

SUBSCRIPTION AGREEMENT

MALACHITE AGGRESSIVE PREFERRED FUND

TO: MALACHITE AGGRESSIVE PREFERRED FUND

A. SUBSCRIPTION

The undersigned (the "Subscriber") hereby irrevocably subscribes for up to _____ units
_____ (the "Units") of Malachite Aggressive Preferred Fund (the "Fund") for an aggregate subscription price of
Client \$_____.

Manager

The Subscriber agrees to pay the aggregate subscription price on or before such date determined by the Manager (as defined below) by:

- (a) delivery of a certified cheque or bank draft made payable to the order of the MALACHITE AGGRESSIVE PREFERRED FUND, and/or
- (b) the delivery and transfer of securities to the Fund, provided such securities accord with the investment objectives of the Fund. A schedule of any securities to be transferred is attached, as are transfer documents. The Subscriber hereby acknowledges that the value of the securities transferred will be determined on _____. The fee charged by the Manager for acceptance of these securities will be \$_____.

Client

Manager

The Subscriber acknowledges that participation in the Fund is subject to the acceptance of this subscription by the Manager of the Fund, Hymas Investment Management Inc. (the "Manager"). The Subscriber acknowledges and agrees that, upon acceptance of this subscription, they will be bound by the terms and conditions set out in the Declaration of Trust dated March 19, 2001 and the Regulation thereunder establishing the Fund dated March 19, 2001 (collectively, the "Declaration of Trust"). The subscription and any subscription monies, cheque or securities representing subscription monies shall be returned, without interest, to the undersigned at the address indicated below by such date determined by the Manager if this subscription is not accepted.

In consideration of the Manager accepting this subscription and conditional thereon, the Subscriber agrees to be bound as a unitholder in the Fund by the terms of the Declaration of Trust as from time to time amended and in effect.

The Subscriber represents and warrants that:

- (a) they have the capacity and competence and, if a corporation, have the necessary corporate authority to execute this subscription;
- (b) they are resident in the jurisdiction set out on the execution page hereof and such address is the residence or place of business of the Subscriber not created or used solely for the purpose of acquiring Units and they were not offered the Units and did not execute this subscription agreement in any other jurisdiction;

- (c) they are acquiring the Units as principal for their own account, to be held for investment only and not for the benefit of any other person and not with a view to resale or distribution of any or all of the Units;
- (d) if they are a corporation or a syndicate, partnership, trust, investment club or other unincorporated organization, they were not created nor are being used primarily to permit purchases without a prospectus;
- (e) they are not purchasing the Units as a result of any general solicitation or general advertising, including advertisements, articles, notices or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising;
- (f) they have not received or reviewed any material which appears or purports to describe the business and affairs of the Fund that has been prepared primarily for delivery to and review by the Subscriber so as to assist them to make an investment decision relating to the Units;
- (g) they have such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder in the Units and are able to bear the economic risk of loss of such investment;
- (h) they have obtained such professional advice and made such independent investigation of this investment as they deem appropriate in reaching their decision to invest; and
- (i) the decision to enter into this subscription and to purchase the Units is based solely upon their own investigations and they have not relied on any representations and warranties or information (oral or written) other than as set forth herein.

The undersigned hereby acknowledges that **(please initial one)**:

_____ I am an individual who, alone, or jointly with my spouse, beneficially own financial assets (cash, cash equivalents and securities) having an aggregate net realizable value exceeding \$1.0 million; or

_____ I am an individual whose net income exceeded \$200,000 in each of the two most recent years, or whose joint net income with my spouse exceeded \$300,000 in each of those years and have, in either case, a reasonable expectation of exceeding the same net income level in the current year; or

_____ It is a company, limited partnership, limited liability partnership, trust or estate, other than a mutual fund or non-redeemable investment fund, that had net assets of at least \$5,000,000 as shown on its most recently prepared financial statements dated _____ (copy attached); or

_____ It is a registered charity under the *Income Tax Act* (Canada);

_____ It is a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a provincial pension commission or similar regulatory authority; or

_____ The Units purchased have an aggregate acquisition cost of not less than \$150,000.

The Subscriber understands and acknowledges that:

- (a) the Units have not been qualified by way of prospectus in any jurisdiction in Canada under Canadian securities legislation;
- (b) they are acquiring the Units in a transaction that is exempt from the prospectus requirements in Ontario, by virtue of the Ontario Securities Commission Rule 45-501 Exempt Distributions; and
- (c) the Units are subject to resale restrictions contained in Canadian securities legislation and the laws of any jurisdiction into which the Subscriber may sell the Units.

B. FEES

The Subscriber understands and agrees that they will pay a management fee to the Manager in respect of their investment in Units of the Fund. The management fee will be calculated quarterly in arrears, commencing with the first calendar quarter following the acquisition of Units of the Fund by the Subscriber. Fees will be calculated in accordance with the following schedule, based on the average value of the Units of the Fund held by the Subscriber during the period measured:

On the first: <u>\$500,000</u>	Rate charged: <u>1% per annum</u>
On the next: <u>\$500,000</u>	Rate charged: <u>0.75% per annum</u>
On the balance:	Rate charged: <u>0.5% per annum</u>

Fees are subject to G.S.T. The Manager will provide the Subscriber with an invoice (the "Invoice") for the management fee as they are calculated.

The Subscriber shall pay the management fee as follows (**initial one**):

_____ (initial here) The Subscriber hereby authorizes the Manager to pay the management fee through redemption of Units of the Fund on the final valuation date of the period. Such redemptions shall not be subject to redemption fees. No further instructions to the Manager are required for such redemptions to be processed.

Manager

OR

_____ (initial here) The Subscriber shall pay the fees by cheque payable to the Manager upon receipt of the Invoice.

The Subscriber hereby acknowledges a 1.0% redemption fee will be charged by the Fund on redemptions of Units of the Fund held for less than one year. Redemption fees will not be charged on Units purchased through the automatic reinvestment of distributions made by the Fund or on the redemption of Units to satisfy the management fee payable hereunder. In the event of partial redemption of Units, Units not liable for redemption fees will be considered to have been redeemed first.

In the event that redemptions by a Subscriber results in the Subscriber's investment in the Fund being less than the greater of (a) \$50,000 or (b) the management fee accrued hereunder, the Manager may, and the Subscriber hereby authorizes the Manager to, (a) redeem the remaining Units in the Fund, and/or (b) deduct the management fees from the proceeds directed to the Subscriber.

C. DISTRIBUTIONS

Distributions by the Fund shall automatically be reinvested in additional Units of the Fund, unless the Subscriber provides alternate written instructions to the Manager prior to the close of business on the relevant

valuation date. The Subscriber's current instructions regarding the disposition of distributions by the Fund are as follows (**please initial as appropriate**):

_____	Capital Gains	_____ Re-invest	_____ Forward to Client
Manager			
_____	Dividend Income	_____ Re-invest	_____ Forward to Client
Manager			
_____	Interest Income	_____ Re-invest	_____ Forward to Client
Manager			

These instructions may be changed prior to the close of business on any valuation date on which a distribution is expected.

Dated this _____ day of _____, _____.

If an Individual:

(Witness)

Signature of Subscriber

Name of Subscriber (please print)

Name and title of person signing (if not the subscriber)

Social Insurance Number (if applicable)

Contact Person if a Corporation

Telephone Number

Acceptance

This subscription is accepted by the Manager of the Fund in the City of Toronto on the

_____ day of _____, _____.

HYMAS INVESTMENT MANAGEMENT INC.

by: _____

Mailing Address

Telephone Number:

E-mail Address: