

TOSCANA FINANCIAL INCOME TRUST

DISTRIBUTION REINVESTMENT AND OPTIONAL UNIT PURCHASE PLAN

Features of the Plan include the following

- Eligible Unitholders of Toscana Financial Income Trust ("Toscana") may elect to direct distributions paid on Class A trust units of Toscana ("Class A Units") or Class B trust units of Toscana ("Class B Units") towards the purchase of additional units of the same class. Currently, the Board of Directors of Toscana Capital Corporation, the administrator of Toscana (the "Administrator") has deemed that holders (the "Eligible Unitholders") of Class A Units and Class B Units (collectively, "Eligible Units") are eligible to participate in the Distribution Reinvestment and Optional Unit Purchase Plan (the "Plan").
- Eligible Unitholders may purchase additional Class A Units or Class B Units, as applicable (an "Optional Unit Purchase"), by investing additional sums ("Optional Cash Payments") within the limits established by the Plan.
- Class A Units or Class B Units are purchased by Valiant Trust Company (the "Plan Agent" or "Valiant") who acts on behalf of Eligible Unitholders who have elected to participate in the Plan ("Participants"). The Plan Agent purchases such Class A Units or Class B Units directly from Toscana.
- Class A Units or Class B Units purchased by the Plan Agent from Toscana are purchased at the Investment Price (as hereinafter defined). (For more information, see the paragraph entitled "Price of New Class A Units or Class B Units").
- Participants do not pay any costs associated with the Plan, including the payment of brokerage commissions.
- Statements of account will be mailed to each Participant quarterly.
- Reinvestment of distributions does not affect tax liability. Participants should consult their own tax advisor as to the consequences of participation in the Plan.
- If holders of Class A Units and Class B Units (collectively, "Unitholders") do not participate, distributions will continue to be paid in the usual manner.

Participants and prospective Participants may obtain more information about the Plan at the Plan Agent's website at www.valianttrust.com. Information about Toscana can be obtained by contacting Toscana at the address provided below.

This document does not address any tax considerations of participation in the Plan other than those certain Canadian federal income tax considerations discussed under the heading "*Certain Canadian Federal Income Tax Considerations*". Eligible Unitholders who are resident in jurisdictions other than Canada should consult their own tax advisors with

respect to the tax implications in such jurisdictions of participation in the Plan and of owning Class A Units or Class B Units.

Purpose

The Plan allows Eligible Unitholders to conveniently purchase additional Class A Units or Class B Units, as the case may be, by reinvesting their distributions from Eligible Units or by making an Optional Cash Payment.

Participation

Except as described below, an Eligible Unitholder may join the Plan at any time by completing an Authorization Form and sending it to the Plan Agent no later than one (1) business day prior to the applicable distribution record date (the "Distribution Record Date"). An Authorization Form may also be obtained from Valiant's website at www.valianttrust.com or directly from the Plan Agent upon request.

A registered Eligible Unitholder shall become a Participant in the Plan as of the first Distribution Record Date following receipt by the Plan Agent of a properly completed Authorization Form. If an Authorization Form is received by the Plan Agent after one (1) business day prior to the applicable Distribution Record Date, participation in the Plan will commence with the next Distribution Record Date.

Under the terms of the Plan, Eligible Unitholders may:

- (i) direct the Plan Agent to reinvest distributions on all of the Eligible Units registered in a particular name or manner for the acquisition of Class A Units or Class B Units, as applicable; and
- (ii) direct the Plan Agent to purchase additional Class A Units or Class B Units, as applicable, with the Optional Cash Payment, subject to a minimum of \$1,000.

Optional Cash Payments may be made by registered owners of Eligible Units enrolled in the Plan. Such a Participant may make Optional Cash Payments by delivery to the Plan Agent of a Cash Payment Form, the form of which may be obtained from Valiant's website at www.valianttrust.com or directly from the Plan Agent upon request, and a certified Canadian dollar cheque made payable to the Plan Agent for the applicable amount. Participants who are resident in the United States or are otherwise subject to the applicable laws of the United States must also deliver to the Plan Agent a Client Identification by Agent Form, the form of which may be obtained from Valiant's website at www.valianttrust.com or directly from the Plan Agent upon request. Please refer to the form for detailed instructions on how to participate. All Optional Cash Payments must be received by the Plan Agent no later than 3:00 p.m. on the business day immediately prior to the Distribution Record Date. In order for Optional Unit Purchases to comply with the requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, Optional Cash Payments made by Participants must be in the form of a certified cheque drawn from a Canadian bank account that is held in the name of the Participant. Participants must also deliver an Anti-Money Laundering (AML) Declaration Form to the Plan

Agent. Payments that do not comply with this requirement will be returned to the Participant. No bank drafts or money orders will be accepted by the Plan Agent.

Beneficial owners of Eligible Units whose Eligible Units are not registered in their own names or are held in a specific segregated registered account, such as a numbered account with a bank, trust company or broker, may participate in the Plan after having at least one Eligible Unit transferred into their own names or direct the registered holder to enrol their account in the Plan. Each beneficial owner of Eligible Units will only be entitled to enrol in the Plan under one account, notwithstanding that a registered holder of Eligible Units or a beneficial holder of Eligible Units may have their Eligible Units registered in multiple names, addresses or accounts. Once a holder of Eligible Units has enrolled in the Plan, participation continues automatically unless terminated in accordance with the terms of the Plan.

Once enrolled in the Plan, beneficial owners of Eligible Units whose Eligible Units are registered in the name of another person may make Optional Unit Purchases through their nominee by arranging for such nominee to tender Optional Cash Payments, together with a completed Cash Payment Form, to the Plan Agent. A Unitholder who wishes to make Optional Cash Payments on behalf of one or more beneficial owners must make the declaration set forth in the Cash Payment Form that (i) it is making the Optional Cash Payment on behalf of one or more beneficial owners of Eligible Units that are registered in the nominee's name, (ii) it has applied to participate in the distribution reinvestment component of the Plan on behalf of each such beneficial owner, (iii) at least \$1,000 per remittance is being paid on behalf of each beneficial owner, and (iv) it has complied with the applicable provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and Regulations thereunder.

Method of Purchase

Distributions payable on the Eligible Units registered in the Plan, will be applied automatically on each date on which the cash distribution is payable (the "Distribution Payment Date") to the purchase of Class A Units or Class B Units, as applicable.

A Participant may also purchase additional Class A Units or Class B Units, as applicable, by making an Optional Cash Payment. Such payments must be received no later than the Distribution Record Date in order to be invested in new Class A Units or Class B Units, as applicable, on the Distribution Payment Date. Optional Cash Payments received by the Plan Agent after the above date will not be invested in new Class A Units or Class B Units, as applicable, until the next Distribution Payment Date. There is no obligation to make an Optional Unit Purchase and the amount of the Optional Cash Payment (subject to the minimum limit specified herein) may vary from time to time. However, once a Cash Payment Form is received by the Plan Agent, a direction to purchase new Class A Units or Class B Units with Optional Cash Payments is irrevocable and funds will only be returned to the Participant if such funds are, for any reason, not invested in new Class A Units or Class B Units, as applicable, on a particular Distribution Payment Date.

A Participant's account will be credited with the number of applicable Class A Units or Class B Units which is equal to the amounts to be invested for such Participant divided by the applicable Investment Price.

No fractional Class A Units or Class B Units will be purchased under the Plan and Eligible Unitholders will receive a cheque in lieu of any fractional Class A Units or Class B Units after the applicable Distribution Payment Date.

Class A Units or Class B Units issued pursuant to the Plan will initially be registered in the name of Valiant Trust Company as Plan Agent for the Participants. If Valiant ceases to act as the Plan Agent under the Plan, another Plan Agent will be designated by the Administrator and Participants will be promptly notified of the change.

If there are insufficient funds to cover the acquisition cost by the Plan Agent for the Plan Units of any Participant, the Plan Agent may sell any Plan Units and utilize any cash in the Participant's account.

Proration in Certain Events

The Administrator, on behalf of Toscana, will determine on or before each Distribution Record Date the amount of equity, if any, that will be made available under the Plan on any Distribution Record Date. If, in respect of any Distribution Record Date, fulfilling all of the elections under the Plan would result in Toscana exceeding the limit on new equity set by the Administrator, on behalf of Toscana, then elections for the purchase of new Class A Units or Class B Units, as the case may be, on that Distribution Record Date will be accepted: (i) first, from Participants electing to reinvest their distributions in new Class A Units or Class B Units, as applicable, under the distribution reinvestment component of the Plan; and (ii) second, from Participants electing to make Optional Unit Purchases of the Class A Units or Class B Units, as applicable. If Toscana is not able to accept all elections in a particular category, then purchases of Class A Units or Class B Units, as applicable, in that category on the applicable Distribution Record Date will be prorated among all Participants in that category according to the number of additional Class A Units or Class B Units, as applicable, sought to be purchased. Any Optional Cash Payments, or portion thereof, not used to purchase new Class A Units or Class B Units shall be returned to Participants who elected to make an Optional Unit Purchase.

If the Administrator, on behalf of Toscana, determines not to issue any equity through the Plan on a particular Distribution Record Date, then all Participants will receive the distribution to which they would otherwise be entitled and all Optional Cash Payments shall be returned to Participants who elected to make an Optional Unit Purchase.

Price of New Class A Units or Class B Units

The price at which the new Class A Units or Class B Units shall be issued will be based on the Net Asset Value per Trust Unit (as such term is defined in the Declaration of Trust of Toscana then in effect) for the Class A Units and the Class B Units, as applicable (the "Investment Price").

Date of Unit Purchase

The purchase of Class A Units or Class B Units shall take effect on the Distribution Payment Date.

In no event will interest be paid to Participants on any funds held on their behalf.

Cost

No commissions, service charges or brokerage fees are payable by Participants in connection with the purchase of Class A Units or Class B Units under the Plan. All administrative costs of the Plan, including the fees and expenses of the Plan Agent, will be borne by Toscana.

Statement of Account

The Plan Agent will maintain an account for each Participant in the Plan. A statement of account will be mailed by the Plan Agent to each Participant on a quarterly basis. This statement will set out the amount of the distributions paid on the Participant's Eligible Units for the relevant period, the number of new Class A Units or Class B Units, as applicable, purchased or issued through the Plan for the period, the dates of these purchases or issuances, the applicable Investment Price per Class A Units or Class B Units and the updated total number of Class A Units or Class B Units being held for the Participant in the Plan. These statements are a Participant's continuing record of the cost of purchases and should be kept for tax purposes. In addition, each Participant will receive the appropriate information annually for reporting distributions for tax purposes.

Unit Certificates

Generally, certificates for new Class A Units or Class B Units purchased through the Plan will be held for Participants and reported on the statement of account. This service protects against loss, theft or destruction of such certificates. However, Participants who require a unit certificate but who do not wish to terminate participation in the Plan, may obtain a certificate for any number of Class A Units or Class B Units held in their account by duly completing a Withdrawal Request Form. A Withdrawal Request Form may be obtained from the Plan Agent's website at www.valianttrust.com or from the Plan Agent directly.

Plan accounts are maintained in the names in which certificates were registered at the time the Participant enrolled in the Plan. Consequently, certificates for Class A Units or Class B Units withdrawn from the Plan will be registered in exactly the same manner when issued.

Class A Units or Class B Units being held for a Participant in the Plan may not be pledged, sold or otherwise disposed of by a Participant. The Participant who wishes to do so must request that a certificate for the required number of Class A Units or Class B Units be issued before such action may be taken. Certificates will generally be issued to Participants within two weeks of receipt by the Plan Agent of a Participant's withdrawal request.

Termination of Participation

Participation in the Plan may be terminated by completing the termination portion of a Participant's statement of account or by completing a Withdrawal Request Form and delivering it to the Plan Agent, signed by the registered holder or his, her or its agent. If such notice is not signed by the registered holder, sufficient evidence of another's authority to act on behalf of the registered holder must be supplied. If notice of termination is not received by the Plan Agent at

least five (5) business days prior to the Distribution Record Date, settlement of the Participant's account will not commence until after the investment has been completed.

Generally, a termination will be processed within two (2) weeks of receipt by the Plan Agent of a written request for termination. The Plan Agent does not sell Class A Units or Class B Units or provide cash for any Class A Units or Class B Units held for Participants.

When a Participant terminates participation in the Plan, or when the Plan is terminated by the Administrator, on behalf of Toscana, the Participant will receive a certificate for all Class A Units or Class B Units held in the Participant's account, a cash payment for any fraction of a Class A Unit or Class B Unit, as applicable, and the return of any uninvested Optional Cash Payments.

In the event of the death of a Participant, participation in the Plan will be terminated by the Plan Agent upon receipt of a written direction to terminate and documentation satisfactory to the Plan Agent from any person acting in a representative or fiduciary capacity. The Plan Agent will arrange for the delivery of a certificate for the number of Class A Units or Class B Units, as applicable, contained in the deceased Participant's account and the return of any uninvested Optional Cash Payments. If a written termination notice or notice of a Participant's death is received by the Plan Agent less than five (5) business days prior to the Distribution Record Date, settlement of the Participant's account will not commence until after the investment has been completed. Requests for issuance of a certificate must be accompanied by appropriate documentation.

After termination of participation in the Plan, all distributions will be paid in cash to the registered account holder.

Beneficial owners of Eligible Units enrolled in the Plan are encouraged to contact their nominee for instructions on how to terminate their enrolment in the Plan.

Disposition of Class A Units or Class B Units held in Certificate Form

If a Participant sells or transfers some or all of his or her Class A Units or Class B Units held in certificate form that are enrolled in the Plan, the Plan Agent will continue to invest the distributions on the Eligible Units being held for the Participant in the Plan until a notice of termination is received by the Plan Agent.

Offerings

If Toscana makes available to registered holders of Eligible Units rights to subscribe for additional Class A Units or Class B Units, as applicable, or other securities, rights and certificates will be forwarded to Participants in proportion to the number of whole Class A Units or Class B Units being held for them.

Distributions and Splits

Any distribution of Class A Units or Class B Units (other than a distribution paid as a result of participation in the Plan) and any Class A Units or Class B Units, as the case may be, resulting

from a split of Class A Units or Class B Units, will be credited to the Participant's account based on the Class A Units or Class B Units being held for the Participant in the Plan. Certificates for Class A Units or Class B Units resulting from such a distribution or split on Class A Units or Class B Units, as the case may be, held in certificate form by a Participant, will be mailed directly to the Participant in the same manner as to holders of Class A Units or Class B Units who are not participating in the Plan.

Voting

Class A Units or Class B Units held under the Plan in a Participant's account on the record date for a vote of unitholders of Toscana will be voted in accordance with the instructions of the Participant given on a form to be furnished by the Plan Agent to the Participant. Class A Units or Class B Units for which instructions are not received will not be voted.

Responsibility of Toscana and the Plan Agent

None of Toscana, the Administrator or the Plan Agent shall be liable for any act or for any omission to act undertaken or omitted in good faith, or have any duties, responsibilities or liabilities except as are expressly set forth in the Plan or are required by law. In particular, Toscana and the Plan Agent must comply with all applicable laws now or hereafter in force which may impose a duty to permit any properly authorized party to have access to, and examine and make copies of, any records relating to the Plan.

The Plan Agent shall at any time upon becoming aware, as a result of being so advised by the Administrator, on behalf of Toscana, or otherwise, that an Eligible Unitholder is participating or attempting to participate in the Plan as more than one Participant, including without limitation by registering the Class A Units or Class B Units, as applicable, beneficially held by such Eligible Unitholder in multiple names and addresses or in variations of the same name and address, notify Toscana of the circumstances of such participation or attempted participation, assist Toscana in evaluating those circumstances and, if so advised by Toscana in its sole discretion, take such actions as are appropriate, including without limitation to consolidate such participation to one Participant or terminate such Eligible Unitholder's participation in the Plan.

Participants should recognize that neither Toscana nor the Plan Agent can assure a profit or protect against a loss on Class A Units or Class B Units purchased under the Plan.

Amendment, Suspension or Termination of the Plan

The Administrator, on behalf of Toscana, reserves the right to amend, suspend or terminate the Plan at any time upon not less than thirty (30) days' prior notice to the Participants, provided that any action to amend, suspend or terminate the Plan shall have no retroactive effect if it would prejudice the interests of the Participants. Participants will be sent written notice of any such amendment, modification, suspension or termination. If the Plan is terminated by the Administrator, on behalf of Toscana, Participants will receive a certificate for the Class A Units or Class B Units being held for them and the return of any uninvested Optional Cash Payments. In the event the Administrator, on behalf of Toscana, suspends the Plan, no investment will be made by the Plan Agent immediately following the effective date of such suspension. Any Optional Cash Payments which are not invested as of the effective date of such suspension and

any distributions subject to the Plan paid after the effective date of such suspension will be remitted by the Plan Agent to the Participants.

Certain Canadian Federal Income Tax Considerations

General

The following is a general summary of the principal Canadian federal income tax considerations generally applicable to Eligible Unitholders who participate in the Plan. **This summary is of a general nature only, is not exhaustive of all possible tax considerations and is not intended to be legal or tax advice to any particular Participant. As a Participant, it is your responsibility to consult your own tax advisor on the tax consequences of participating in the Plan.**

This summary is based on the provisions of the *Income Tax Act* (Canada) (the "Tax Act") and the regulations thereunder (the "Regulations"), all specific proposals to amend the Tax Act or the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) and the current published administrative policies and assessing practices of the Canada Revenue Agency, all as of June 1, 2010. This summary does not otherwise take into account or anticipate any changes in law or administrative practice, nor does it take into account provincial or territorial laws of Canada or the tax laws of any other country, including, without limitation, any changes which may occur after June 1, 2010.

This summary assumes that all Class A Units or Class B Units held by a Participant, including Class A Units or Class B Units acquired under the Plan, are held by the Participant as capital property. Generally, the Class A Units or Class B Units will be considered to be capital property to a Participant provided the Participant does not hold the Class A Units or Class B Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Participants who might not otherwise be considered to hold their Class A Units or Class B Units as capital property may, in certain circumstances, be entitled to have the Class A Units or Class B Units, and all other "Canadian securities" (as defined in the Tax Act) owned by such Participants, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

Residents of Canada

This portion of the summary is applicable to Participants that are resident in Canada for the purposes of the Tax Act. This summary is not applicable to: (i) a Participant that is a "financial institution", a "specified financial institution" or a "restricted financial institution" (each as defined in the Tax Act); (ii) a Participant an interest in which would be a "tax shelter investment" (as defined in the Tax Act); or (iii) a Participant who has made or will make a "functional currency" election under the Tax Act to determine its Canadian tax results in a currency other than Canadian currency.

Distributions

The reinvestment of distributions on Eligible Units pursuant to the Plan does not relieve a Participant of any liability for income taxes that may otherwise be payable on such distributions. To the extent that a distribution from Toscana would be included in the income of Participants for purposes of the Tax Act, such amount will be included in the income of Participants who elect to reinvest such amount in Eligible Units under the Plan.

Capital Gains

A Participant will not realize any taxable income, gain or loss on the receipt of a certificate for the Class A Units or Class B Units in his or her account.

A Participant who holds Class A Units or Class B Units as capital property will generally realize a capital gain (or a capital loss) on the disposition of Class A Units or Class B Units, as the case may be, equal to the amount by which the proceeds of disposition exceed (or are less than) the adjusted cost base to the Participant of such Class A Units or Class B Units, as the case may be, plus reasonable costs of disposition. For purposes of determining the amount of any capital gain or capital loss which may result from the disposition of Class A Units or Class B Units, the adjusted cost base of a Class A Unit owned by a Participant will be the average cost of all Class A Units owned by the Participant and the adjusted cost base of a Class B Unit will be the average cost of all Class B Units owned by the Participant, whether such Class A Units or Class B Units are acquired through reinvesting distributions through Optional Unit Purchases or otherwise acquired outside the Plan. The amount added to a Participant's income in respect of the Participant's election to reinvest distributions from Toscana in accordance with the Plan will be added in computing the adjusted cost base to the Participant of the Class A Units or Class B Units, as applicable.

One-half of any capital gain (a "taxable capital gain") realized by a Participant on a disposition of a Class A Unit or a Class B Unit must be included in the Participant's income for the year of disposition. One-half of any capital loss (an "allowable capital loss") generally may be deducted by the holder against taxable capital gains for the year of disposition. Any allowable capital losses in excess of taxable capital gains for the year of disposition generally may be carried back up to three taxation years or carried forward indefinitely and deducted against taxable capital gains in such other years to the extent and under the circumstances described in the Tax Act.

A Participant that is throughout the relevant taxation year a "Canadian controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax of 6 2/3% on its "aggregate investment income" (as defined in the Tax Act), which will include an amount in respect of taxable capital gains.

Non-Residents of Canada

The fact that distributions on Eligible Units are reinvested under the terms of the Plan does not relieve a Participant who is not resident in Canada, including a Participant who is resident in the United States, (a "**Non-Resident Participant**") of any liability for Canadian withholding tax applicable to the distribution. The amount of any distribution designated by a Non-Resident Participant for reinvestment under the Plan will be reduced by the non-resident withholding tax applicable thereto. The rate of withholding tax under the Tax Act on distributions out of income

is generally 25% of the amount of income of Toscana distributed to a Non-Resident Participant unless reduced by the terms of an applicable treaty. Where the Non-Resident Participant is a United States resident entitled to benefits under the *Canada-United States Income Tax Convention, 1980*, the rate of Canadian withholding tax is generally reduced to 15%.

Additional Canadian income tax considerations may be relevant to Non-Resident Participants who participate in the Plan, including Canadian income tax considerations that may arise upon a disposition of Class A Units or Class B Units. Non-Resident Participants should consult their own Canadian tax advisors.

Additional Forms and Information

Additional forms and Plan information can may be obtained at any time from the Plan Agent's website at www.valianttrust.com or by calling the Plan Agent at 1-866-313-1872.

Information regarding the Plan and the material attributes and characteristics of the Class A Units or Class B Units can be obtained by contacting Toscana at the address below.

Notices

All notices required to be given to a Participant in the Plan will be mailed to the Participant at the most recent address shown on the records of the Plan Agent.

Participants may contact the Plan Agent at 1-866-313-1872. If preferred, written communications to the Plan Agent such as requests for forms or information regarding the Plan may be directed to:

Valiant Trust Company
310, 606 4th St SW
Calgary, AB T2P 1T1

Attention: Senior Manager, Client Services

Effective Date

The effective date of this Plan is June 1, 2010.

Any issues of interpretation arising in connection with the Plan or its application shall be conclusively determined by the Administrator, on behalf of Toscana.