. Any termination of the Management Agreement by Master LP must be by the general partner of Master LP on behalf of Master LP, but only with the prior approval of the Trust, which approval will require the unanimous approval of the Trust Board.

The Trust has the right to terminate the Management Agreement solely in respect of the rights and obligations of the Trust (and, for the avoidance of doubt, not in respect of the rights or obligations of Master LP) at any time effective upon 60 days' prior written notice of termination to DAM and Master LP without payment of any termination fee.

Services Agreement

Pursuant to the Services Agreement, DOMC may provide us with certain administrative and support services, including: providing office space, office equipment and communications services and computer systems; providing secretarial support personnel and reception and telephone answering services; installing and maintaining signage and promotional materials; providing banking and treasury services, including account management and transfer of funds; and providing such other administrative services as may be reasonably required from time to time.

We pay DOMC an annual fee sufficient to reimburse it for reasonable costs and expenses, including out-of-pocket expenses, incurred in providing such administrative and support services. Such costs and expenses are not subject to a cap, but the Services Agreement provides that we may request and approve an annual budget with respect to such costs and expenses and it includes a dispute resolution mechanism

in the event of any disagreement between us and DOMC over the costs incurred in the preceding year. Such costs and expenses are allocated to us (where applicable) in a manner substantially similar to the allocation of overhead for the administrative services provided by DAM under the Management Agreement.

The term of the Services Agreement commenced on July 8, 2014 (i.e. the closing date of the Reorganization) for one year and will be automatically renewed for further one year terms. Notwithstanding the foregoing, the Services Agreement or any of the services thereunder may be terminated by us at any time during the term upon 30 days' prior notice without payment of any termination fees to DOMC. DOMC has the right to terminate the Services Agreement with 12 months' notice after the expiration of the initial one year term.

The Services Agreement contains an acknowledgement that DOMC and its Affiliates and associates may engage in other businesses that may be similar to or in competition with our affairs. In the event of a conflict, DOMC will provide us with notice of the conflict and we will be entitled to retain one or more third-parties to perform the administrative services to which the conflict relates and to deduct from the fees otherwise payable to DOMC under the Services Agreement the fees payable to such third-parties.

EMPLOYEES

The Trust currently does not have and does not expect to have any executive officers or employees. The Trust relies on DAM to provide any required services pursuant to the Management Agreement.

INVESTMENT GUIDELINES AND OPERATING POLICIES

Our investment and operating activities are limited because our operating business is carried out by Master LP. The investment guidelines governing our investments in real estate and other assets and the operating policies governing our investments are set out below.

Investment Guidelines of the Trust

Pursuant to the Declaration of Trust, our assets may be invested only in accordance with the following investment guidelines:

- (a) the Trust will only invest in units, notes and securities of Master LP, and amounts receivable in respect of such units, notes and securities, cash and similar deposits in a Canadian chartered bank or trust company and, subject to certain limitations summarized in paragraph (b) below, such other investments as the Trustees deem advisable from time to time; and
- (b) the Trust will not make any investment that would result in:
 - (i) the Units being disqualified for investment by Plans;
 - (ii) the Trust being liable under the Tax Act to pay a tax imposed under Part XII.2 of the Tax Act; or
 - (iii) the Trust ceasing to qualify as a "mutual fund trust" for purposes of the Tax Act.

The Declaration of Trust provides that the investment guidelines set forth above may only be amended with the approval of at least 66 $\frac{2}{3}$ % of the votes cast at a meeting of Unitholders called for that purpose except for certain amendments that may be undertaken by the Trust Board pursuant to the Declaration of Trust.

Investment Guidelines of Master LP

The DALP Limited Partnership Agreement provides for certain restrictions on investments which may be made by or on behalf of Master LP. These investment guidelines are set out below.

- (a) notwithstanding any of the other guidelines set out below, Master LP will not make or permit any of its Subsidiaries to make, and Subsidiaries of Master LP will not make, any investment that would result in:
 - (i) the Units being disqualified for investment by Plans; or
 - (ii) the Trust ceasing to qualify as a “mutual fund trust” for purposes of the Tax Act;
- (b) subject to paragraph (d) below, Master LP will focus its investment activities and those of its Subsidiaries on investments relating to real estate, real estate lending and infrastructure, including renewable power;
- (c) Master LP will not invest, or permit its Subsidiaries to invest, an aggregate amount (such amount being the purchase price of such asset less the amount of any indebtedness assumed or incurred by Master LP and secured by a mortgage on such asset) equal to more than 20% of the Adjusted Partners’ Equity in any one investment or asset, provided that the foregoing limitation shall only be applied to the ultimate investment or asset, and not to the investment in any Person holding such investment or asset; and
- (d) Master LP may invest an aggregate amount of up to 25% of the Adjusted Partners’ Equity in investments, assets or transactions which do not otherwise comply with paragraph (b) above, so long as the investment, asset or transaction does not contravene paragraph (a) above.

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a corporation, trust, partnership or other entity in which we have an interest will be deemed to be those of Master LP on a proportionate consolidated basis. In addition, any references in the foregoing to an investment in real property will be deemed to include an investment in a joint venture arrangement that holds real property.

Pursuant to the DALP Limited Partnership Agreement, no amendment to the investment guidelines set forth above or operating policies set forth below under “Operating Policies of Master LP” or any other material change to such agreement may be made without the approval of 66⅔% of the votes cast by the limited partner(s) entitled to vote at a meeting called for such purpose or the written approval of holders holding not less than 66⅔% of the outstanding limited partnership units entitled to vote. The Declaration of Trust provides that the Trust will not agree to or approve any material change to the DALP Limited Partnership Agreement (including, for the avoidance of doubt, any amendment to Master LP’s investment guidelines or operating policies) without the approval of at least 66⅔% of the votes cast at a meeting of unitholders called for such purpose.

Operating Policies of the Trust

The Declaration of Trust and other documents governing us provide that our operations and affairs must be conducted in accordance with the following operating policies:

- (a)
 - (i) any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage; or
 - (ii) to the extent the members of the Trust Board determine to be practicable and consistent with their fiduciary duty to act in the best interests of the Trust and its unitholders, any written instrument which in the judgment of our Trustees creates a material obligation;

must, in each case, contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort will not be had to, nor will recourse or satisfaction be sought from the private property of any of the Trustees, unitholders, annuitants or beneficiaries under a plan of which a unitholder acts as a trustee or carrier or officers, employees or agents of the Trust, but that only property of ours or a specific portion thereof will be bound; and

- (b) the Trust will not directly guarantee the obligations of Master LP or any of its Subsidiaries where such guarantee would cause the Trust to cease to qualify as a “mutual fund trust” for the purposes of the Tax Act.

The Declaration of Trust provides that the operating policies set forth above may only be amended with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

Operating Policies of Master LP

The DALP Limited Partnership Agreement provides that the operations and affairs of Master LP must be conducted in accordance with the following operating policies and that Master LP will not permit any Subsidiary to conduct its operations and affairs other than in accordance with the following operating policies:

- (a) Master LP will not directly or indirectly guarantee any indebtedness or liabilities of any of its Subsidiaries or any other Person if doing so would contravene paragraph (a) of the investment guidelines of Master LP as set forth above under “Investment Guidelines of Master LP”;
- (b) Master LP may engage in construction or development of real property provided such real property meets our investment guidelines and operating policies;
- (c) title to each real property shall be held by and registered in the name of Master LP, Master GP or a corporation or other entity wholly-owned, directly or indirectly, by a Subsidiary of Master LP or jointly-owned, directly or indirectly, by a Subsidiary of Master LP with joint venturers; provided that where land tenure will not provide fee simple title, Master LP, Master GP or a corporation or other entity wholly-owned, directly or indirectly, by Master LP or jointly-owned, directly or indirectly, by Master LP with joint venturers will hold a land lease as appropriate under the land tenure system in the relevant jurisdiction;
- (d) for real properties acquired or real estate lending made, Master LP will have conducted or reviewed such diligence as is commercially reasonable in the circumstance on each real property it intends to acquire or finance with respect to the physical condition thereof, including required capital replacement programs;
- (e) Master LP will obtain and maintain at all times insurance coverage in respect of potential liabilities of Master LP and the accidental loss of value of the assets of Master LP from risks, in amounts, with such insurers, and on such terms as the GP Board considers appropriate, taking into account all relevant factors including the practices of owners of comparable properties; and
- (f) for real properties acquired or real estate lending made, Master LP will have conducted or reviewed a phase I environmental site assessment of each real property to be acquired or financed by it and, if the phase I environmental site assessment report recommends that further environmental site assessments be conducted, Master LP shall have conducted such further environmental site assessments, in each case by an independent and

experienced environmental consultant; such site assessment as a condition to any acquisition shall be satisfactory to Master GP.

For the purpose of the foregoing operating policies, the assets, liabilities and transactions of a corporation, trust, partnership or other entity in which we have an interest will be deemed to be those of Master LP on a proportionate consolidated basis. In addition, any references in the foregoing to investment in property will be deemed to include an investment in a joint venture arrangement.

DISTRIBUTION POLICY OF THE TRUST

The following outlines the distribution policy of the Trust as contained in the Declaration of Trust, but is not intended to be a complete description. You should refer to the Declaration of Trust for the full text of the distribution policy. The Trust's distribution policy may be amended only with the approval of a majority of the votes cast at a meeting of unitholders.

General

Our cash distribution rate from July 8, 2014 to July 31, 2014 was \$0.02630 per Unit per month. From August to December 2014 our cash distribution rate was \$0.03333 per Unit per month.

Distributions made by us are authorized by the Trust Board in its sole discretion out of funds legally available for distribution to Unitholders and will be dependent upon the receipt of distributions from Master LP as well as a number of other factors, including restrictions under applicable law and other factors described below. We believe that our estimate of AFAD constituted a reasonable basis for setting our initial distribution rate; however, we cannot assure you that the estimate will prove accurate, and actual distributions may therefore be significantly different from the expected distributions.

We cannot assure you that our estimated distributions will be made or sustained. Any distributions we pay in the future will depend upon our actual results of operations, economic conditions, debt service requirements and other factors that could differ materially from our expectations. Our actual results of operations will be affected by a number of factors, including the revenue we receive from our properties, our operating expenses, interest expense, the ability of our tenants to meet their obligations and unanticipated expenditures. For more information regarding risk factors that could materially adversely affect our actual results of operations, please see "Risk Factors".

Distributions in respect of a month are paid on or about each Distribution Date to Unitholders of record as at the close of business on the corresponding Distribution Record Date. This means that the distribution for any month is generally paid to Unitholders of record at the close of business on the last day of the month on or about the 15th day of the following month. Notwithstanding the foregoing, the Trust Board has the right to determine a record date that is other than the last Business Day of each month. Special Trust Units do not have any entitlement with respect to distributions of the Trust.

Where the Trust Board determines that we do 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 on the due date for such payment, the payment may, at the option of the Trust Board, include the issuance of additional Units, as the case may be, or fractions of such Units, as the case may be, if necessary, having a fair market value as determined by the Trust Board equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trust Board to be available for the payment of such distribution in the case of the Units.

Unless the Trust Board determines otherwise, immediately after any *pro rata* distribution of additional Units to Unitholders, the number of outstanding Units will automatically be consolidated such that each of such holders will hold after the consolidation the same number of Units as such holder held before the distribution of additional Units. Each Unit certificate representing the number of Units prior to the

distribution of additional Units will be deemed to represent the same number of units after the non-cash distribution of additional Units and the consolidation.

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

DRIP

We have a DRIP entitling Unitholders to reinvest all cash distributions made by the Trust in additional Units. The price at which Units are acquired for DRIP participants is determined by us but is generally a price per Unit calculated by reference to a five-day volume weighted average closing price of the Units on the stock exchange on which the Units are listed preceding the relevant Distribution Date. Participants electing to reinvest cash distributions in Units pursuant to our DRIP will receive a further "bonus" distribution equal to 4% of the amount of each cash distribution that they reinvest, which further distribution will also be reinvested in Units. Participants may also purchase additional Units pursuant to the optional cash purchase feature of the DRIP, subject to a minimum investment amount of \$1,000 and a maximum investment amount of \$250,000 per calendar year. Participants in the DRIP do not receive a bonus distribution of Units in connection with any such optional cash purchases. We may amend, suspend or terminate the DRIP at any time.

Participation in the DRIP is open to Unitholders, other than those who are resident or present in the United States of America. If a participant in the DRIP is not resident in Canada, participation in the DRIP is subject to applicable withholding tax. In those circumstances, cash that would otherwise be distributed to such participants by us on any given Distribution Date will be reduced by the amount of applicable withholding tax, and then applied towards the purchase of additional Units pursuant to the DRIP. No brokerage commission will be payable in connection with the purchase of Units under the DRIP and all administrative costs will be borne by us. We use the proceeds received upon the issuance of additional Units under the DRIP for future property acquisitions, capital improvements and working capital.

DECLARATION OF TRUST AND DESCRIPTION OF TRUST UNITS

The Trust is governed by the Declaration of Trust and, unless earlier terminated in accordance with the Declaration of Trust, it shall continue in full force and effect so long as any property of the Trust is held by the Trustees. Unitholders have all of the material protections, rights and remedies that a shareholder would have under the CBCA, except for the right to dissent and be paid the fair value of its Units that would be available if the Trust were a corporation governed by the CBCA and the Trust were to effect certain transactions, including amending its constating documents to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares or to add, change or remove any restriction on the activities that the Trust may carry on; selling, leasing or exchanging all or substantially all of its property; or carrying out a going-private transaction or squeeze-out transaction (as such terms are defined in the CBCA or the regulations thereunder). These protections, rights and remedies are contained in the Declaration of Trust. The following is a summary, which does not purport to be complete, of certain terms of the Declaration of Trust and the Trust Units. You should refer to the Declaration of Trust for the full text of its provisions and a complete description of the Trust Units.

The Declaration of Trust authorizes the issuance of an unlimited number of two classes of Trust Units: Units and Special Trust Units. Trust Units shall be issued only as fully paid and non-assessable. Each Trust Unit, when issued, shall vest indefeasibly in the holder thereof.

Issued and outstanding Units may be subdivided or consolidated from time to time by the Trust Board with the approval of a majority of Unitholders entitled to vote. Unitholder approval will not be required for an automatic consolidation as described under “Distribution Policy of the Trust - General”.

No certificates are issued for fractional Trust Units and such fractional Trust Units do not entitle the holders thereof to vote, except to the extent such fractional Trust Units represent in the aggregate one or more whole Trust Units.

The *Trust Beneficiaries' Liabilities Act, 2004* (Ontario) provides that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust if, when the act or default occurs or the liability arises: (a) the trust is a reporting issuer under the *Securities Act* (Ontario); and (b) the trust is governed by the laws of the Province of Ontario. The Trust is a reporting issuer under the *Securities Act* (Ontario) and is governed by the laws of the Province of Ontario by virtue of the provisions of the Declaration of Trust.

Units

Each Unit represents an undivided beneficial interest in the Trust and in distributions made by the Trust, whether of net income, net realized capital gains or other amounts and, in the event of the termination or winding-up of the Trust, in its net assets remaining after the satisfaction of all its liabilities. The Units rank among themselves equally and rateably without discrimination, preference or priority. The distribution entitlement of the Units is derived from the securities held by the Trust.

Each Unit entitles the holder thereof to one vote at all meetings of unitholders.

The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of such act or any other legislation. Furthermore, we are not a trust company and, accordingly, we are not registered under any trust and loan company legislation as we do not carry on nor intend to carry on the business of a trust company.

Special Trust Units

The Special Trust Units may only be issued in connection with the issuance of securities exchangeable for Units, including LP B Units, and will be used to provide voting rights with respect to the Trust to Persons holding such exchangeable securities. Holders of Special Trust Units are not entitled to any share of or interest in the net assets of the Trust. The Special Trust Units are not transferable separately from the exchangeable securities to which they relate. Upon any transfer of any exchangeable securities, the corresponding Special Trust Units will automatically be transferred to the transferee of such exchangeable securities. The Special Trust Units may only be transferred to permitted transferees of Special Trust Units. In addition, as exchangeable securities are exchanged by a holder, the corresponding Special Trust Units will be automatically cancelled. Special Trust Units do not have any entitlement with respect to distributions of the Trust. Each Special Trust Unit entitles the holder thereof to one vote at all meetings of unitholders. As of December 31, 2014, there were no Special Trust Units issued and outstanding.

Preferred Units

Preferred Units may from time to time be created and issued by the Trustees by executing an amendment to the Declaration of Trust containing a description of such Preferred Units. Only after Preferred Units of a class have been created pursuant to the execution of such an amendment will such class become a class of Trust Units under the Declaration of Trust.

The Preferred Units may from time to time be created and issued in one or more classes (each of which may be comprised of unlimited series), and the Trust Board may fix from time to time before such issuance the number of Preferred Units which is to comprise each class and series and the designation, rights, privileges, restrictions and conditions attaching to each class and series of Preferred Units including, without limiting the generality of the foregoing, any voting rights, the rate or amount of distributions (which may be cumulative or non-cumulative and variable or fixed) or the method of calculating distributions, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion, if any, any rights on the liquidation, dissolution or winding-up of the Trust, and any sinking fund or other provisions.

The Preferred Units of each class and series shall, with respect to the payment of distributions (other than distributions paid solely through the distribution of additional Units or Special Trust Units) and the distribution of assets of the Trust or return of capital in the event of liquidation, dissolution or winding-up of the Trust, whether voluntary or involuntary, or any other return of capital or distribution of assets of the Trust among its unitholders for the purpose of winding-up its affairs, be entitled to preference over the Units and Special Trust Units ranking by their terms junior to the Preferred Units. The Preferred Units of any series may also be given such other preferences, not inconsistent with the Declaration of Trust, over the Units and Special Trust Units ranking by their terms junior to the Preferred Units.

If any cumulative distributions or amounts payable on the return of capital in respect of a series of Preferred Units are not paid in full, all classes and series of Preferred Units of equal ranking shall participate ratably in respect of accumulated distributions and return of capital, based on the accumulated distributions and return of capital of a class and series of Preferred Units as a proportion of the accumulated distributions and return of capital of all classes and series of Preferred Units of equal ranking.

We have no present intention of issuing Preferred Units, but wish to have the flexibility to do so in the future as a means of seeking an alternate source of equity financing. We will not create or issue Preferred Units for anti-take-over purposes.

Issuance of Trust Units

We may allot and issue new Trust Units from time to time as the Trust Board determines, including for cash, through public offerings, through rights offerings to existing unitholders (i.e. in which unitholders receive rights to subscribe for new Trust Units in proportion to their existing holdings of Trust Units, which rights may be exercised or sold to other investors) or through private placements (i.e. offerings to specific investors which are not made generally available to the public or existing unitholders). In certain instances, we may issue new Trust Units as consideration for, or in connection with, the acquisition of new properties or assets. The price or the value of the consideration for which new Trust Units may be issued will be determined by the Trust Board in its sole discretion. Trust Units are generally issued in consultation with investment dealers or brokers who may act as underwriters or agents in connection with offerings of Units.

Purchase of Units

We may from time to time purchase for cancellation Units at a price per Unit and on a basis determined by the Trust Board in accordance with applicable securities legislation and the rules and policies of any applicable stock exchange.

Unit Redemption Right

Units are redeemable at any time on demand by the holders thereof by sending a notice to the Trust at our head office in a form approved by the Trust Board and completed and executed in a manner satisfactory to the Trust Board, who may require supporting documentation as to identity, capacity or authority. A Unitholder not otherwise holding a fully registered Unit certificate who wishes to exercise the redemption right will be required to obtain a redemption notice from his or her investment dealer or other

intermediary who will be required to deliver the completed redemption form to the Trust. Upon receipt by us of a written redemption notice and other documents that may be required, all in a manner satisfactory to the Trust Board, a Unitholder shall cease to have any rights with respect to the tendered Units, including any right to receive any distributions thereon which are declared payable after receipt of the redemption notice by us, and the holder thereof shall be entitled to receive a price per Unit (the “**Redemption Price**”) equal to the lesser of:

- (a) 90% of the “market price” of the Units on the principal exchange or market on which the Units are quoted for trading on the trading day prior to the day on which the Units were surrendered to the Trust for redemption (the “**Redemption Date**”); and
- (b) 100% of the “closing market price” of the Units on the principal exchange or market on which the Units are quoted for trading on the Redemption Date.

For the purposes of this calculation, the “market price” in respect of Units shall be an amount equal to the weighted average closing price of the Units on the principal exchange or market on which the Units are listed or quoted for trading during the period of 20 consecutive trading days ending on such date; provided that if the applicable exchange or market does not provide a closing price, but only provides the highest and lowest prices of the Units traded on a particular day, the “market price” as at a specified date will be an amount equal to the weighted average of the highest and lowest prices of the Units on the principal exchange or market on which the Units are listed or quoted for trading during the period of 20 consecutive trading days ending on such date; and provided further that if there was trading on the applicable exchange or market for fewer than five of the 20 trading days, the “market price” shall be an amount equal to the weighted average of the following prices established for each of the 20 trading days: (a) the weighted average of the last bid and last asking prices of the Units for each day on which there was no trading; (b) the closing price of the Units for each day on which there was trading if the exchange or market provides a closing price; and (c) the weighted average of the highest and lowest prices of Units for each day that there was trading if the exchange or market provides only the highest and lowest prices of Units traded on a particular day.

The “closing market price” in respect of the Units as at a specified date will be: (a) an amount equal to the closing price of Units if there was a trade on the date and the exchange or market provides a closing price; (b) an amount equal to the weighted average of the highest and lowest prices of Units if there was trading and the exchange or other market does not provide a closing price but provides only the highest and lowest trading prices of Units traded on a particular day; or (c) the weighted average of the last bid and last asking price of Units if there was no trading on the date.

The aggregate Redemption Price payable by us in respect of any Units tendered for redemption during any calendar month will be satisfied by way of a cheque drawn on a Canadian chartered bank or a trust company in Canadian funds, payable no later than the last day of the calendar month following the month in which the Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that:

- (a) the total amount payable by us in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed \$50,000, provided that the Trust Board may, in its sole discretion, waive such limitation in respect of all Units tendered for redemption in any particular calendar month;
- (b) at the time such Units are tendered for redemption, the outstanding Units shall be listed for trading or quoted on a stock exchange or market which the Trust Board considers, in its sole discretion, provides representative fair market value prices for the Units; or
- (c) the normal trading of outstanding Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on

which the Units of such series are quoted for trading) on the Redemption Date for the Units or for more than five trading days during the ten day trading period commencing immediately after the Redemption Date for the Units.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the foregoing limitations in paragraphs (b) and (c) above, then each Unit tendered for redemption shall, subject to obtaining all applicable regulatory approvals, be redeemed by way of a distribution *in specie* of Subsidiary Securities. The fair market value of such Subsidiary Securities would be equal to the product of the Redemption Price per Unit payable by us and the number of Units tendered. However, no Subsidiary Securities with a fair market value of less than \$100 will be distributed and, where the fair market value of Subsidiary Securities to be received by the former Unitholder upon redemption *in specie* would otherwise include a Subsidiary Security with a fair market value of less than a multiple of \$100, such amount will be rounded down to the next lowest multiple of \$100 and the excess will be paid in cash.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the limitation in paragraph (a) above, the holder will receive a combination of cash and, subject to obtaining all applicable regulatory approvals, Subsidiary Securities, determined in accordance with the Declaration of Trust.

It is anticipated that the redemption right described above will not be the primary mechanism for Unitholders to dispose of their Units. Subsidiary Securities which may be distributed to Unitholders *in specie* in connection with a redemption will not be listed on any stock exchange, no market is expected to develop and such securities may be subject to an indefinite “hold period” or other resale restrictions under applicable securities laws. The Subsidiary Securities so distributed may not be qualified investments for Plans depending upon the circumstances at the time.

Meetings of Unitholders

The Declaration of Trust provides that meetings of unitholders must be called and held for, among other things, the election or removal of Trustees, the appointing or removing of our auditors, the approval of amendments to the Declaration of Trust (except as described below under “Amendments to the Declaration of Trust and Other Documents”), the sale of our assets as an entirety or substantially as an entirety (other than as part of an internal reorganization of our assets as approved by the Trust Board) and the termination of the Trust. Meetings of unitholders will be called and held annually, commencing in 2015, within 180 days after the end of the fiscal year for the election of the Trust Board, appointment of our auditors and any other business that the Trust Board may determine.

The Trust Board has the power at any time to call special meetings of unitholders at such time and place in Canada as the Trust Board determines. Unitholders holding in the aggregate not less than 5% of the outstanding Trust Units entitled to vote at such meeting (on a fully-exchanged basis) may requisition the Trust Board in writing to call a special meeting of the unitholders and the Trust Board shall, subject to certain limitations, call a meeting of unitholders. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. Unitholders have the right to obtain a list of unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the CBCA.

Unitholders may attend and vote at meetings of unitholders either in person or by proxy and a proxyholder need not be a unitholder. Two Persons present in person or represented by proxy and representing in the aggregate at least 10% of the votes attaching to all outstanding Trust Units (on a fully-diluted basis) shall constitute a quorum for the transaction of business at all such meetings. If no quorum is present at any meeting of unitholders when called, the meeting, if convened on the requisition of unitholders, will be dissolved, but in any other case will be adjourned for not less than 10 days, and at the adjourned meeting, the unitholders then present in person or represented by proxy will constitute the necessary quorum.

The Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of unitholders.

Book-Based System for Units

Units may be represented in the form of one or more fully registered unit certificates held by, or on behalf of, CDS, as custodian of such certificates for the participants of CDS, registered in the name of CDS or its nominee, and registration of ownership and transfers of Units may be effected through the book-based system administered by CDS.

Limitation on Non-Resident Ownership

In order for the Trust to maintain its status as a “mutual fund trust” under the Tax Act, it must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, the Declaration of Trust provides that at no time may Non-Residents be the beneficial owners of more than 49% of the Units or 49% of the Special Trust Units then outstanding. The Trust Board may require declarations as to the jurisdictions in which beneficial owners of Trust Units are resident or declarations from unitholders as to whether such Trust Units are held for the benefit of Non-Residents. We monitor ownership of Units which are held by Non-Residents by periodically obtaining and reviewing Unit ownership reports from our transfer agent or other service providers.

If the Trust Board becomes aware that the beneficial owners of more than 49% of the Units or more than 49% of the Special Trust Units are, or may be, Non-Residents or that such a situation is imminent, the Trust Board may make a public announcement thereof and shall not accept a subscription for Trust Units from or issue or register a transfer of Trust Units to a Person unless the Person provides a declaration that he or she is not a Non-Resident and does not hold his or her Trust Units for the benefit of a Non-Resident. If, notwithstanding the foregoing, the Trust Board determines that more than 49% of the Units or more than 49% of the Special Trust Units then outstanding are beneficially owned by Non-Residents, the Trust Board may send a notice to Non-Resident Unitholders and unitholders for the benefit of Non-Residents, selected in inverse order to the order of acquisition or registration or in such other manner as the Trust Board may consider equitable and practicable, requiring them to sell or redeem, within a specified period of not more than 60 days, all or a portion of their Trust Units. If the unitholders receiving such notice have not sold or redeemed the specified number of Trust Units or provided the Trust Board with satisfactory evidence that they are not Non-Residents and do not hold their Trust Units for the benefit of a Non-Resident within such period, the Trust Board may, on behalf of such unitholder, and shall have the power of attorney of such holder to, sell or redeem such Trust Units, and, in the interim, the voting and distribution rights attached to such Trust Units shall be suspended. Upon such sale or redemption, the affected holders shall cease to be holders of the Trust Units and their rights shall be limited to receiving the net proceeds of such sale upon surrender of the certificates representing such Trust Units.

Amendments to the Declaration of Trust and Other Documents

The Declaration of Trust may be amended or altered from time to time. Certain amendments (including the termination of the Trust) require approval by at least 66 $\frac{2}{3}$ % of the votes cast at a meeting of unitholders called for such purpose. Other amendments to the Declaration of Trust require approval by a majority of the votes cast at a meeting of unitholders called for such purpose.

The following amendments require the approval of at least 66 $\frac{2}{3}$ % of the votes cast by unitholders at a meeting called for that purpose:

- (a) any amendment to the Declaration of Trust (subject to the exceptions outlined in the Declaration of Trust);
- (b) the sale of the property or assets of the Trust as an entirety or substantially as an entirety (other than as part of an internal reorganization of the Trust’s assets approved by the Trust Board);

- (c) the termination of the Trust by the unitholders;
- (d) an exchange, reclassification or cancellation of all or part of the Trust Units;
- (e) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Trust Units, including, without limiting the generality of the foregoing:
 - (i) the removal or change of rights to distributions attached to the Trust Units; or
 - (ii) the addition or removal of or change to conversion privileges, redemption privileges, voting, transfer or pre-emptive rights attached to the Trust Units;
- (f) the creation of new rights or privileges attaching to certain of the Trust Units;
- (g) any change to the existing constraints on the issue, transfer or ownership of the Trust Units; and
- (h) the combination, amalgamation, merger or arrangement of the Trust with any other entity.

A majority of the Trust Board may, without the approval of the unitholders, make certain amendments to the Declaration of Trust, including amendments:

- (a) to the extent deemed by the Trust Board in good faith to be necessary to remove any conflicts or other inconsistencies which may exist between any of the terms of the Declaration of Trust and the provisions of any applicable law;
- (b) which, in the opinion of the Trust Board, acting reasonably, are necessary to maintain the rights of the unitholders set out in the Declaration of Trust;
- (c) to the extent determined by the Trust Board in good faith to be necessary to make any change or correction in the Declaration of Trust which is a typographical change or correction or which the Trust Board has been advised by legal counsel is required for the purpose of curing any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error contained therein;
- (d) (i) to create and issue one or more new classes of Preferred Units (each of which may be comprised of unlimited series) that rank in priority to the Units (in payment of distributions and in connection with any termination or winding-up of the Trust); and/or (ii) to remove the redemption right attaching to the Units and convert the Trust into a closed-end limited purpose trust, in each case at least 10 days following the issuance of a news release announcing such amendments;
- (e) for the purpose of ensuring continuing compliance with applicable laws (including the Tax Act), regulations, requirements or policies of any governmental authority having jurisdiction over: (i) the Trust Board or the Trust; (ii) the status of the Trust as a “mutual fund trust” under the Tax Act; or (iii) the distribution of Units;
- (f) which are determined by the Trustees to be necessary or advisable to ensure that the Trust has not been established nor maintained primarily for the benefit of Persons who are not resident in Canada for purposes of the Tax Act; and
- (g) as otherwise deemed by the Trust Board in good faith to be necessary or desirable.

Effect of Termination

The Trust will continue in full force and effect until such time as it is terminated by either the Trust Board or unitholders. The Trust may be terminated by the vote of at least 66 $\frac{2}{3}$ % of the votes cast at a meeting of the unitholders. The Unitholders shall participate *pro rata* in any remaining distributions by the Trust.

Take-Over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid, as defined under the *Securities Act* (Ontario), is made for the Units and, within 120 days after the date of such take-over bid, not less than 90% of the outstanding Units (including Units issuable upon the surrender or exchange of any securities for Units but not including any Units held at the date of the take-over bid by or on behalf of the Offeror or Affiliates and associates of the Offeror) have been or are legally required to be taken up and paid for by the Offeror, the Offeror will be entitled to acquire the Units held by the remaining Unitholders who did not accept the take-over bid by requiring such Unitholders to elect (a) to transfer their Units to the Offeror on the terms on which the Offeror acquired the Units of the offerees who accepted the take-over bid, or (b) to demand payment of the fair value of the Units.

Information and Reports

We will furnish to unitholders, in accordance with and subject to applicable securities legislation, our consolidated financial statements (including quarterly and annual consolidated financial statements) and other reports as are from time to time required by applicable law, including forms needed for the completion of unitholders' tax returns under the Tax Act and equivalent provincial legislation.

Prior to each annual or any special meeting of unitholders, the Trust Board will provide unitholders (along with notice of such meeting) all such information as is required by applicable law and the Declaration of Trust to be provided to such holders.

DESCRIPTION OF MASTER LP

General

Master LP is a limited partnership formed under the laws of the Province of Ontario on April 28, 2014 pursuant to the Original DALP Limited Partnership Agreement and is governed by the DALP Limited Partnership Agreement. Master LP acquired, as part of the Reorganization, directly or indirectly, all of the Initial Assets and, owns and carries out all activities in connection with or ancillary or incidental to the Initial Assets. The sole general partner of Master LP is Master GP, which is a wholly-owned Subsidiary of DAM, and the sole limited partner of Master LP is the Trust.

As at March 30, 2015, Master LP had outstanding LP A Units, all of which are held by the Trust and which represent a 99.999% partnership interest. Master GP has an uncertificated 0.001% partnership interest in Master LP (the "**GP Interest**"). Master GP is authorized to create and issue LP B Units. The designations, rights, privileges, restrictions and other terms and conditions attaching to such LP B Units will be determined by Master GP at the time the applicable LP B Units are created and issued, provided that the LP B Units shall be exchangeable for Units, shall rank *pari passu* with the LP A Units, shall be entitled to a distribution per unit not greater than the distribution per unit on the LP A Units and the Units; and provided further that holders of LP B Units shall not be entitled to vote at any meeting of limited partners of Master LP except as specifically contemplated by the DALP Limited Partnership Agreement.

Operation

The business and affairs of Master LP are managed and controlled by Master GP and Master GP makes all decisions regarding the business and activities of Master LP, provided that Master GP is bound by the investment guidelines and operating policies applicable to Master LP. See "Investment Guidelines and Operating Policies".

Master LP reimburses Master GP for all expenses incurred by Master GP in the performance of its duties as general partner of Master LP.

The Trust, as limited partner, is not entitled to take part in the management or control of the business or affairs of Master LP in a manner that would jeopardize its status as a limited partner of Master LP and Master GP will operate and carry on the business of Master LP in a manner to ensure, to the greatest extent possible, the limited liability of the Trust as limited partner. However, the Trust may lose its limited liability in certain circumstances. If the limited liability of the Trust is lost by reason of the negligence of Master GP in performing its duties and obligations under the DALP Limited Partnership Agreement, Master GP will indemnify the Trust against all claims arising from assertions that its liabilities are not limited as intended by the DALP Limited Partnership Agreement. Master GP, however, is not expected to have any significant assets or financial resources other than its distribution entitlements from Master LP. Accordingly, this indemnity may only be of nominal value.

The sole shareholder of Master GP elects the GP Board, provided that Master GP has a majority of directors who are “independent” within the meaning of such term in NI 58-101.

Distributions

The following outlines the distribution policy of Master LP as contained in the DALP Limited Partnership Agreement, but is not intended to be a complete description. You should refer to the DALP Limited Partnership Agreement for the full text of our distribution policy.

Master LP intends to make monthly cash distributions to its partners within 15 days of the end of each month, such that distributions are received by the Trust prior to its monthly cash distribution to Unitholders. Master LP’s distribution policy provides that the intention is to distribute from Master LP the amount of cash on hand that is not necessary to maintain the value of its assets or investments, implement the then-current approved investment plan or to otherwise fund its ongoing operations. Distributions to the Trust by Master LP are determined by the GP Board having regard to, among other things, the interest income, net rental income and other income earned on the assets held by Master LP, net of interest expense, general and administrative expenses, other corporate and servicing costs, taxes, provision for capital expenditures, working capital and reserves, and the management fees payable to DAM. These distributions are dependent upon a number of factors, including restrictions under applicable law, the actual results of operations and investments in assets held by Master LP, economic conditions, debt service requirements and other factors that could differ materially from our expectations. The actual results of operations of Master LP will be affected by a number of factors, including the revenue received by Master LP, its operating expenses, interest expense, the ability of its tenants and mortgagees to meet their respective obligations and the need to make unanticipated expenditures. See “Risk Factors”.

Master GP, as sole holder of the GP Interest, receives distributions from Master LP equal to 0.001% of the distributions made by Master LP in a given month in priority to the distributions made to the holders of LP A Units (and holders of LP B Units, if any), who will receive the remaining 99.999% of the distributions made by Master LP in such month (the “**Remaining Distribution**”). Of the Remaining Distribution, Master LP will first make a distribution to the holder of the LP A Units in the amount required to account for all costs and expenses incurred directly by the Trust, as determined by Master GP, and the distributions for such costs and expenses will be made in priority to any distribution to holders of the LP A Units and LP B Units. Following such distribution, the remaining amount (if any) of the Remaining Distribution will be made to holders of LP A Units and LP B Units (if any have been issued) on a per unit basis. Distributions to be made on the LP B Units, if any have been issued, will be equal to the distributions that the holders of the LP B Units would have received if they were holding Units of the Trust instead of LP B Units.

Notwithstanding the distribution policy of Master LP, the GP Board retains full discretion with respect to the timing and amount of distributions made by Master LP. The payment of distributions by Master LP is therefore not guaranteed.

Allocation of Partnership Net Income

Partnership Net Income is allocated at the end of each fiscal year in the following manner:

- (a) first, an allocation of Partnership Net Income to Master GP, as holder of the GP Interest, generally equal to all amounts distributed to the holder of the GP Interest in the fiscal year; and
- (b) the balance, first as to an amount necessary to account for expenses incurred by the Trust as determined by Master GP and then any residual amount among the holders of the LP A Units and the LP B Units (if any have been issued) based on their proportionate share of distributions received or receivable for such fiscal year.

Transfer of DALP Units

The transfer of LP A Units is subject to a number of restrictions, including: (a) LP A Units may not be transferred to a Person or partnership who is a Non-Resident; (b) no partial LP A Units will be transferable; (c) no transfer of LP A Units will be accepted by Master GP if such transfer would cause Master LP or any of its Subsidiaries to be liable for tax under subsection 197(2) or paragraph 122(1)(b) of the Tax Act; and (d) no transfer of LP A Units will be accepted by Master GP unless a transfer form, duly completed and signed by the registered holder of such LP A Units has been remitted to the registrar and transfer agent of Master LP, which may be Master GP or a trust company or other qualified corporation engaged by Master GP for such purpose. In addition, a transferee of LP A Units must provide to Master GP such other instruments and documents as Master GP may require, in appropriate form, completed and executed in a manner acceptable to Master GP. A transferee of an LP A Unit will not become a partner or be admitted to Master LP and will not be subject to the obligations and entitled to the rights of a partner under the DALP Limited Partnership Agreement until the foregoing conditions are satisfied and such transferee is recorded on Master LP's register of partners. The restrictions on the transfer of LP B Units, if any, will be determined by Master GP at the time such units are created and issued.

Amendments to the Limited Partnership Agreement

The DALP Limited Partnership Agreement may be amended with the prior consent of the holders of at least 66⅔% of LP A Units voted on the amendment at a duly constituted meeting of holders of LP A Units or by a written resolution of partners holding more than 66⅔% of LP A Units entitled to vote at a duly constituted meeting of holders of LP A Units, including: (a) changing the liability of any limited partner; (b) changing the right of a limited partner to vote at any meeting of holders DALP Units; and (c) changing Master LP from a limited partnership to a general partnership. Master GP may also make amendments to the DALP Limited Partnership Agreement without the approval or consent of the limited partners to reflect, among other things: (v) a change in the name of Master LP or the location of the principal place of business or registered office of Master LP; (w) the admission, substitution, withdrawal or removal of limited partners in accordance with the DALP Limited Partnership Agreement; (x) a change that, as determined by Master GP, is reasonable and necessary or appropriate to qualify or continue the qualification of Master LP as a limited partnership in which the limited partners have limited liability under applicable laws; (y) a change that, as determined by Master GP, is reasonable and necessary or appropriate to enable Master LP to take advantage of, or not be detrimentally affected by, changes in the Tax Act or other taxation laws; or (z) a change to amend or add any provision, or to cure any ambiguity or to correct or supplement any provisions contained in the DALP Limited Partnership Agreement which may be defective or inconsistent with any other provision contained in the DALP Limited Partnership Agreement or which should be made to make the DALP Limited Partnership Agreement consistent with the disclosure set out in this prospectus. Notwithstanding the foregoing: (i) no amendment which would adversely affect the rights and obligations of Master GP, as a general partner, may be made without the consent of Master GP; and (ii) no amendment which would adversely affect the rights and obligations of any other holders of limited partnership units in Master LP or any class of limited partner differently than any other class of limited partner may be made without the consent of such holder or class.

In addition, the Declaration of Trust provides that the Trust will not agree to or approve any material amendment to the DALP Limited Partnership Agreement (including any amendment to the investment guidelines or operating policies of Master LP) without the approval of not less than two-thirds of the votes cast at a meeting of unitholders called for such purpose (or by written resolution in lieu thereof).

Removal of General Partner

The DALP Limited Partnership Agreement provides that Master GP will be deemed to resign as general partner upon: (a) ceasing to be a Canadian resident within the meaning of the Tax Act; (b) filing a voluntary petition for bankruptcy; (c) the appointment of a trustee, receiver or liquidator in respect of Master GP; (d) having entered against it an order for relief in a bankruptcy or insolvency proceeding which is not stayed, vacated or dismissed within 120 days; (e) being involuntarily dissolved, liquidated or wound up; or (f) the commencement of any act or proceeding in connection with dissolution, liquidation or winding up, whether voluntary or involuntary, and which, if involuntary, is not contested in good faith by Master GP. Such deemed resignation shall not be effective until the earlier of the date of appointment of a new general partner by majority vote of the limited partners or 120 days after the occurrence of such event, except a deemed resignation arising as a result of (a), above, which shall be effective immediately before Master GP ceased to be a resident of Canada. Master GP is permitted to resign as general partner, or to transfer the GP Interest, only on 45 days' prior written notice to Master LP and the limited partners, provided that any resignation by Master GP will only be effective following the appointment of a replacement general partner.

Master GP may be removed and replaced with another Person as general partner of Master LP with the prior consent of the holders of at least 66 $\frac{2}{3}$ % of LP A Units voted on the amendment at a duly constituted meeting of holders of LP A Units or by a written resolution of partners holding more than 66 $\frac{2}{3}$ % of LP A Units entitled to vote at a duly constituted meeting of holders of LP A Units, as a result of Master GP's fraud, wilful misconduct, breach of its fiduciary duties or for wilful breach of the DALP Limited Partnership Agreement that, in each case, results in material harm to Master LP. The Declaration of Trust provides that the Trust will not request, agree to or approve any removal of Master GP without the approval of at least 66 $\frac{2}{3}$ % of the votes cast at a meeting of unitholders of the Trust called for such purpose.

RISK FACTORS

Risk factors inherent in an investment in Units include but are not limited to the following.

Risks Relating to the Trust and Our Investments

Risks inherent in the real estate industry may adversely affect our financial performance

Returns on real estate and real estate related assets and investments are generally subject to a number of factors and risks, including changes in general economic conditions (which could affect the availability, terms and cost of mortgage financings and other types of credit), changes in local economic conditions (such as an oversupply of properties or a reduction in demand for real estate in a particular area), the attractiveness of properties to potential tenants or purchasers, competition with other landlords with similar available space, and the ability of the owner to provide adequate maintenance at competitive costs.

These factors and risks could cause fluctuations in the value of the real estate and real estate related assets and investments owned by us, or in the value of the real estate securing mortgage loans to us. These fluctuations could materially adversely affect us.

The income-producing properties in our investment portfolio generate income through rent payments made by our tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than the existing lease. The Trust's income and funds available for distribution to its Unitholders would be adversely affected if we were unable to lease a significant amount of the

available space in the particular property on economically favourable lease terms. In the event of default by a tenant, we may experience delays or limitations in enforcing our rights as lessor and incur substantial costs in protecting our investment. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws which could result in the rejection and termination of the lease of the tenant and, thereby, cause a reduction in the cash flows available to us which may adversely affect us.

Risks inherent in certain of our investments may adversely affect our financial performance

Our investments include direct and indirect investments in real estate, mortgages and other loans and securities of private companies, each of which can be relatively illiquid. While investments in illiquid assets have the potential to produce above-average growth opportunities, they may be difficult to value or sell at the time and price preferred by the owner. Accordingly, there is a risk that we would be unable to dispose of our illiquid assets in a timely way in response to changing economic or investment conditions. In recessionary times it may be difficult to dispose of certain of our assets, including certain types of real estate. The costs of holding certain of our assets, including real estate, are considerable and during an economic recession we may be faced with ongoing expenditures with a declining prospect of rental income. In such circumstances, it may be necessary for us to dispose of properties, or interests in properties, at discounted prices in order to generate sufficient cash for operations and making distributions. Where we are unable to dispose of illiquid assets or we are forced to sell such assets at a discounted price, our ability to make cash distributions, our financial results and the value of our Units may be adversely affected.

The illiquidity of certain of our investments may also delay or prevent the repositioning of our portfolio as we currently intend and such delays or inability to implement these plans could materially adversely affect our financial results and the value of our Units.

Investments in certain assets carry credit risk and administrative costs

There is a risk that the issuer of an investment security or a tenant of a property in our investment portfolio will not make a payment on debt securities or in respect of rent payable, or that an originating lender will not make its payment on a loan participation interest purchased by us or that an issuer or an investment security or an originating lender retaining the original loan in which it grants participations may suffer adverse changes in financial condition, lowering the credit quality of its security or participation and increasing the volatility of the security or participation price. Such changes in the credit quality of a security or participation can affect its liquidity and make it more difficult to sell if we wish to do so. In addition, with respect to loans made or held by us, a change in the financial condition of a borrower could have a negative financial impact on us.

Investments in participating loans may expose us to additional credit risk relative to holding an interest in the underlying loan directly

An investment in a participation interest that is granted by an originating lender that retains the actual loan, rather than having us obtain an interest in the loan itself, gives us a contractual relationship with the lender and not with the underlying borrower. As a result, we are exposed to the credit risk of each such originating lender in respect of payments of principal, interest and any fees to which we are entitled as a result of our participating interest and we are entitled to such amounts only upon receipt by the originating lender of such payments from the underlying borrower. This means that, in the event of the bankruptcy or insolvency of the originating lender, our claim would be as a creditor of the originating lender rather than as a party to the underlying loan. We may also be unable to exercise any remedies that the originating lender would have in respect of such loan.

The nature of our investments may expose us to sector, concentration and other similar risks

While our intention is to diversify our investments, our current investments are relatively concentrated in a limited number of market sectors or asset types or in a limited number of issuers. An investment in the Trust may therefore involve greater risk and volatility than an investment in an issuer with a broader

portfolio of assets since the performance of one particular industry, market or issuer could significantly and adversely affect the overall performance of the Trust.

Competition for investment opportunities may adversely affect our financial performance

Our performance depends on our ability to source or acquire assets including mortgage loans, real estate and other investment opportunities at favourable yields or potential rates of return. We compete with other investors, managers, corporations, institutions and owners of real estate for investment opportunities in the financing and/or acquisition of assets, including real estate and real estate loans. Certain competitors may have a higher risk tolerance, greater financial and other resources and greater operating flexibility than us, allowing these competitors to more aggressively pursue investment opportunities. Accordingly, we may be unable to acquire sufficient real property and real property lending assets or other assets or investment opportunities at favourable yields or terms or at all.

We may not be able to source suitable investments

Our strategy involves investing and re-investing in suitable investment opportunities, pursuing such opportunities, consummating investments and, in the case of real estate assets, effectively operating and leasing such properties. There can be no assurance as to the pace of growth through investments and/or acquisitions or that we will be able to acquire assets on an accretive basis, and as such there can be no assurance that distributions to Unitholders will increase in the future.

Environmental contamination at properties may expose us to liability and adversely affect our financial performance

Our assets may include real estate that contains ground contamination, hazardous substances, and/or other residual pollution and environmental risks. Buildings and their fixtures might contain asbestos or other hazardous substances such as polychlorinated biphenyl, dichlordiphenyltrichlorethan, pentachlorophenol or lindane above the allowable or recommended thresholds. Other environmental risks could also be associated with the buildings in our investment portfolio.

To the extent that this is the case, we will bear the risk of cost-intensive assessment, remediation or removal of such ground contamination, hazardous substances or other residual pollution. The discovery of any such residual pollution on the real estate and/or in the buildings in which we have an interest, particularly in connection with the lease or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions or termination of leases for cause, for damages and other breach of warranty claims against us. The remediation of any pollution and the related additional measures we would have to undertake could have a materially adverse effect on us and could involve considerable additional costs that we may have to bear. We will also be exposed to the risk that recourse against the polluter or the previous owners of the properties might not be possible, for example, because they cannot be identified, no longer exist or have become insolvent. Moreover, the existence or even the mere suspicion of the existence of ground contamination, hazardous materials or other residual pollution can materially adversely affect the value of a property and therefore our ability to lease or sell such a property or our interest in such a property and any such pollution on a property which secures a mortgage investment or on a neighbouring property may also have an adverse effect on us.

As an owner of real estate, we will be subject to various federal, provincial and municipal laws relating to environmental matters. Such laws provide a range of potential liability, including potentially significant penalties, and potential liability for the costs of removal or remediation of certain hazardous substances or ground contamination. The presence of such substances, if any, could materially adversely affect our ability to sell or redevelop such real estate or to borrow using such real estate as collateral and, potentially, could also result in civil claims against us. In order to obtain financing for the purchase of a new property through traditional channels, we may be requested to arrange for an environmental site assessment to be conducted. Although such an assessment provides us and our lenders with some assurance, we may become subject to liability for undetected pollution or other environmental hazards on

our properties against which we cannot insure, or against which we may elect not to insure where premium costs are disproportionate to our perception of relative risk.

We have formal policies and procedures to review and monitor environmental exposure. These policies include the requirement to conduct a phase I environmental site assessment before acquiring real properties or originating any real estate lending.

Some of our real estate assets may, from time to time, have tenants that use or create hazardous or toxic substances. In addition, asbestos containing materials, underground storage tanks, petroleum hydrocarbons and lead paint may be present at certain of our real estate assets. Where circumstances so warrant, designated substance surveys and/or phase II environmental site assessments have been or will be conducted to determine the presence and/or extent of these or any other materials or potential environmental hazards. If appropriate, we will remediate such situations. Notwithstanding the above, we are not aware of any environmental conditions with respect to any of our real estate assets that we believe would involve material expenditure by us.

We have insurance in place to mitigate against certain environmental liabilities in respect of our real estate assets, with limits which we believe are customary for portfolios similar to our real estate assets. In addition, certain of the existing tenant leases in respect of our real estate assets specify that the tenant will conduct its business in accordance with applicable environmental laws and regulations and will be responsible for any liabilities arising out of infractions to such laws and regulations.

Environmental laws and regulations can change and we may become subject to more stringent environmental laws and regulations (or more stringent enforcement or administration of existing requirements) in the future.

We may incur significant capital expenditures and other fixed costs

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of real property, regardless of whether the property is producing sufficient income to pay such expenses. This may include expenditures to fulfill mandatory requirements for energy efficiency. In order to retain desirable rentable space and to generate adequate revenue over the long-term, the condition of the properties in which we have an interest must be maintained or, in some cases, improved to meet market demand. Maintaining or upgrading a rental property in accordance with market standards can entail significant costs, which we may not be able to pass on to our tenants. Numerous factors, including the age of the relevant building structure, the material and substances used at the time of construction or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment or modernization.

If the actual costs of maintaining or upgrading a property in which we have an interest exceed our estimates, or if hidden defects are discovered during maintenance or upgrading which are not covered by insurance or contractual warranties, or if we are not permitted to raise rents due to legal constraints, we will incur additional and unexpected costs. If competing properties of a similar type are built in the area where one of our properties is located or similar properties located in the vicinity of one of our properties are substantially refurbished, the net operating income derived from and the value of such property could be reduced.

Any failure to undertake appropriate maintenance and refurbishment work in response to the factors described above could materially adversely affect the rental income that we earn from such properties; for example, such a failure could entitle tenants to withhold or reduce rental payments or even to terminate existing leases. Any such event could have a material adverse effect on our cash flows, financial condition and results of operations and our ability to make distributions on Units.

Financing risks, leverage and restrictive covenants may limit our ability for growth

Ownership of certain of our assets, and the real estate industry generally, is capital intensive. We require access to capital to maintain the real estate and other assets in which we have an interest, as well as to fund our growth strategy and significant capital expenditures from time to time. There is no assurance that capital will be available when needed or on favourable terms. Our failure to access required capital could materially adversely impact our investments, cash flows, operating results or financial condition, our ability to make distributions on the Units and our ability to implement our growth strategy.

We may borrow from third-parties from time to time to finance or otherwise leverage our assets and any such borrowing adds leverage to the investments made by us. The obligations under the resulting loans may be secured by our assets. The addition of leverage has the potential to enhance our returns but also involves additional risks, and there can be no assurance that the leveraging employed by us will enhance returns. The use of leverage may reduce returns (both distributions and capital) to Unitholders.

Our access to third-party financing is subject to a number of factors, including:

- (a) general market conditions;
- (b) the market's perception of our growth potential;
- (c) our current and expected future earnings;
- (d) our cash flow and cash distributions; and
- (e) the market price of our Units.

We have third-party debt service obligations. The degree to which we are leveraged could have significant consequences to Unitholders. Such factors include:

- (a) a significant portion of our cash flow may be dedicated to the payment of the principal of, and interest on, our indebtedness, thereby reducing the amount of funds available for the payment of cash distributions to Unitholders;
- (b) certain of our borrowings will be at variable rates of interest which exposes us to the risk of increased interest rates;
- (c) a high level of debt would increase vulnerability to general adverse economic and industry conditions;
- (d) covenants contained in debt facilities will limit our ability to borrow additional funds, dispose of assets, encumber our assets, pay distributions and make potential investments;
- (e) a high level of debt may place us at a competitive disadvantage compared to other owners of similar real estate assets that are less leveraged and therefore may be able to take advantage of opportunities that our indebtedness would prevent us from pursuing;
- (f) our debt covenants may affect flexibility in planning for, and reacting to, changes in the economy and in the industry;
- (g) a high level of debt may make it more likely that a reduction in our borrowing base following a periodic valuation (or redetermination) could require us to repay a portion of then-outstanding borrowings; and
- (h) a high level of debt may impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or other purposes.

Certain of our competitors may operate on a less leveraged basis, and therefore could have greater financing flexibility than us. Our ability to make scheduled payments of the principal of, or interest on, and to otherwise satisfy our debt obligations depends on future performance, which is subject to the financial performance of our assets, including our investments in real estate and real estate loans, prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond our control. These factors might inhibit us from refinancing indebtedness at all or on favourable terms, which could have a materially adverse effect on our value and our ability to make distributions on the Units.

Upon the expiry of the term of the financing or refinancing of any particular debt facility we may need to refinance, and there can be no assurance that we will be able to do so or will be able to do so on terms as favourable as those currently in place with respect to the indebtedness. Future financing may take many forms, including debt or equity financing which could alter our debt-to-equity ratio or which could be dilutive to Unitholders. If we are unable to refinance our indebtedness, or are only able to refinance our indebtedness on less favourable terms, this may have a material adverse effect on us. Similarly, if we were to be in default under the terms of our indebtedness, the applicable lender could foreclose on the real property on which the lender took security to satisfy our obligations under our indebtedness. In either case, this could result in the reduction or suspension of cash distributions to Unitholders.

Certain of our indebtedness contains restrictive covenants that may limit our discretion with respect to certain business matters. These covenants place restrictions upon, among other things, our ability to: (a) incur additional indebtedness; (b) create liens or other encumbrances; (c) pay distributions or certain other payments, investments, loans and guarantees; (d) sell or otherwise dispose of assets; and (e) merge or consolidate with another entity. In addition, our indebtedness may contain financial covenants that require us to maintain certain financial ratios and financial condition tests. Failure to comply with such obligations could result in an event of default which, if not cured by us or waived by the lender, could result in acceleration of the relevant indebtedness. If any indebtedness were to be accelerated, there can be no assurance that our assets would be sufficient to repay that indebtedness in full. If an event of default under any indebtedness were to occur, we could be materially adversely affected.

Changes in government regulations may affect our investments

We are subject to laws and regulations governing the ownership and leasing of certain of our assets (including our real estate), employment standards, environmental matters, taxes and other matters. It is possible that future changes in applicable federal, provincial, local or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting us (including with retroactive effect). Any changes in the laws to which we are subject could materially adversely affect the distributions received by the Trust from Master LP or by Unitholders from the Trust. It is not possible to predict whether there will be any further changes in any regulatory regime to which we are subject or the effect of any such change on our investments.

An investment in the Trust is subject to certain Canadian tax risks

We intend to continue to qualify as a “mutual fund trust” for purposes of the Tax Act. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of “mutual fund trusts” will not be changed in a manner that adversely affects Unitholders. If we cease to qualify as a “mutual fund trust” under the Tax Act, the income tax considerations applicable to us, would be materially and adversely different in certain respects, including that Units may cease to be qualified investments for Plans.

Although we are of the view that all expenses to be claimed by us will be reasonable and deductible and that the cost amount and capital cost allowance claims of entities indirectly owned by us will have been correctly determined, there can be no assurance that the Tax Act, or the interpretation of the Tax Act, will not change, or that the CRA will agree with our determinations. If the CRA successfully challenges the deductibility of such expenses, our taxable income will increase or change.

The extent to which distributions will be non-taxable in the future will depend in part on the extent to which entities indirectly owned by us are able to deduct depreciation, interest and loan expenses relating to our investments for purposes of the Tax Act.

We will endeavour to ensure that Units continue to be qualified investments for Plans; however, there can be no assurance that this will occur. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

Changes in interest rates could adversely affect our cash flows and our ability to pay distributions

When concluding financing agreements or extending such agreements, we will depend on our ability to agree on terms, including in respect of interest payments and amortization that do not restrict our ability to pay distributions. In addition, we may enter into future financing agreements with variable interest rates if the current historical low level of interest rates continue. Given the historically low interest rates, there is a risk that interest rates will increase. An increase in interest rates could result in a significant increase in the amount paid by us to service debt, resulting in a decrease in distributions to Unitholders, and could materially adversely affect the trading price of the Units. In addition, increasing interest rates may put competitive pressure on the levels of distributable income paid by us to Unitholders, increasing the level of competition for capital faced by us, which could have a material adverse effect on the trading price of the Units.

We may implement hedging programs in order to offset the risk of revenue losses and to provide more certainty regarding the payment of distributions to Unitholders should current variable interest rates increase. However, to the extent that we fail to adequately manage these risks, our financial results, and our ability to pay distributions to Unitholders and interest payments under future financings may be adversely affected. Increases in interest rates generally cause a decrease in demand for properties. Higher interest rates and more stringent borrowing requirements, whether mandated by law or required by financial institutions, could have a material adverse effect on our ability to sell any of our investments.

Acquisitions of real estate may expose us to undisclosed defects and obligations

Our external growth prospects depend in large part on identifying suitable investment opportunities, pursuing such opportunities and consummating acquisitions, including direct or indirect acquisitions of real estate.

Notwithstanding pre-acquisition due diligence, it is not possible to fully understand a property before it is owned and operated for an extended period of time. For example, we could directly or indirectly acquire a property that contains undisclosed defects in design or construction. Furthermore, we are not always able to obtain from the seller the records and documents that we need in order to fully verify that the buildings we acquire were constructed in accordance with, and that their use complies with, planning laws and building code requirements. Accordingly, in the course of acquiring a property, specific risks might not be or might not have been recognized or correctly evaluated. Thus, we could have overlooked or misjudged legal and/or economic liabilities. These circumstances could lead to additional costs and could have a material adverse effect on our proceeds from sales and rental income of the relevant properties. In addition, after the acquisition of a property by us, the market in which the acquired property is located may experience unexpected changes that materially adversely affect the property's value. The occupancy of properties that we acquire may decline during its ownership, and rents that are in effect at the time a property is acquired may decline thereafter. For these reasons, among others, our property acquisitions may cause us to experience significant losses.

Interests in real estate that are under development may not be completed on the anticipated timelines, budgets or at all

Our assets may include interests in real estate under construction or held for development. We may commit to making further investments in respect of our interest in these types of properties, including

through the provision of construction and completion guarantees by the co-owners to project lenders or otherwise. Our involvement in such development activities is subject to related risks that include:

- (a) the potential insolvency of a developer;
- (b) the developer's failure to use advanced funds in payment of construction costs;
- (c) construction or unanticipated delays;
- (d) incurring construction costs before ensuring rental revenues will be earned from a project;
- (e) cost over-runs on a project; and
- (f) the failure of tenants to occupy and pay rent in accordance with lease arrangements.

Such risks are minimized, but not avoided, by generally not commencing construction until satisfactory levels of preleasing or sales, as applicable, are achieved.

Investments in, and profits and cash flows from, properties or other assets may be lost in the event of uninsured or underinsured losses to properties or other assets or losses from title defects

We carry general liability, umbrella liability and excess liability insurance with limits which are typically obtained for similar real estate portfolios in Canada and otherwise acceptable to the Trust Board on the recommendation of DAM. For the property risks we carry "All Risks" property insurance including but not limited to, flood, earthquake and loss of rental income insurance (with at least a 24 month indemnity period). We also carry boiler and machinery insurance covering all boilers, pressure vessels, HVAC systems and equipment breakdown. There are, however, certain types of risks (generally of a catastrophic nature such as from war or nuclear accident) which are uninsurable under any insurance policy. Furthermore there are other risks that are not economically viable to insure at this time. We have insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements. Should an uninsured or underinsured loss occur, we could lose our investment in, and anticipated profits and cash flows from, one or more of our properties, but we would continue to be obligated to repay any recourse mortgage indebtedness on such properties. We may carry title insurance on certain of our real estate assets but will not necessarily insure all titles. If a loss occurs resulting from a title defect with respect to a property where there is no title insurance or the loss is in excess of insured limits, we could lose all or part of our investment in, and anticipated profits and cash flows from, such property.

Dependence on Information Technology Systems

Our businesses depend on information technology systems for day-to-day operations. If we are unable to operate our systems or make enhancements as needed or if our systems go down, it could have an adverse effect on our ability to service tenants, manage our operation or meet our obligations, which in turn could have an adverse impact on our results and financial position. Important processes such as roll-outs, software and equipment upgrades and information security procedures are continually being assessed to ensure they are as effective as possible in order to support management in achieving our strategic objectives.

Controls and Procedures

The Trust has established internal controls over financial reporting and disclosure controls and procedures are designed in accordance with NI 52-109. A control system, no matter how well conceived and operated, can provide only reasonable and not absolute assurance that the objectives of the control system are met. As a result of the inherent limitations in all control systems, no evaluation of controls can provide

absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, amongst other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; and (ii) the impact of isolated errors. In addition, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any system of controls is also based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design procedures will succeed in achieving its stated goals under all potential (future) conditions.

Risks Relating to Real Estate Lending

Nature of investments in mortgages

Investments in mortgages are affected by general economic conditions, local real estate markets, demand for leased premises, new supply, occupancy rates, operating expenses, prevailing interest rates and various other factors. The value of a real estate property may ultimately depend on the credit and financial stability of its tenants. Investments in mortgages are relatively illiquid. This limited liquidity will tend to limit our ability to vary our mortgage portfolio promptly in response to changing economic or investment conditions.

Investments in mortgages relating to development or renovations may be riskier than investments in mortgages relating to income-producing commercial property or mortgage receivables. Land mortgages pose a risk in the event of default in that the asset has no capacity to generate cash flow. Our mortgages will not usually be insured in whole or in part. As well, there are certain inherent risks in the real estate industry, some of which we may not be able to insure against or which we may elect not to insure due to the cost of such insurance. Any or all of these factors could materially adversely affect us.

Sensitivity to interest rates on mortgage portfolio

The market price for our Units and the value of our mortgage portfolio at any given time may be affected by the level of interest rates prevailing at such time. Our income includes interest payments on the mortgages comprising our real estate lending portfolio. If there is a decline in interest rates (as measured by the indices upon which the interest rates of our mortgages are based), we may find it difficult to make additional mortgages bearing rates sufficient to achieve our investment objectives and to support our rate of distributions. There can be no assurance that an interest rate environment in which there is a significant decline in interest rates would not adversely affect our ability to maintain our distributions at a consistent level. As well, if interest rates increase, the value of our real estate lending portfolio may be negatively impacted.

Changes in real estate values of secured real estate

Our mortgage loans are secured by real estate, the value of which can fluctuate. The value of real estate is affected by general economic conditions, local real estate markets, the attractiveness of the property to tenants (where applicable), competition from other available properties, fluctuations in occupancy rates, operating expenses and other factors. The value of income-producing real property may also depend on the credit worthiness and financial stability of the borrowers and/or the tenants. Changes in market conditions may decrease the value of the secured property and reduce the cash flow from the property, thereby impacting the ability of the borrower to service the debt and/or repay the loan based on the property income. A substantial decline in value of real property provided as security for a mortgage loan may cause the value of the property to be less than the outstanding principal amount of the mortgage loan. Foreclosure or power of sale by us on any such mortgage loan might not provide us with proceeds sufficient to satisfy the outstanding principal amount of the mortgage loan.

Risks related to mortgage defaults

If a borrower under a mortgage loan defaults under any terms of the loan, we may have the ability to exercise our mortgage enforcement remedies in respect of the mortgage loan. Exercising mortgage

enforcement remedies is a process that requires a significant amount of time to complete, which could adversely impact our cash flow. In addition, as a result of potential declines in real estate values, there is no assurance that we will be able to recover all or substantially all of the outstanding principal and interest owed to us in respect of such mortgages by exercising our mortgage enforcement remedies. Our inability to recover all or substantially all of the principal and interest owed to us in respect of such mortgage loans could materially adversely affect us.

Foreclosure and related costs

One or more borrowers could fail to make payments according to the terms of their mortgage loan, and we could therefore be forced to exercise our rights as mortgagee. The recovery of a portion of our assets may not be possible for an extended period of time during this process and there are circumstances where there may be complications in the enforcement of our rights as mortgagee. Legal fees and expenses and other costs incurred by us in enforcing our rights as mortgagee against a defaulting borrower are usually recoverable from the borrower directly or through the sale of the mortgaged property by power of sale or otherwise, although there can be no assurance that such expenses will actually be recovered. In the event that these expenses are not recoverable, they will be borne by us.

Furthermore, certain significant expenditures, including real estate taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges must be made through the period of ownership of real estate regardless of whether the property is producing income or whether mortgage payments are being made. We may therefore be required to incur such expenditures to protect our investment, even if the borrower is not honouring its contractual obligations.

Renewal of mortgages comprising the mortgage portfolio

There can be no assurance that any of the mortgages comprising our mortgage portfolio can or will be renewed at the same interest rates and terms, or in the same amounts as are currently in effect. The mortgagor, the mortgagee or both, may elect to not renew any mortgage. If mortgages are renewed, the principal balance, the interest rates and the other terms and conditions will be subject to negotiation between the mortgagors and the mortgagees at the time of renewal.

Composition of the mortgage portfolio

The composition of our mortgage portfolio may vary widely from time to time and may be concentrated by type of security, industry or geography, resulting in it being less diversified at some times than at other times. A lack of diversification may result in us being exposed to economic downturns or other events that have an adverse and disproportionate effect on particular types of securities, industries or geographies.

Value of assets underlying our investments in mortgages may fall and be insufficient to repay amounts outstanding

We could lose some or all of our investment in a mortgage if the value of the assets securing the mortgage is insufficient on a realization to repay in full the amount owing by the borrower on the mortgage. As part of evaluating an investment for us, we expect that DAM will analyze the risk of loss should a default ever occur, including evaluating the security or collateral for the investment in the mortgage to determine the likelihood of the value of the assets securing the debt covering the amount that would be owed to Master LP. However, there can still be no assurance that such analysis will be correct or that the value of such collateral will not decline.

Risks Relating to Investments in Renewable Energy

Regulatory Regime, Political Environment and Permits

The development and operation of renewable power projects is subject to extensive regulation by various government agencies at the municipal, provincial, and federal level. As legal requirements frequently

change and are subject to interpretation and discretion, we are unable to predict the ultimate cost of compliance with these requirements or their effect on its operations. Any new law or regulation could require additional expenditure to achieve or maintain compliance or could adversely affect the ability to generate and deliver energy. In addition, delays may occur in obtaining necessary government approvals required for future power projects in which we may invest.

Holding the proper permits and licenses from various regulatory authorities for the construction and operation of renewable power facilities is critical to the operation of the renewable power business. It may not be possible for us, or the owners, contractors, operators, co-investors or others involved in the projects in which we invest, to renew, maintain or obtain all necessary licenses, permits and governmental approvals required for the continued operation or further development of projects, which could adversely impact our business, results of operation and cash flow.

The profitability of any wind project will be in part dependent upon the continuation of a favourable regulatory climate with respect to the continuing operations, future growth and development of the independent power industry. Government regulations and incentives currently have a favourable impact on the building of wind power facilities. Should the current governmental regulations or incentive programs be modified, our business, operating results, financial condition or prospects may be adversely affected.

Inability to Negotiate Purchase Agreements

Securing new power purchase agreements (“PPAs”) in Ontario is a key component of any renewable power project. PPAs are mainly obtained through participation in competitive requests for proposals. During these processes, the projects in which we may invest will face competitors ranging from large utilities to small independent power producers. There is no assurance that our projects will be selected as power supplier following any particular request for proposals in the future or that any existing PPA relating to a project in which we invest will be renewed or will be renewed on acceptable terms and conditions upon the expiry of their respective terms. Failure to secure or renew PPAs on acceptable terms will limit the expansion and growth of the renewable power business and could adversely affect our business, operating results, financial condition or prospects in the future.

Contract Performance

Renewable power operations are highly dependent upon parties to certain agreements fulfilling their contractual obligations, including counterparties to PPAs or feed-in tariff contracts and other key suppliers. An inability or failure of any such party to meet its contractual commitments in respect of a project in which we invest may adversely affect our financial condition, results of operations and cash flow as it may not be possible to replace the agreement with an agreement on equivalent terms and conditions.

The ability of the facilities in which we invest to generate the maximum amount of power which can be sold to purchasers of electricity under PPAs is an important determinant of the revenues of that renewable power project. If a facility delivers less than the required quantity of electricity in a given contract year, penalty payments may be payable to the relevant power purchaser. The payment of any such penalties by any project in which we invest could adversely affect the revenues and profitability of our renewable power investments.

Delays and Cost Over-runs

Delays and cost over-runs may occur in completing the construction of development projects, prospective projects and future projects that may be undertaken. A number of factors which could cause such delays or cost over-runs include, but are not limited to, permitting delays, changing engineering and design requirements, the performance of contractors, labour disruptions, adverse weather conditions and the availability of financing. In addition, if a the development project in which we invest is not brought into commercial operation within the time stipulated in its related PPA, it may be subject to penalty payments

or the counterparty may be entitled to terminate the related PPA which could adversely affect our business, operating results, financial conditions or prospects in the future.

Changes in Technology

There are other alternative technologies that can produce renewable power, such as fuel cells and micro turbines. Research and development activities are ongoing to seek improvements in such alternative technologies and their cost of producing electricity is gradually declining. It is possible that advances will further reduce the cost of alternative methods of power generation. If this were to happen, the competitive advantage of the projects in which we invest may be impaired and our business, financial condition, results of operations and cash flow could be materially adversely affected.

Adverse Weather Conditions and Natural Disasters

Power generation assets could be exposed to the effects of significant events, such as severe weather conditions, natural disasters, major accidents, acts of malicious destruction, sabotage or terrorism, which could limit the ability to generate or sell power. In certain cases, some events may not excuse the projects in which we invest from performing obligations pursuant to agreements with third parties and we may be directly or indirectly liable for damages or suffer further losses as a result. In addition, many generation assets are located in remote areas which can make access for repair of damage difficult.

Assessment of Wind Resource and Associated Wind Energy

The strength and consistency of the wind resource at any project site may vary from the anticipated wind resource. Weather patterns could change or the historical data could prove to be an inaccurate reflection of the strength and consistency of the wind in the future. The conclusions of wind studies and energy production estimates in relation to any wind energy facility in which we invest will be based on a particular methodology and a set of assumptions about the existence of certain conditions and the assumption that these conditions will continue in the future. The assumptions and factors are inherently uncertain and may result in actual energy production being different from estimates. A decline in wind conditions at any wind energy facility in which we invest could materially adversely affect revenues and cash flows from such facility.

Variability in Hydrology

Revenues generated by hydro power facilities are correlated to the amount of electricity generated, which in turn is dependent upon available water flows. Hydrology varies naturally from year to year and may also change permanently because of climate change or other factors, and a natural disaster could impact water flows within the watersheds in which any hydro power facility we invest operates. A sustained decline in water flow at such a hydro power facility could materially adversely affect revenues and cash flow from such facility.

Transmission Capacity and Curtailment

Electrical distribution grid systems have finite capacity to accommodate additional electricity that is supplied to the system. In order for projects to be developed, they need to be connected to the distribution grid system in a location where there is sufficient capacity to handle the additional electricity produced by the project. In most cases the distribution grid system can be upgraded in order to accommodate such increased capacity, however, the projects in which we invest will likely be required to cover all or a portion of costs and expenses in connection with any construction and/or upgrades that are required which impacts the financial viability of such projects. There is also a potential risk associated with transmission curtailment measures being contemplated by the Ontario transmission system operator. These measures could be imposed in the future on renewable energy generators in Ontario. The curtailments could reduce the amount of annual revenue generated by renewable energy projects in which we invest below the forecasted financial models thus reducing the expected investment return from these projects.

Risks Relating to our Relationship with DAM and Others

Reliance on DAM for management services

We rely on DAM with respect to the asset management of our investments. Consequently, our ability to achieve our investment objectives depends in large part on DAM and its ability to properly advise us. Although the Management Agreement does not have a fixed term, DAM has the right to terminate the Management Agreement with 180 days' prior written notice if Master LP and/or the Trust defaults in the performance or observance of any material term, condition or agreement of the Management Agreement in a manner that results in material harm and such default continues unremedied for a period of 60 days. The Management Agreement may also be terminated in other circumstances, such as upon the occurrence of an event of default or insolvency of DAM within the meaning of such agreement. Accordingly, there can be no assurance that DAM will continue to be our asset manager. If DAM should cease for any reason to be our asset manager, our ability to meet our objectives and execute our strategy may be adversely affected. We may be unable to duplicate the quality and depth of management available to DAM by becoming a self-managed company or by hiring another asset manager. In addition, the cost of obtaining substitute services may be greater than the fees we will pay DAM under the Management Agreement.

DAM exercises substantial influence over Master LP and we are highly dependent on DAM

DAM is the sole shareholder of Master GP. As a result of its ownership of Master GP, DAM is able to control the appointment and removal of the Directors and, accordingly, exercise substantial influence over Master LP. In addition, the Trust holds its interest in our assets through its limited partnership interest in Master LP. As a limited partner, the Trust does not have a right to participate in the management or activities of Master LP.

We depend on the management and administration services provided by DAM under the Management Agreement. DAM personnel and support staff that provide services to us under the Management Agreement are not required to have as their primary responsibility the management and administration of the Trust or Master LP or to act exclusively for either of us and the Management Agreement does not require that the services we receive be provided to us by any specific individuals employed by DAM. Any failure to effectively manage our operations or to implement our strategy could materially adversely affect us.

Reliance on Master LP to provide us with the funds necessary to pay distributions and meet our financial obligations

The Trust's sole material asset is its limited partnership interest in Master LP. The cash distributions to Unitholders are dependent on the ability of Master LP to pay distributions in respect of our LP A Units. The ability of Master LP to pay distributions or make other payments or advances to us may be subject to contractual restrictions contained in any instruments governing the indebtedness of Master LP or investments held by it. The ability of Master LP to pay distributions or make other payments or advances is also dependent on the ability of Master LP's Subsidiaries to pay distributions or make other payments or advances to Master LP. The Trust depends on distributions and other payments from Master LP and, indirectly, its Subsidiaries and investments, to provide the Trust with the funds necessary to pay distributions to its Unitholders and to meet its financial obligations.

Master GP, Master LP and its Subsidiaries are legally distinct from the Trust and some of them are or may become restricted in their ability to pay dividends and distributions or otherwise make funds available to the Trust pursuant to law, regulatory requirements and their respective contractual agreements. Any other Persons through which we may conduct operations in the future will also be legally distinct from the Trust and may be similarly restricted in their ability to pay dividends and distributions or otherwise make funds available to the Trust under certain conditions.

We anticipate that the only distributions the Trust will receive in respect of our limited partnership interest in Master LP will consist of amounts that are intended to assist the Trust in making distributions

to Unitholders in accordance with the Trust's distribution policy and to allow the Trust to pay its expenses and other costs as they become due. While we plan to review our distributions to Unitholders periodically, there is no guarantee that we will be able to increase, or even maintain, the level of distributions that are paid.

Third-party risks

We rely on third-parties to, among other things, act as partners in investments as well as to actively manage real estate in which we directly or indirectly invest. The loss of, or degradation in, relationships with one or more of these third-parties could adversely affect the availability of investments to the Trust or the return generated by the investments of the Trust. Furthermore, these third-parties are independent of the Trust and may act in a manner that is contrary to its wishes or best interests.

Our ability to enforce contracts may be limited

From time to time we may enter into contracts with third parties who make representations and warranties to us with respect to certain matters or agree to indemnify us if certain circumstances should occur. There can be no assurance that we will be fully protected in the event of a breach of such representations and warranties or if such circumstances should occur or that such party will be in a position to indemnify us in any such event. We may not be able to successfully enforce an indemnity contained in an agreement against such party or any such indemnity may not be sufficient to fully indemnify us from third party claims. In addition, we may be subject to undisclosed liability to third parties and such liability may be material, which could negatively impact our financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders.

Our Trustees, Directors and DAM may be put in a position of conflict as a result of their positions held and interests in other businesses

The Trustees and the Directors may also be trustees, directors and/or officers of other entities, including DAM, or are otherwise engaged, and will continue to be engaged, in activities that may put them in conflict with our investment strategy. Consequently, these positions could create, or appear to create, conflicts of interest with respect to matters involving us. Pursuant to the Declaration of Trust, all decisions to be made by the Trust Board which involve us will be required to be made in accordance with the Trustee's duties and obligations to act honestly and in good faith with a view to the best interests of the Trust and the Unitholders. In addition, our Trustees are required to declare their interests in, and such Trustees are required to refrain from voting on, any matter in which they may have a material conflict of interest. Applicable corporate law imposes similar obligations on the Directors. However, there can be no assurance that potential conflicts of interest or that such actual or potential conflicts of interest will be adequately addressed or be resolved in our favour.

DAM acts as the asset manager for three publicly-traded REITs and also provides management services to other public and private companies. As asset manager for other entities and on its own behalf, DAM will pursue other business opportunities, including but not limited to real estate and development business opportunities outside of the Trust and Master LP. These multiple responsibilities to public entities and other businesses could create competition for the time and efforts of DAM which could materially adversely affect us.

Risks Relating to the Units

Ability of Unitholders to redeem Units is subject to restrictions on redemption

It is anticipated that the redemption right attached to Units will not be the primary mechanism by which Unitholders will liquidate their investments. The entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that: (a) the total amount payable by us in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed \$50,000 (provided that such limitations may be waived at the discretion of the Trust Board); (b) at the time such Units are tendered for redemption, the outstanding Units shall be listed for trading on a stock

exchange or traded or quoted on another market that the Trust Board believes, in its sole discretion, is able to provide representative fair market value prices for such Units; and (c) the normal trading of Units is not suspended or halted on any stock exchange on which such Units are listed (or, if not listed on a stock exchange, on any market on which such Units are quoted for trading) on the Redemption Date or for more than five trading days during the 20-day trading period commencing immediately after the Redemption Date.

Cash distributions are not guaranteed and may fluctuate with our financial performance

The Trust's distribution policy is established in the Declaration of Trust and may only be changed with the approval of at least two-thirds of Unitholders. However, the Trust Board may reduce or suspend cash distributions indefinitely, which could have a material adverse effect on the market price of Units.

Although we intend to make cash distributions in accordance with our distribution policy, the amount of monthly distributions to Unitholders will be determined by the Trust Board based on distributions received from Master LP and the amount of the Trust's general and administrative, operating and other expenses and taxes. Master LP's distribution policy provides that the intention is to distribute free cash flow from Master LP that is not necessary to maintain the value of its assets or investments, implement the then-current approved annual investment plan or to otherwise fund its ongoing operations. However, distributions to the Trust by Master LP will be determined by the GP Board and will be dependent on, among other things, the interest income, net rental income and other income earned on the assets held by Master LP, interest expenses, general and administrative expenses, other corporate and servicing costs, taxes, provisions for capital expenditures, working capital and reserves, and the management fees payable to DAM. The actual cash flow available for distribution to Unitholders is therefore dependent on the amount of cash flow paid to us by our operating entities and can vary significantly from period to period, including as a result of other factors that may be beyond our control.

Distributions may be increased, reduced or suspended entirely depending on our operations and the performance of our assets. The market value of Units may materially deteriorate if we are unable to meet distribution expectations in the future.

Unitholders do not have legal rights normally associated with ownership of shares of a corporation

Unitholders do not have all of the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions against us.

Unitholder liability

The Declaration of Trust provides that no unitholder will be subject to any personal liability whatsoever to any Person in connection with the holding of a Trust Unit. In addition, legislation has been enacted in the Province of Ontario that is intended to provide unitholders with limited liability. However, there remains risk, which is considered by the Trust to be remote in the circumstances, that a unitholder could be held personally liable for the obligations of the Trust to the extent that claims are not satisfied out of the assets of the Trust. It is intended that the affairs of the Trust will be conducted to seek to minimize such risk wherever possible.

The issuance of additional Units will result in dilution

The number of Units we are authorized to issue is unlimited. We may, in our sole discretion, issue additional Units from time to time. Any issuance of Units, including Units issued in consideration for properties acquired by us, will have a dilutive effect on existing unitholders.

Regulatory approvals may be required in connection with a distribution of securities on a redemption of Units or our termination

Upon a redemption of Units or termination of the Trust, the Trust Board may distribute securities directly to the Unitholders, subject to obtaining any required regulatory approvals. No established market may

exist for the securities so distributed at the time of the distribution and no market may ever develop. In addition, the securities so distributed may not be qualified investments for Plans, depending upon the circumstances at the time.

MARKET FOR SECURITIES

Trading Price and Volume

The Units are listed on the TSX under the symbol “DRA.UN”. The following table sets forth the high and low reported trading prices and the trading volume of the Units on the TSX for each month since the Units were listed on the TSX on July 8, 2014 until the end of the 2014 fiscal year:

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
July 8, 2014 to July 31, 2014	8.03	6.25	3,226,072
August 2014	7.08	6.78	1,433,603
September 2014	7.40	6.72	4,870,343
October 2014	7.34	6.62	1,925,131
November 2014	6.70	6.24	1,344,657
December 2014	6.78	6.00	3,168,369

PROMOTER

DAM was the promoter of the Trust in connection with its Initial Public Offering. We reimbursed DAM for all reasonable expenses incurred by it in connection with the founding and organizing of the Trust, including financial, legal, accounting, tax, travel, filing and printing fees, which were approximately \$2.6 million in the aggregate, but we did not reimburse DAM for its costs incurred in connection with the negotiation of the Purchase Agreement. DAM is a party to the Management Agreement, but did not receive any acquisition or other fees in connection with the founding and organization of the Trust or the completion of the Reorganization. See “Management and Advisory Services - Management Agreement”. As at March 30, 2015, DAM owned 515,900 Units.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described in this AIF, no Trustee, or Unitholder that beneficially owns, or controls or directs more than 10% of the Trust Units, or any associate or Affiliate of any of the foregoing Persons, has or has had any material interest in any transaction since the formation of the Trust on April 28, 2014, or any proposed transaction, that has materially affected or would materially affect the Trust, Master LP or any of its Subsidiaries.

Dream Office REIT is a co-owner of the Co-owned Properties and provides certain property management services in connection with the Co-owned Properties.

MATERIAL CONTRACTS

The only material contracts, other than contracts entered into in the ordinary course of business, that have been entered into by the Trust are as follows:

- (a) the Declaration of Trust described under “Declaration of Trust and Description of Trust Units”;
- (b) the DALP Limited Partnership Agreement described under “Description of Master LP”;

- (c) the Management Agreement described under “Management and Advisory Services – Management Agreement”; and
- (d) the Services Agreement described under “Management and Advisory Services – Services Agreement”.

Copies of the foregoing documents are available on SEDAR at www.sedar.com.

LEGAL PROCEEDINGS

As at March 30, 2015, none of the Trust nor Master LP or any of its Subsidiaries is involved in any outstanding, threatened or pending litigation or regulatory action that would have a material adverse effect on the Trust.

INTEREST OF EXPERTS

The auditors of the Trust are PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, located at 18 York Street, Toronto, Ontario, M5J 0B2, who were appointed as the Trust’s auditors on April 28, 2014 and are independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Units is Computershare Trust Company of Canada at its principal office located in Toronto, Ontario.

ADDITIONAL INFORMATION

Additional information relating to the Trust may be found on SEDAR at www.sedar.com. Additional information, including with respect to Trustees’ and Directors’ remuneration and indebtedness, principal holders of the Trust’s securities and units authorized for issuance under equity compensation plans, is contained in the Trust’s information circular for its most recent annual meeting of unitholders that involved the election of Trustees.

Additional financial information is provided in the 2014 MD&A and the 2014 Financial Statements.

SCHEDULE A
DREAM HARD ASSET ALTERNATIVES TRUST

AUDIT COMMITTEE CHARTER

PURPOSE

The Audit Committee (the “**Committee**”) is a standing committee appointed by the board of trustees of the Trust (the “**Trust Board**”). The Committee is established to fulfill applicable securities law obligations respecting audit committees and to assist the Trust Board in fulfilling its oversight responsibilities with respect to financial reporting, including to:

- oversee the integrity of the Trust’s financial statements and financial reporting process, including the audit process and the Trust’s internal accounting controls and procedures and compliance with related legal and regulatory requirements;
- oversee the work, qualifications and independence of the external auditors; and
- provide an open avenue of communication between the external auditors, the Trust Board, the asset manager of the Trust and any of its representatives in the course of performing their duties for or on behalf of the Trust.

The function of the Committee is oversight. It is not the duty or responsibility of the Committee or its members: (a) to plan or conduct audits; (b) to determine that the Trust’s financial statements are complete and accurate and are in accordance with International Financial Reporting Standards; or (c) to conduct other types of auditing or accounting reviews or similar procedures or investigations. The Committee, its chair and its audit committee financial expert member(s) are members of the Trust Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Trust, and are specifically not accountable or responsible for the day to day operation or performance of such activities. In particular, the member or members identified as audit committee financial experts shall not be accountable for giving professional opinions on the internal or external audit of the Trust’s financial information.

Representatives of the Trust’s asset manager are responsible for the preparation, presentation and integrity of the Trust’s financial statements. Representatives of the Trust’s asset manager are also responsible for maintaining appropriate accounting and financial reporting principles and policies and systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations. Representatives of the Trust’s asset manager are also responsible for monitoring and reporting on the adequacy and effectiveness of the system of internal controls. The external auditors are responsible for planning and carrying out an audit of the Trust’s annual financial statements in accordance with generally accepted auditing standards to provide reasonable assurance that, among other things, such financial statements are in accordance with International Financial Reporting Standards.

Procedures, Powers and Duties

The Committee shall have the following procedures, powers and duties:

General

- (a) *Composition* – The Committee shall consist of at least three members, all of whom shall be independent within the meaning of that term in National Instrument 52-110 – Audit Committees.

All members of the Committee must be or, within a reasonable period following appointment, become financially literate, meaning that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Trust's financial statements.

- (b) *Separate Meetings* – The Committee shall meet periodically with representatives of the Trust's asset manager with responsibility for financial and internal audit matters ("internal auditors") and the external auditors in separate sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately and such persons shall have access to the Committee to bring forward matters requiring its attention. However, the Committee shall also meet periodically without representatives of the Trust's asset manager present.
- (c) *Professional Assistance* – The Committee may require the external auditors and internal auditors to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may retain such special legal, accounting, financial or other consultants as the Committee may determine to be necessary to carry out the Committee's duties at the Trust's expense.
- (d) *Reliance* – Absent actual knowledge to the contrary (which shall be promptly reported to the Trust Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Trust, including representatives of the Trust's asset manager, from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by representatives of the Trust's asset manager and the external auditors as to any information technology, internal audit and other non-audit services provided by the external auditors to the Trust.
- (e) *Reporting to the Trust Board* – The Committee will report through the chair of the Committee to the Trust Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.
- (f) *Procedure* – The Committee meetings shall be conducted as follows: (i) questions arising at any meeting shall be decided by a majority of the votes cast; (ii) decisions may be taken by written consent signed by all members of the Committee; and (iii) meetings may be called by the external auditors of the Trust or any member of the Committee upon not less than 48 hours notice, unless such notice requirement is waived by the Committee members. The external auditors of the Trust are entitled to receive notice of every meeting of the Committee and, at the expense of the Trust, to attend and be heard thereat and, if so requested by a member of the Committee, shall attend any meeting of the Committee held during the term of office of the external auditors.
- (g) *Information* – the Committee will have unrestricted access to representatives of the Trust's asset manager who provide services to the Trust and to Trust information

AUDIT RESPONSIBILITIES OF THE COMMITTEE

Selection and Oversight of the External Auditors

1. The external auditors are ultimately accountable to the Committee and the Trust Board as the representatives of the unitholders of the Trust and shall report to the Committee and the Committee shall so instruct the external auditors. The Committee shall evaluate the performance of the external auditors and make recommendations to the Trust Board on the reappointment or appointment of the external auditors of the Trust to be proposed in the Trust's management information circular for approval of the unitholders of the Trust and the compensation to be paid

by the Trust to the external auditors. If a change in external auditors is proposed, the Committee shall review the reasons for the change and any other significant issues related to the change, including the response of the incumbent auditors, and enquire on the qualifications of the proposed auditors before making its recommendation to the Trust Board.

2. The Committee shall approve in advance the terms of engagement of the external auditors with respect to the conduct of the annual audit. The Committee may approve policies and procedures for the pre-approval of services to be rendered by the external auditors, including *de minimis* exceptions, which policies and procedures shall include reasonable detail with respect to the services covered. All non-audit services to be provided to the Trust by the external auditors or any of their affiliates which are not covered by pre-approval policies and procedures approved by the Committee shall be subject to pre-approval by the Committee. The Committee will review disclosure respecting fees paid to the external auditors for audit and non-audit services. Any services under pre-approval will be reported at the following meeting.
3. The Committee shall review the independence of the external auditors and shall make recommendations to the Trust Board on appropriate actions to be taken which the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee shall:
 - (a) actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;
 - (b) require that the external auditors submit to it on a periodic basis, and at least annually, a formal written statement delineating all relationships between the Trust, on the one hand, and the external auditors and their affiliates on the other hand;
 - (c) consider the auditor independence standards promulgated by applicable auditing regulatory and professional bodies; and
 - (d) ensure periodic rotation of the lead audit partner.
4. The Committee shall require the external auditors to provide to the Committee, and the Committee shall review and discuss with the external auditors, all reports which the external auditors are required to provide to the Committee or the Trust Board under rules, policies or practices of professional or regulatory bodies applicable to the external auditors, and any other reports which the Committee may require.
5. The Committee is responsible for resolving disagreements between representatives of the Trust's asset manager and the external auditors regarding financial reporting and the application of any accounting principles or practices. The Committee shall discuss with the external auditors any difficulties that arose with such representatives during the course of the audit and the adequacy of such representatives' responses in correcting audit-related deficiencies.

Appointment and Oversight of Internal Auditors

6. The Committee shall obtain from the internal auditors and shall review summaries of the significant reports to senior management of the Trust's asset manager, prepared by the internal auditors, or the actual reports if requested by the Committee, and any responses to such reports.
7. The Committee shall, as it deems necessary, communicate with the internal auditors with respect to their reports and recommendations, the extent to which prior recommendations have been implemented and any other matters that the internal auditors bring to the attention of the

Committee. The head of the internal audit function for the Trust shall have unrestricted access to the Committee.

8. The Committee shall, annually or more frequently as it deems necessary, evaluate the internal auditors including their activities, organizational structure and qualifications and effectiveness and communicate the results of such review to the Trust Board and to the Trust's asset manager.

Oversight and Monitoring of Audits

9. The Committee shall review with the external auditors, the internal auditors and senior management of the Trust's asset manager, the audit function generally, the objectives, staffing, locations, co-ordination, reliance upon representatives of the Trust's asset manager and internal audit and general audit approach and scope of proposed audits of the financial statements of the Trust, the overall audit plans, the responsibilities of the senior management of the Trust's asset manager, the internal auditors and the external auditors, the audit procedures to be used and the timing and estimated budgets of the audits.
10. The Committee shall meet periodically with the internal auditors to discuss the progress of their activities and any significant findings stemming from internal audits and any difficulties or disputes that arise with other representatives of the Trust's asset manager and the adequacy of such representatives' responses in correcting audit-related deficiencies.
11. The Committee shall review with senior management of the Trust's asset manager the results of internal and external audits.
12. The Committee shall take such other reasonable steps as it may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies

Oversight and Review of Accounting Principles and Practices

13. The Committee shall, as it deems necessary, oversee, review and discuss with senior management of the Trust's asset manager, the external auditors and the internal auditors:
 - (a) the quality, appropriateness and acceptability of the Trust's accounting principles and practices used in its financial reporting, changes in the Trust's accounting principles or practices and the application of particular accounting principles and disclosure practices by management to new transactions or events;
 - (b) all significant financial reporting issues and judgements made in connection with the financial statements, including the effect of any alternative treatment within International Financial Reporting Standards;
 - (c) any material change to the Trust's auditing and accounting principles and practices as recommended by senior management of the Trust's asset manager, the external auditors or the internal auditors or which may result from proposed changes to applicable International Financial Reporting Standards;
 - (d) the effect of regulatory or accounting limitations on the Trust's financial reporting;
 - (e) any reserves, accruals, provisions, estimates or Trust programs and policies, including factors that affect asset and liability carrying values and the timing of revenue and expense recognition, that may have a material effect upon the financial statements of the Trust;

- (f) any legal matter, claim or contingency that could have a significant impact on the financial statements and any material reports, inquiries or correspondence from regulators or governmental authorities regarding compliance with applicable requirements and any analysis respecting disclosure with regard to any such legal matter, claim or contingency in the financial statements;
- (g) the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Trust's operations;
- (h) the use of any "pro-forma" or "adjusted" information not in accordance with International Financial Reporting Standards; and
- (i) determinations of goodwill impairment, if any, as required by applicable accounting standards

Oversight and Monitoring of Internal Controls

14. The Committee shall, as it deems necessary, exercise oversight of, review and discuss with senior management of the Trust's asset manager, the external auditors and the internal auditors:
 - (a) the adequacy and effectiveness of the Trust's internal accounting and financial controls and the recommendations of senior management of the Trust's asset manager, the external auditors and the internal auditors for the improvement of accounting practices and internal controls;
 - (b) any material weaknesses in the internal control environment, including with respect to computerized information system controls and security; and
 - (c) the Trust's asset manager's compliance with the Trust's processes, procedures and internal controls.

Communications with Others

15. The Committee shall establish and monitor procedures, such as a Whistleblower Policy for the receipt and treatment of complaints received by the Trust regarding accounting, internal accounting controls or audit matters and the anonymous submission by employees of the Trust's asset manager of concerns regarding questionable accounting or auditing matters and review periodically with senior management of the Trust's asset manager and the internal auditors these procedures and any significant complaints received.

Oversight and Monitoring of the Trust's Financial Disclosures

16. The Committee shall:
 - (a) review with the external auditors and senior management of the Trust's asset manager and recommend to the Trust Board for approval the audited annual financial statements and the notes and management's discussion and analysis accompanying such financial statements, and the Trust's annual report;
 - (b) review with the external auditors and senior management of the Trust's asset manager each set of interim financial statements and the notes and management's discussion and analysis accompanying such financial statements; and
 - (c) if requested by the Board, review with the external auditors and senior management of the Trust's asset manager any financial statements included or to be included in a

prospectus, any financial information of the Trust contained in any management information circular of the Trust, and any other disclosure documents or regulatory filings of the Trust containing or accompanying financial information of the Trust.

Such reviews shall be conducted prior to the release of any summary of the financial results or the filing of such reports with applicable regulators.

17. Prior to their distribution, the Committee shall discuss earnings press releases, as well as financial information and earnings guidance, if any, provided to analysts and ratings agencies, it being understood that such discussions may, in the discretion of the Committee, be done generally (i.e. by discussing the types of information to be disclosed and the type of presentation to be made) and that the Committee need not discuss in advance each earnings release or each instance in which the Trust gives earning guidance.
18. The Committee shall review with senior management of the Trust's asset manager the assessment of the Trust's disclosure controls and procedures and material changes in their design.

Oversight of Finance Matters

19. The Committee shall receive and review:
 - (a) periodic reports on compliance with requirements regarding statutory deductions and remittances, the nature and extent of any non-compliance together with the reasons therefor and the plan and timetable of senior management of the Trust's asset manager to correct any deficiencies;
 - (b) material policies and practices of the Trust respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Trust; and
 - (c) material tax policies and tax planning initiatives, tax payments and reporting and any pending tax audits or assessments.
20. The Committee shall meet periodically with senior management of the Trust's asset manager to review and discuss the Trust's major financial risk exposures and the policy steps the Trust's asset manager has taken to monitor and control such exposures, including the use of financial derivatives and hedging activities.
21. The Committee shall meet with senior management of the Trust's asset manager to review the process and systems in place for ensuring the reliability of public disclosure documents that contain audited and unaudited financial information and their effectiveness.

Business and Ethical Conduct

22. The Committee shall:
 - (a) periodically review and approve any changes to the code of conduct or similar document for any trustees, officers, and representatives of the Trust and be responsible for granting any waivers from the application of such code; and
 - (b) review the monitoring of compliance with such code.

Additional Responsibilities

23. The Committee shall review any significant or material transactions outside the Trust's ordinary activities.
24. If requested by the Board, the Committee shall review and make recommendations to the Trust Board concerning the financial condition of the Trust, including with respect to annual budgets, corporate borrowings, investments, capital expenditures, long term commitments and the issuance and/or repurchase of securities.
25. The Committee shall review and/or approve any other matter specifically delegated to the Committee by the Trust Board and undertake on behalf of the Trust Board such other activities as may be necessary or desirable to assist the Trust Board in fulfilling its oversight responsibilities with respect to financial reporting.

Audit Committee Charter

The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Trust Board. The performance of the Committee shall be evaluated with reference to this Charter annually.

The Committee shall ensure that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements in the annual management information circular or annual information form of the Trust.

SCHEDULE B
DREAM ALTERNATIVES MASTER GP INC.
(the “Corporation”)

AUDIT COMMITTEE CHARTER
(the “Charter”)

PURPOSE

The Audit Committee (the “**Committee**”) is a standing committee appointed by the board of directors of the Corporation (the “**Board**”). The Committee is established to fulfill applicable securities law obligations respecting audit committees and to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting, including to:

- oversee the integrity of the Corporation’s and Dream Alternatives Master LP’s financial statements and financial reporting process, including the audit process and the Corporation’s and Dream Alternatives Master LP’s internal accounting controls and procedures and compliance with related legal and regulatory requirements;
- oversee the qualifications and independence of the external auditors;
- oversee the work of the representatives of Dream Alternatives Master LP’s asset manager with responsibility for financial and internal audit matters, and external auditors in these areas; and
- provide an open avenue of communication between the external auditors, the Board, the Corporation and representatives of Dream Alternatives Master LP’s asset manager.

The function of the Committee is oversight. It is not the duty or responsibility of the Committee or its members (a) to plan or conduct audits, (b) to determine that the Corporation’s or Dream Alternatives Master LP’s financial statements are complete and accurate and are in accordance with International Financial Reporting Standards or (c) to conduct other types of auditing or accounting reviews or similar procedures or investigations. The Committee, its chair and its audit committee financial expert members are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Corporation and Dream Alternatives Master LP, and are specifically not accountable or responsible for the day to day operation or performance of such activities. In particular, the member or members identified as audit committee financial experts shall not be accountable for giving professional opinions on the internal or external audit of the Corporation’s or Dream Alternatives Master LP’s financial information.

Representatives of Dream Alternatives Master LP’s asset manager are responsible for the preparation, presentation and integrity of the Corporation’s and Dream Alternatives Master LP’s financial statements. Representatives of Dream Alternatives Master LP’s asset manager are also responsible for maintaining appropriate accounting and financial reporting principles and policies and systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations. Representatives of Dream Alternatives Master LP’s asset manager are responsible for monitoring and reporting on the adequacy and effectiveness of the system of internal controls. The external auditors are responsible for planning and carrying out an audit of the Corporation’s and Dream Alternatives Master LP’s annual financial statements in accordance with generally accepted auditing standards to provide reasonable assurance that, among other things, such financial statements are in accordance with International Financial Reporting Standards.

PROCEDURES, POWERS AND DUTIES

The Committee shall have the following procedures, powers and duties:

General

- (a) *Composition* – The Committee shall consist of at least three members, all of whom shall be independent within the meaning of National Instrument 52-110 – *Audit Committees* and a majority of whom shall be resident Canadians. All members of the Committee must be or, within a reasonable period following appointment, become financially literate, meaning that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s and Dream Alternatives Master LP’s financial statements.
- (b) *Separate Executive Meetings* – The Committee shall meet periodically with representatives of Dream Alternatives Master LP’s asset manager with responsibility for financial and internal audit matters (“internal auditors”) and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately and such persons shall have access to the Committee to bring forward matters requiring its attention. However, the Committee shall also meet periodically without representatives of Dream Alternatives Master LP’s asset manager present.
- (c) *Professional Assistance* – The Committee may require the external auditors and internal auditors to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may retain such special legal, accounting, financial or other consultants as the Committee may determine to be necessary to carry out the Committee’s duties at Dream Alternatives Master LP’s expense.
- (d) *Reliance* – Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Corporation, including representatives of Dream Alternatives Master LP’s asset manager from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by representatives of Dream Alternatives Master LP’s asset manager and the external auditors as to any information technology, internal audit and other non-audit services provided by the external auditors to the Corporation, Dream Alternatives Master LP and their respective subsidiaries.
- (e) *Reporting to the Board* – The Committee will report through the chair of the Committee to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.
- (f) *Procedure* – The Committee meetings shall be conducted as follows: (i) questions arising at any meeting shall be decided by a majority of the votes cast; (ii) decisions may be taken by written consent signed by all members of the Committee; and (iii) meetings may be called by the external auditors of Dream Alternatives Master LP and the Corporation or any member of the Committee upon not less than 48 hours notice, unless such notice requirement is waived by the Committee members. The external auditors of Dream Alternatives Master LP and the Corporation are entitled to receive notice of every meeting of the Committee and, at the expense of Dream Alternatives Master LP, to attend

and be heard thereat and, if so requested by a member of the Committee, shall attend any meeting of the Committee held during the term of office of the external auditors.

- (g) Unrestricted access to representatives of Dream Alternatives Master LP's asset manager who provide services to Dream Alternatives Master LP and the Corporation, and to the Corporation and Dream Alternatives Master LP information.

AUDIT RESPONSIBILITIES OF THE COMMITTEE

Selection and Oversight of the External Auditors

1. The external auditors are ultimately accountable to the Committee and the Board as the representatives of the shareholder of the Corporation and the partners of Dream Alternatives Master LP and shall report to the Committee and the Committee shall so instruct the external auditors. The Committee shall evaluate the performance of the external auditors and make recommendations to the Board on the reappointment or appointment of the external auditors of the Corporation and Dream Alternatives Master LP and the compensation to be paid by the Corporation and Dream Alternatives Master LP to the external auditors. If a change in external auditors is proposed, the Committee shall review the reasons for the change and any other significant issues related to the change, including the response of the incumbent auditors, and enquire on the qualifications of the proposed auditors before making its recommendation to the Board.
2. The Committee shall approve in advance the terms of engagement of the external auditors with respect to the conduct of the annual audit. The Committee may approve policies and procedures for the pre-approval of services to be rendered by the external auditors, including *de minimis* exceptions, which policies and procedures shall include reasonable detail with respect to the services covered. All non-audit services to be provided to the Corporation, Dream Alternatives Master LP or any of their respective subsidiaries by the external auditors or any of their affiliates which are not covered by pre-approval policies and procedures approved by the Committee shall be subject to pre-approval by the Committee. Any services under pre-approval will be reported at the following meeting.
3. The Committee shall review the independence of the external auditors and shall make recommendations to the Board on appropriate actions to be taken which the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee shall:
 - (a) actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;
 - (b) require that the external auditors submit to it on a periodic basis, and at least annually, a formal written statement delineating all relationships between the Corporation, Dream Alternatives Master LP and their respective subsidiaries, on the one hand, and the external auditors and their affiliates on the other hand;
 - (c) consider the auditor independence standards promulgated by applicable auditing regulatory and professional bodies; and
 - (d) ensure periodic rotation of lead audit partner.
4. The Committee shall establish and monitor clear policies for the hiring by the Corporation or Dream Alternatives Master LP of employees or former employees of the external auditors.

5. The Committee shall require the external auditors to provide to the Committee, and the Committee shall review and discuss with the external auditors, all reports which the external auditors are required to provide to the Committee or the Board under rules, policies or practices of professional or regulatory bodies applicable to the external auditors, and any other reports which the Committee may require.
6. The Committee is responsible for resolving disagreements between representatives of Dream Alternatives Master LP's asset manager and the external auditors regarding financial reporting and the application of any accounting principles or practices. The Committee shall discuss with the external auditors any difficulties that arose with such representatives during the course of the audit and the adequacy of such representatives' responses in correcting audit-related deficiencies.

Oversight of Internal Auditors

7. The Committee shall obtain from the internal auditors and shall review summaries of the significant reports to senior management of Dream Alternatives Master LP's asset manager prepared by the internal auditors, or the actual reports if requested by the Committee, and any responses to such reports.
8. The Committee shall, as it deems necessary, communicate with the internal auditors with respect to their reports and recommendations, the extent to which prior recommendations have been implemented and any other matters that the internal auditor brings to the attention of the Committee. The head of the internal audit function shall have unrestricted access to the Committee.
9. The Committee shall, annually or more frequently as it deems necessary, evaluate the internal auditors including their activities, organizational structure and qualifications and effectiveness and communicate the results of such review to the Board and Dream Alternatives Master LP's asset manager.

Oversight and Monitoring of Audits

10. The Committee shall review with the external auditors, the internal auditors and senior management of Dream Alternatives Master LP's asset manager the audit function generally, the objectives, staffing, locations, co-ordination, reliance upon representatives of Dream Alternatives Master LP's asset manager and internal audit and general audit approach and scope of proposed audits of the financial statements of the Corporation and Dream Alternatives Master LP and their respective subsidiaries, the overall audit plans, the responsibilities of senior management of Dream Alternatives Master LP, the internal auditors and the external auditors, the audit procedures to be used and the timing and estimated budgets of the audits.
11. The Committee shall meet periodically with the internal auditors to discuss the progress of their activities and any significant findings stemming from internal audits and any difficulties or disputes that arise with other representatives of Dream Alternatives Master LP's asset manager and the adequacy of such representatives' responses in correcting audit-related deficiencies.
12. The Committee shall review with senior management of Dream Alternatives Master LP's asset manager the results of internal and external audits.
13. The Committee shall take such other reasonable steps as it may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies.

Oversight and Review of Accounting Principles and Practices

14. The Committee shall, as it deems necessary, oversee, review and discuss with senior management of Dream Alternatives Master LP's asset manager, the external auditors and the internal auditors:
 - (a) the quality, appropriateness and acceptability of the Corporation's and Dream Alternatives Master LP's accounting principles and practices used in its financial reporting, changes in the Corporation's and Dream Alternatives Master LP's accounting principles or practices and the application of particular accounting principles and disclosure practices by representatives of Dream Alternatives Master LP's asset manager to new transactions or events;
 - (b) all significant financial reporting issues and judgements made in connection with the financial statements, including the effect of any alternative treatment within International Financial Reporting Standards;
 - (c) any material change to the Corporation or Dream Alternatives Master LP's auditing and accounting principles and practices as recommended by senior management of Dream Alternatives Master LP's asset manager, the external auditors or the internal auditors or which may result from proposed changes to applicable International Financial Reporting Standards;
 - (d) the effect of regulatory or accounting limitations on the Corporation's or Dream Alternatives Master LP's financial reporting;
 - (e) any reserves, accruals, provisions, estimates or programs and policies of the Corporation or Dream Alternatives Master LP, including factors that affect asset and liability carrying values and the timing of revenue and expense recognition, that may have a material effect upon the financial statements of the Corporation or Dream Alternatives Master LP;
 - (f) any legal matter, claim or contingency that could have a significant impact on the financial statements and any material reports, inquiries or correspondence from regulators or governmental authorities regarding compliance with applicable requirements and any analysis respecting disclosure with regard to any such legal matter, claim or contingency in the financial statements;
 - (g) the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Corporation's or Dream Alternatives Master LP's operations;
 - (h) the use of any "pro-forma" or "adjusted" information not in accordance with International Financial Reporting Standards; and
 - (i) determination of goodwill impairment, if any, as required by applicable accounting standards.

Oversight and Monitoring of Internal Controls

15. The Committee shall, as it deems necessary, exercise oversight of, review and discuss with senior management of Dream Alternatives Master LP's asset manager, the external auditors and the internal auditors:
 - (a) the adequacy and effectiveness of the Corporation's and Dream Alternatives Master LP's internal accounting and financial controls and the recommendations of senior

management of Dream Alternatives Master LP's asset manager, the external auditors and the internal auditors for the improvement of accounting practices and internal controls;

- (b) any material weaknesses in the internal control environment, including with respect to computerized information system controls and security; and
- (c) Dream Alternatives Master LP's asset manager's compliance with the Corporation's and Dream Alternatives Master LP's processes, procedures and internal controls.

Communications with Others

16. The Committee shall:

- (a) periodically review the whistleblower policy of Dream Hard Asset Alternatives Trust (the "**Trust**") or similar document applicable to directors, officers and employees of the Corporation or Dream Alternatives Master LP; and
- (b) review and report the monitoring of compliance with such policy by directors, officers and employees of the Corporation and Dream Alternatives Master LP to the Board.

Oversight of Finance Matters

17. Appointments of the key financial executives involved in the financial reporting process of the Corporation or Dream Alternatives Master LP, including the chief financial officer, shall require the prior review of the Committee.

18. The Committee shall receive and review:

- (a) periodic reports on compliance with requirements regarding statutory deductions and remittances, the nature and extent of any non-compliance together with the reasons therefor and the plan and timetable of senior management of Dream Alternatives Master LP's asset manager to correct any deficiencies;
- (b) material policies and practices of the Corporation or Dream Alternatives Master LP respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Corporation or Dream Alternatives Master LP; and
- (c) material tax policies and tax planning initiatives, tax payments and reporting and any pending tax audits or assessments.

19. The Committee shall meet periodically with senior management of Dream Alternatives Master LP's asset manager to review and discuss Dream Alternatives Master LP's major financial risk exposures and the policy steps Dream Alternatives Master LP's asset manager has taken to monitor and control such exposures, including the use of financial derivatives and hedging activities.

20. The Committee shall meet with senior management of Dream Alternatives Master LP's asset manager to review the process and systems in place for ensuring the reliability of public disclosure documents that contain audited and unaudited financial information and their effectiveness.

Business and Ethical Conduct

21. The Committee shall:
 - (a) periodically review the code of conduct of the Trust or similar document applicable to directors, officers and employees of the Corporation or Dream Alternatives Master LP; and
 - (b) review and report the monitoring of compliance with such code by representatives of the Corporation and Dream Master Alternatives LP to the Board.

Additional Responsibilities

22. The Committee shall review any significant or material transactions outside the Corporation's or Dream Alternatives Master LP's ordinary activities.
23. If requested by the Board, the Committee shall review and make recommendations to the Board concerning the financial condition of the Corporation, Dream Alternatives Master LP and its subsidiaries, including with respect to annual budgets, corporate borrowings, investments, capital expenditures and long term commitments.
24. The Committee shall review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting.

AUDIT COMMITTEE CHARTER

The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Board. The performance of the Committee shall be evaluated with reference to this Charter annually.