

*"A positive human footprint
our commitment, our legacy."*



treegroup[™]
everybody wins





LAKE OKANAGAN, PEACHLAND AND PONDEROSA

Ponderosa

PEACHLAND

PONDEROSA HIGHLIGHTS

Authentic Okanagan Living

Spectacular Views. Sustainable Features. New Homes For Every Budget.

Ponderosa is Okanagan real estate at its finest. This new Okanagan community has been thoughtfully designed to integrate with the existing charm and character of the town of Peachland. The 400-acre new home community will include real estate opportunities for every budget, a new Greg Norman signature golf course and access to a world of outdoor adventure. All this with the benefits of a dynamic Peachland waterfront community.

The treegroup way

Deeply Committed
Projects are always funded with a large portion of our own capital.

Clear Objective
Provide attractive total return through income and growth of capital, with a focus on sustainable distribution and downside protection.

Attractive Income
Every basis point counts, our income oriented investments strive to provide highly competitive distributions.

Thoughtful Risk
Relentless due diligence, third party governance, modest use of debt, full disclosure, value development, momentum construction and predetermined action plans to navigate uncertain environments.

Investor Priority
Whether it is return of capital, income or client interest, our investors always come first.

Flexible Structure
Investments most often eligible under all usual statutes including RRSPs, TSFAs, RRIFs, DPSPs and RESP.

Competitive Growth
Above average returns versus our peers, without sacrificing security.

Proven Strategy
Projects are process driven utilizing Treegroup's time tested, land development and construction process that blends environmental and social awareness with financial acumen.

Spectacular views of Lake Okanagan and the valley
Integrated with the Peachland waterfront and vibrant town centre
Waterfront bedroom community of Kelowna
2,300 housing units of all types to appeal to diverse home buyers
Public hiking trail system
Greg Norman Golf Course
Closest Okanagan community to Vancouver by highway
Easy access to Kelowna International Airport
Fastest growing regional district in British Columbia
Westbank First Nations is a joint venture partner
Peachland council, community, and residents have either approved or support the project. Ponderosa Fund

CONTACT
Brad Simpson
Vice President, Capital Investment
Treegroup Developments Corp.
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E: bsimpson@treegroup.ca

ponderosaliving.ca

Investment Type:
Mortgage Investment Trust

Term:
5 Years

Income:
10.2% per annum, paid quarterly

Growth:
Potential to double investment

Risk:
First Mortgage*



WHO ARE WE

We are North America's **leading community builder**. We are **proud** of our **track record** of balancing the **needs of the company** and its **stakeholders** with those of the **greater community** and **all who live** within or around it.



WHO ARE **WE**

- **Norm Porter** *Chairman-CEO*
- **Derek Chichak** *President-COO*
- **Bruce Martinuik** *EVP*
- **Bert Paul** *CFO*
- **Brad Simpson** *VP Capital Investment*
- **Ronald Chu** *VP Construction*
- **Rod Sopko** *VP Sales and Marketing*



WHO ARE WE

Peter & Debbie Humphrey
Owner & Chief Engineer
BM&M Manufacturing

Sawarne Sangara
President
Sawarne Lumber

Hiten & Sunita Kantelia

Ed Goertzen
President
Goertzen Enterprises

Hugh Porter
Owner
Lone Pine Equipment

Bruce Der
President
A.H. Lundberg Systems Limited.

R. Keith Thompson
Associate Counsel
Owen Bird

Don & Carole Chalmers

Bryan Gour
Owner,
Langley Excavator Parts Exchange

Ed Fujii, PEng
President & CEO
Aplin and Martin Consultants Ltd.

Jerry Luking
President
Lakewood Developments Group

Bruce Francis

Bill & Cathy Carpenter
President and Co-Proprietor
Hillside Estate Winery

Curtis Hicks, CA
Executive Vice President & Chief
Financial Officer
Vermillion Energy

Frank Renou
President and Chief Executive
People Trust

Asheet Ruarell
President
AVR Enterprises



WHO ARE WE





HOW WE HAVE DONE



We have provided solid rates of return, in reasonable time periods by completing a large number of quality community based projects within countless economic environments.



HOW DO WE DO IT



THE Treegroup WAY

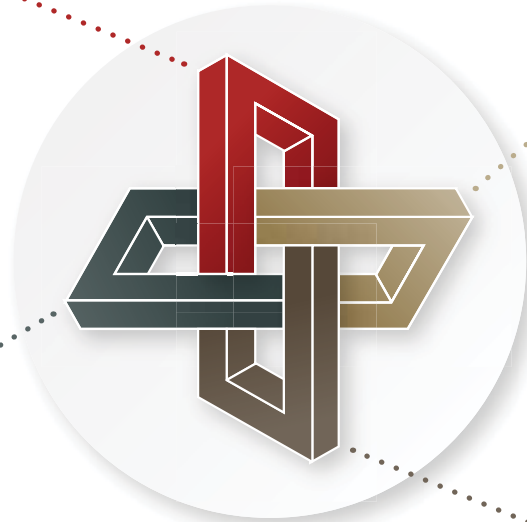


THE Treegroup WAY

We Have To See It
To **Believe It**

All Of Us Are
In This Together

Give Them
Something
To **Talk About**



Keep It Real

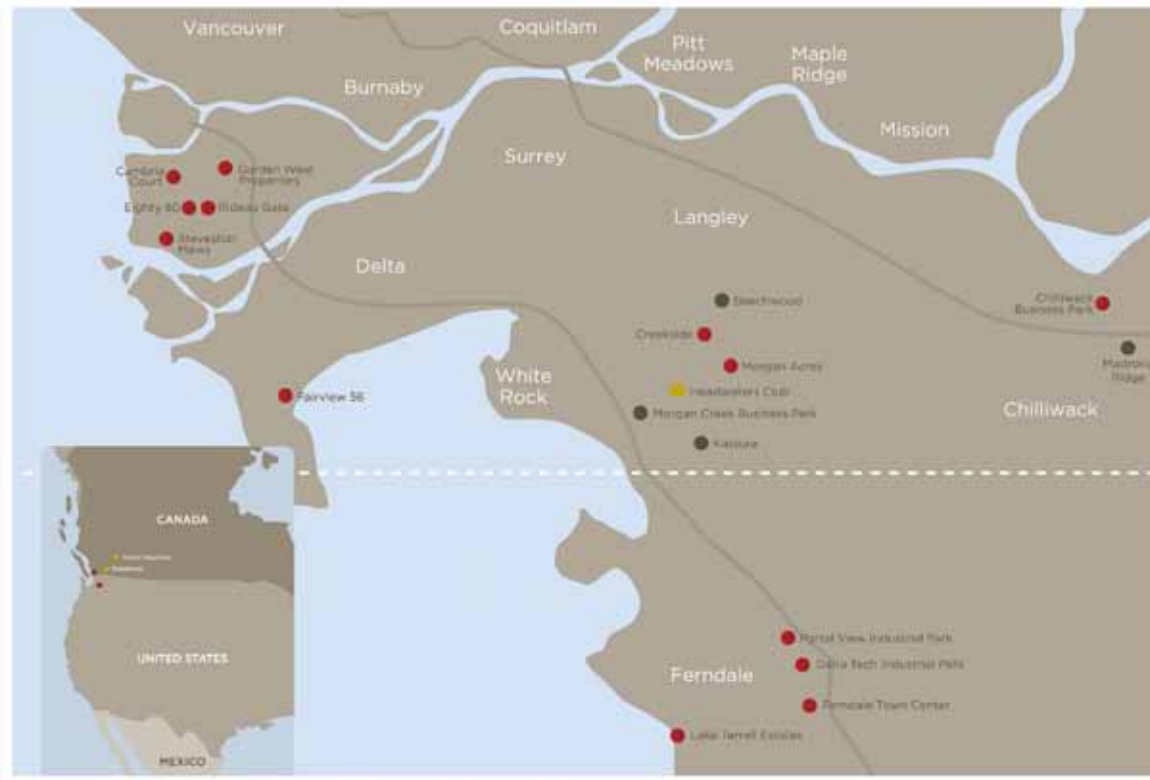


INVESTMENT **PRINCIPLES**

- DEEPLY COMMITTED
- CLEAR OBJECTIVE
- ATTRACTIVE INCOME
- THOUGHTFUL RISK
- INVESTOR PRIORITY
- FLEXIBLE STRUCTURE
- COMPETITIVE GROWTH
- PROVEN STRATEGY



BUILDING **COMMUNITIES** WHERE **EVERYBODY WINS**



Current Projects

- Ponderosa
- Headwaters
- Aspen Meadows
- Salal on Promontory
- Katsura
- Morgan Creek Business Park
- Hotel El Oasis

Past Projects

- Tsawwassen Mews
- Cambria Court
- Eighty 80
- Morgan Acres,
- Chilliwack Business Park
- Portal View Industrial Park
- Delta Tech Industrial Park
- Ferndale Town Center
- Lake Terrell Estates
- Garden West Properties
- Rideau Gate
- Creekside
- Steveston Mews



NEW STRUCTURE: MIT MORTGAGE INVESTMENT **TRUST**

FIXED INCOME



MIC

1st Mortgage
Interest Income

+

EQUITY



RELP

Profit
Capital Gains

=

REAL BALANCE™



MIT

Bond Safety
Equity Growth



NEW ASSET ALLOCATION: MIT MORTGAGE INVESTMENT **TRUST**

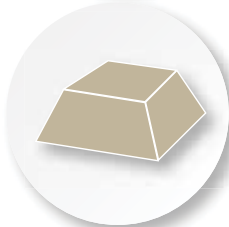
**COMMUNITY
BUILDING**



**PLAN
DEVELOPMENT**

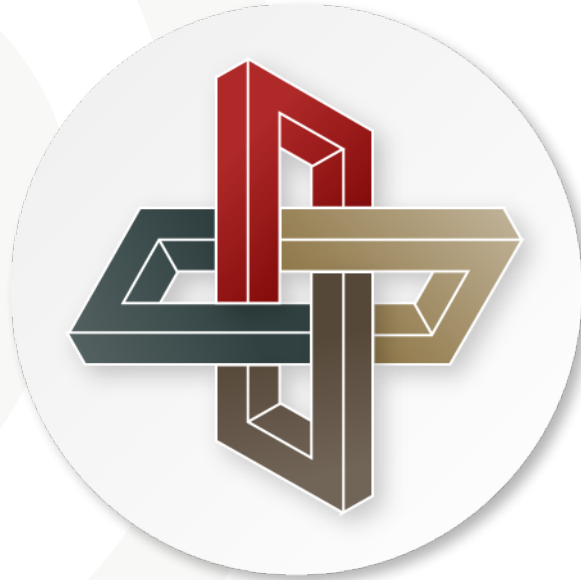


**LAND
BANKING**



treegroup™
everybody wins

development • construction • capital



THE Treegroup WAY



treegroup™
everybody wins

development • construction • capital



**WE HAVE TO SEE IT
TO BELIEVE IT**



Build it, they're coming.

treegroup[™]
everybody wins



We Have To See It To Believe It



Build it, they're coming.



We Have To See It To Believe It

- Bedroom community of Kelowna and West Kelowna
- Closest Okanagan community to Vancouver by Highway
- Easy access to Kelowna International Airport
- Fastest growing regional district in British Columbia
- Over 3,700 housing units are projected to be required to meet normal demand in Peachland over the next 20 years

Build it, they're coming.



We Have To See It To Believe It

- BC Stats projects that the Central Okanagan Regional District (C.O.R.D.) will grow by 85,000 people over the next 20 years, forming 37,800 households. (Source BC Government)
- Peachland Building Permits, in the past 10 years, have accounted for 1 of every 10 C.O.R.D. building permits. (Source City of Peachland)
- This means that 3,700 housing units will be needed to meet normal demand in Peachland over the next 20 years
- Ponderosa's 2,300 units will supply only part of this projected growth

Build it, they're coming.



We Have To See It To Believe It

- Schools, Medical Services, Seniors Centre, Churches, Boys and Girls Club, and Shopping Amenities Already in Place
- Peachland Beach and Waterfront Access
- Existing Moderate to High-End Residential Homes Surround the Site
- Area Rich with History - Centennial Year 2009

Build it, they're coming.

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We Have To See It To Believe It



Build it, they're coming.

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everybody wins



We Have To See It To Believe It



Build it, they're coming.

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everybody wins



We Have To See It To Believe It



Build it, they're coming.



ALL OF US ARE IN THIS **TOGETHER**



Socially and environmentally conscious, it's what building communities people want is all about.



All Of Us Are In This Together

- 400 acre Master Planned Sustainable Community
- 2,300 Housing Units of All Types to Appeal to Diverse Demographics
- Vibrant Commercial Centre, with Urban Village
- Greg Norman Signature Championship Golf Course
- Public Hiking Trail System
- Spectacular Views of Lake Okanagan and the Valley
- Integrated with the Peachland Waterfront and Town Centre

Socially and environmentally conscious, it's what building communities people want is all about.



All Of Us Are In This Together

- Support from the Peachland City Council and the community.
- Support from the Province of BC
- Westbank First Nations Partnership
- Town infrastructure (sewer/water) capacity has already been increased to accommodate growth
- An increased tax base and \$28 million in development cost charges
An estimated 2,000 new permanent jobs (D. Baxter, Urban Futures Institute)

Socially and environmentally conscious, it's what building communities people want is all about.

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everybody wins



All Of Us Are In This Together



Socially and environmentally conscious, it's what building communities people want is all about.

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All Of Us Are In This Together

THE OTHER WAY



Socially and environmentally conscious, it's what building communities people want is all about.

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development • construction • capital



KEEP IT REAL

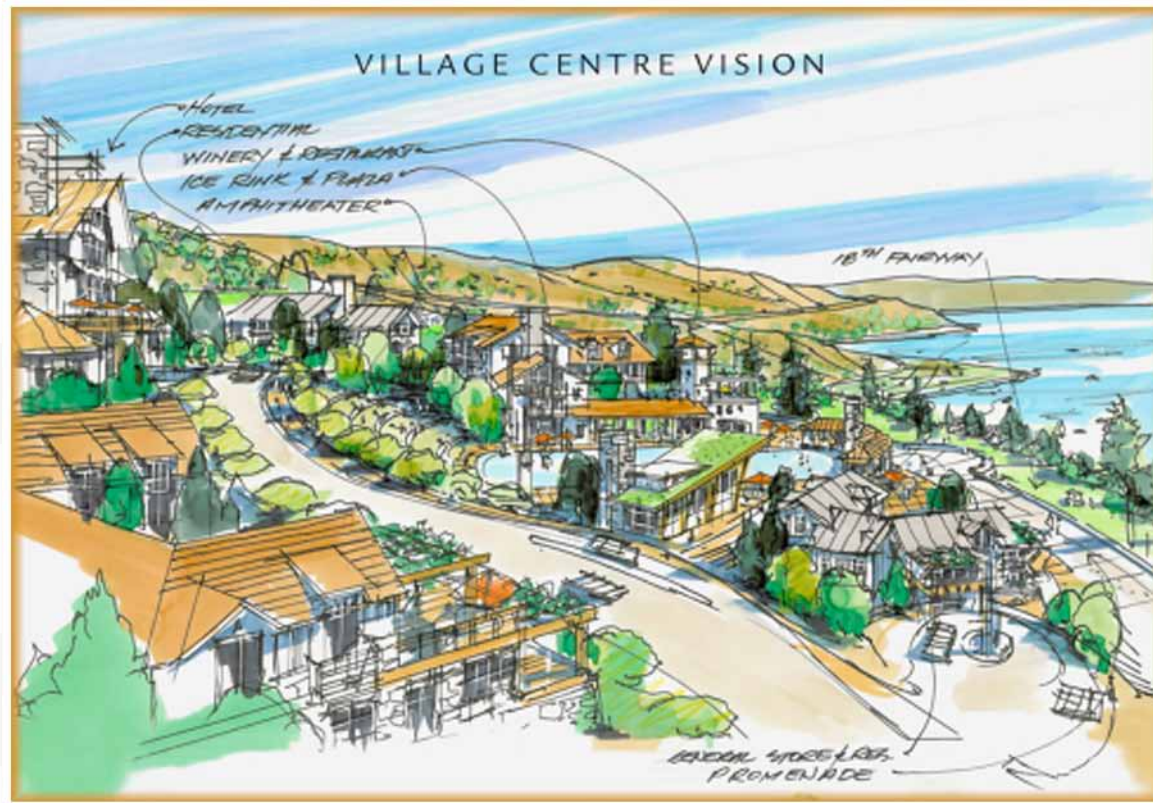


Deliver something real that people can count on.

treegroup[™]
everybody wins



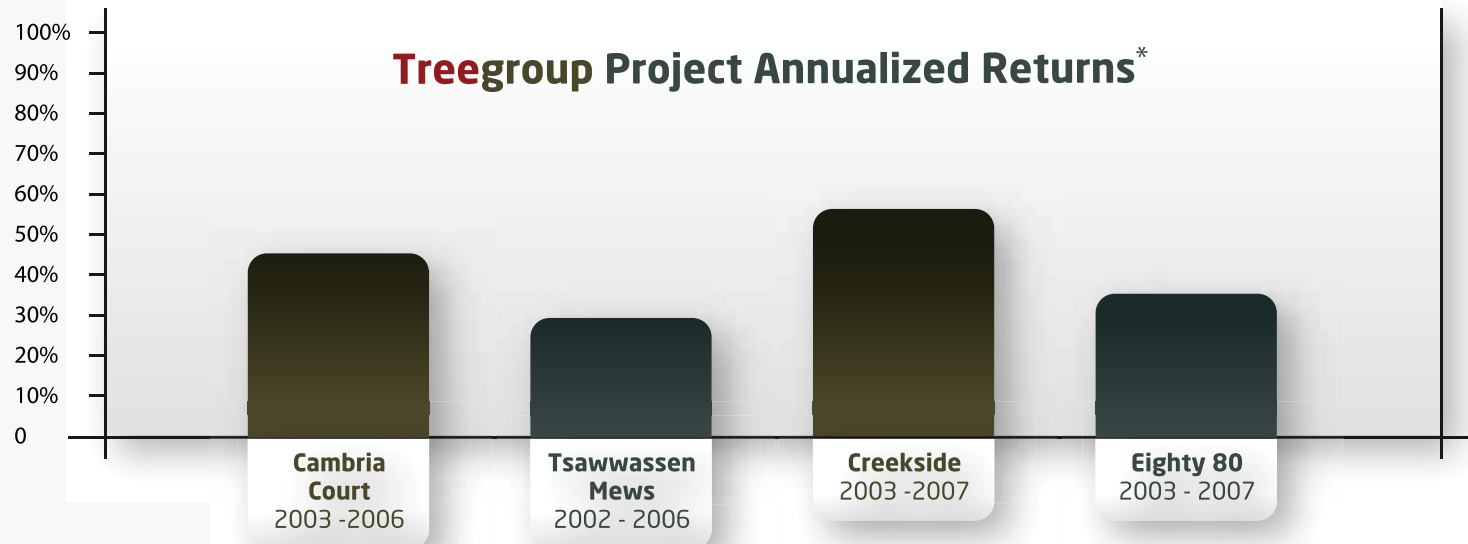
Keep It Real



Deliver something real that people can count on.



Keep It Real



Deliver something real that people can count on.



Keep It Real

NEW STRUCTURE: MIT

FIXED INCOME



MIC

1st Mortgage
Interest Income

EQUITY



RELP

Profit
Capital Gains

REAL BALANCE™



MIT

Bond Safety
Equity Growth

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Keep It Real

NEW ASSET ALLOCATION: MIT

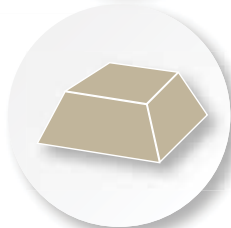
**COMMUNITY
BUILDING**



**PLAN
DEVELOPMENT**



**LAND
BANKING**

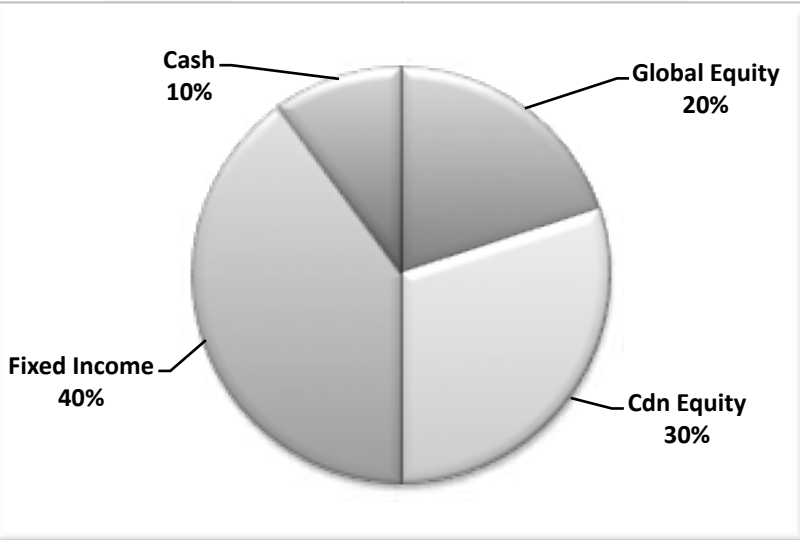


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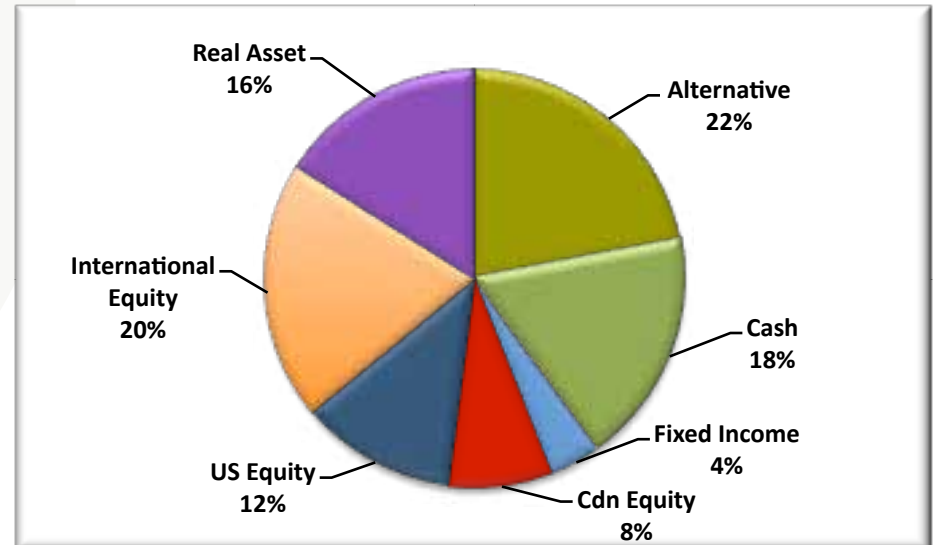


Keep It Real

STREET PORTFOLIO



REAL PORTFOLIO



Deliver something real that people can count on.

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everybody wins



Keep It Real

Treegroup Founders LP Has Invested **\$20,000,000** of Equity Capital

TO ACQUIRE THE LANDS FOR THE PONDEROSA MASTER
PLANNED COMMUNITY, COMPLETE THE REZONING AND
BEGIN CONSTRUCTION.

Deliver something real that people can count on.

treegroup™
everybody wins



Keep It Real

Ponderosa Fund Lends **\$55,000,000 to \$60,000,000** To **Treegroup** Founders LP Secured by the **1st Mortgage**

- INVESTORS ISSUED UNITS IN THE FUND
- THE FUND ALSO OWNS A UNIT IN THE LP

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Keep It Real

Independent Mortgage Admin

Canadian Mortgage Loan Services Limited ("CMLS")*

Holds the Mortgage Funds and the Interest Reserve Funds In Trust

CMLS, as at March 31, 2010 assets under administration totalled approximately \$3.3 billion across Canada including various loan types and investor combinations secured by all major property types.

**CMLS is completely independent from Treegroup and any of its affiliates.*

Deliver something real that people can count on.



Keep It Real

USE OF PROCEEDS	AMOUNT
LAND PURCHASES PLUS CAPITALIZED INTEREST	\$24,450,000
INFRASTRUCTURE WORKS	
Spine roads and municipal services	\$10,540,000
Golf Course	\$11,370,000
Contingency	\$3,170,000
OTHER	\$8,920,000
COSTS OF THIS OFFERING	\$5,550,000
DEPOSIT TO INTEREST RESERVE	\$11,000,000
TOTAL	\$75,000,000

Deliver something real that people can count on.



Keep It Real

	Description
OFFERING SIZE (\$)	\$55,000,000 to \$60,000,000
OFFERING SIZE (UNITS)	55,000 Units to 60,000 Units (The Trust Units will not be listed)
PRICE PER UNIT	\$1,000
MINIMUM PURCHASE	10 Trust Units (or \$10,000)
INVESTMENT TYPE	Mortgage Investment Trust
PRICING & CLOSING DATE	June 2010 to mid July 2010
ELIGIBILITY	RRSPs, RRIFs, RESPs, TSFAs, DPSPs
LOAN	Fully Repaid in 5 years or Less
SECURITY	1 st Mortgage on the Ponderosa Development

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Keep It Real

Conservative Mortgage Security
(When \$55 Million is Fully Advanced)

Low Cost Base of Serviced Land
(Golf Course and Infrastructure fully complete)

Total Project Budget*\$75,000,000****
(\$32,600 per unit for the 2,300 units)

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Keep It Real

Conservative Mortgage **Security**

(When \$55 Million is Fully Advanced)

Estimated **Loan to Value** Ratio

41% to 50%

Appraised **Value** of Serviced Land

\$110,000,000 - \$135,000,000•

(Valuation by the Concord Group, Newport Beach, California (2009)).

**Discounted Cash flow valuation using discount rates of 18% and 12% respectively.*

(Excluding any valuation of the Golf Course).

Deliver something real that people can count on.



Keep It Real

Ponderosa Fund **Repayment** Analysis

- Projected Rate of Sales: 9 - 13 units/month*
- Sales of 8 units per month pays Capital back in 5 yrs with interest
- Sales of 11 units per month pays:
 - Capital back in 3 yrs
 - Upside back in 5 - 6 yrs

* Kent MacPherson Appraisals, Kelowna, BC (Sept 2009).

Deliver something real that people can count on.



Keep It Real

5 year Payback	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>
Unit Sales (Low)	108	108	108	108	25	457
Interest	\$7,650	\$3,600	\$2,300	\$1,000	\$100	\$14,650
Principal	\$13,200	\$11,900	\$13,000	\$14,200	\$2,700	\$55,000
Total	\$20,850	\$15,500	\$15,300	\$15,200	\$2,800	\$69,650
4 Year Payback						
Unit Sales (Mid)	132	132	132	45		441
Interest	\$7,450	\$3,000	\$1,400	\$300		\$12,150
Principal	\$16,700	\$15,700	\$17,100	\$5,500		\$55,000
Total	\$24,150	\$18,700	\$18,500	\$5,800		\$67,150
3 Year Payback						
Unit Sales (Upper)	156	156	120			432
Interest	\$7,250	\$2,500	\$800			\$10,550
Principal	\$20,200	\$19,500	\$15,300			\$55,000
Total	\$27,450	\$22,000	\$16,100			\$65,550

Deliver something real that people can count on.

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Keep It Real



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GIVE THEM SOMETHING TO TALK ABOUT

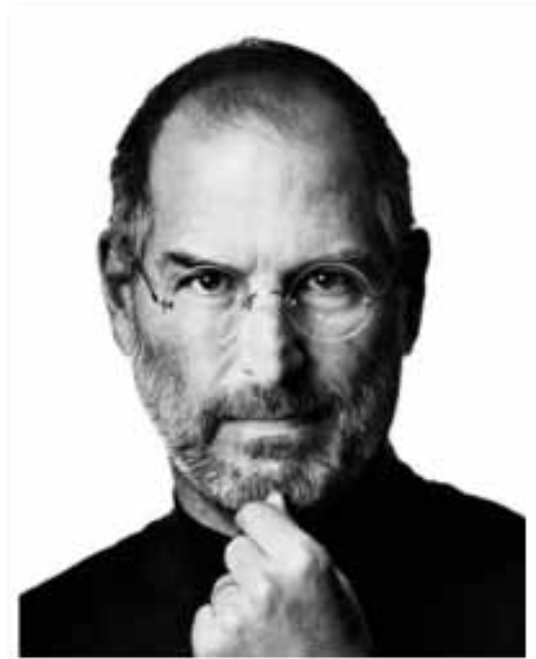


Everybody Wins



Give Them Something To Talk About

**We buy like Buffett, We manage like Jones
and We market like Jobs...**



Everybody wins.



Give Them Something To Talk About

MARKETING:

STRONG BRAND BASED STOREFRONT

DATA BASE DRIVEN

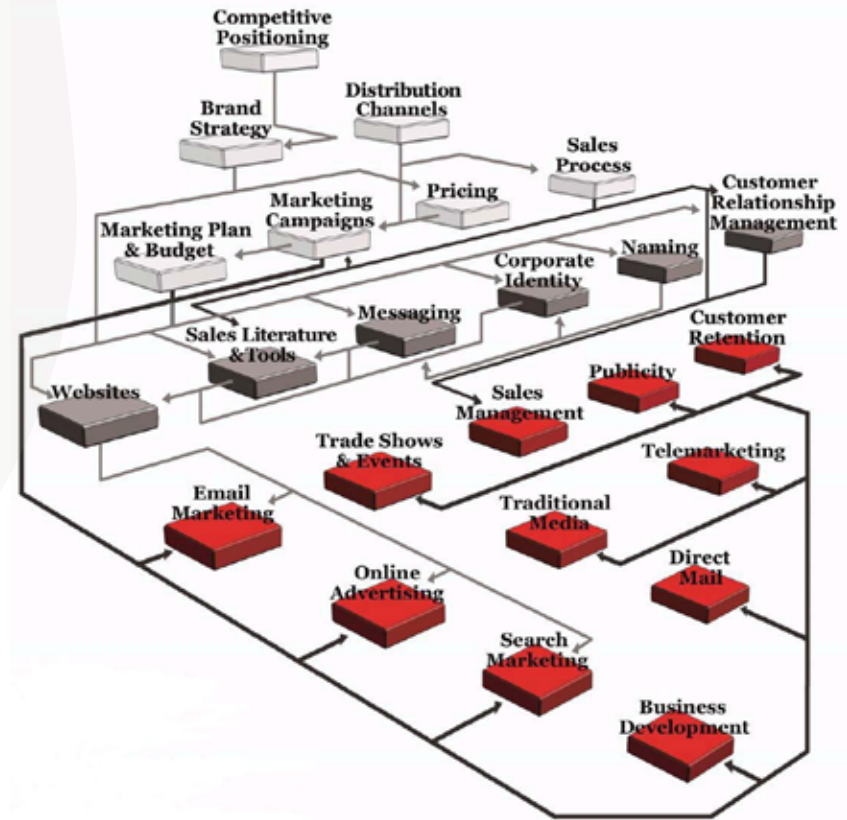
EMAIL TEXT

SALES CENTERS

SOCIAL MEDIA

SEARCH ENGINE OPTIMIZATION

SEARCH ENGINE MARKETING



Everybody wins.



Give Them Something To Talk About

COMMUNITIES, NOT HERDS

OUR TARGET:

- Fast-Track Families
- Mr. & Ms. Manager
- Upward Bound
- Suburban Gentry
- Picket Fences
- Exurban Cross Road
- Pets and PCs
- Nearly Empty Nests
- Money & Brains



Everybody wins.

development • construction • capital

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everybody wins



Give Them Something To Talk About



Everybody wins.



Give Them Something To Talk About

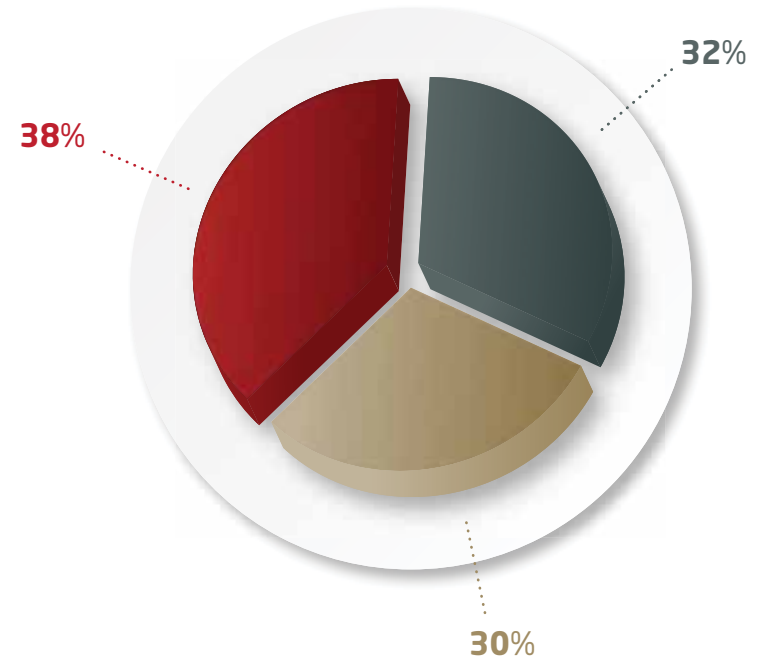
500
Registrants
in 9 months

Home Type Preference:

Condominium

Townhome

Single Family Home



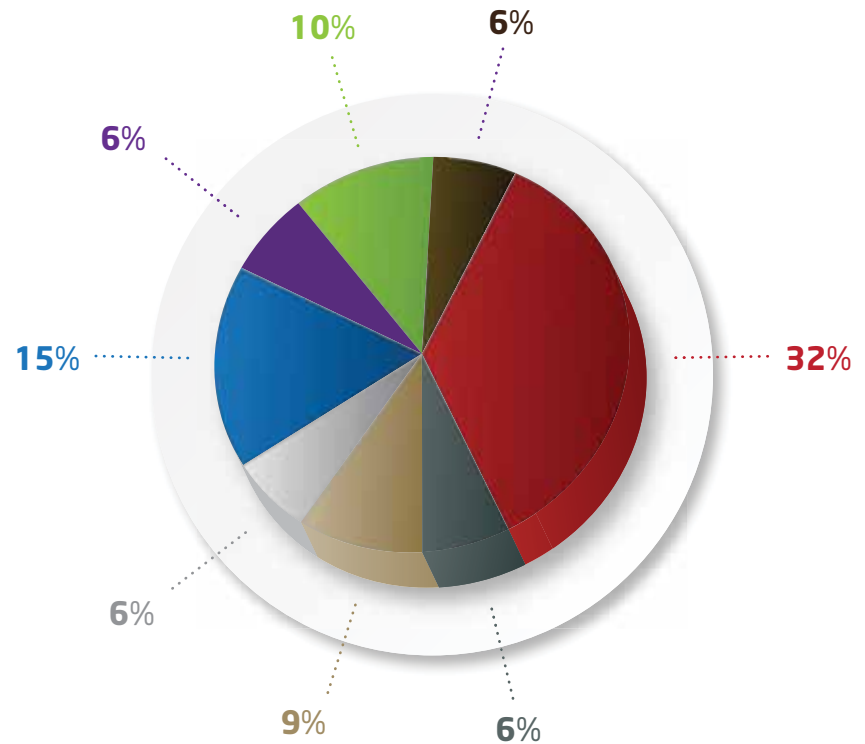
Everybody wins.



Give Them Something To Talk About

500
Registrants
in 9 months

- Trails
- Greg Norman GC**
- Hotel
- Golf Academy
- Tennis Facility
- Winery**
- Amphitheatre**
- Village Center**



Everybody wins.



IN SUMMARY

- Tested:** Treegroup Way has delivered over twenty five years of investment success
- Location:** Spectacular views of Lake Okanagan and the valley
- Anticipated:** Meets the region's projected housing demands
- Established:** Integrated with the Peachland waterfront and vibrant town centre
- Diverse:** 2,300 housing units of all types to appeal to diverse home buyers
- Urban:** Waterfront bedroom community of Kelowna
- Rural:** Public hiking trail system, Greg Norman Golf Course
- Welcomed:** Peachland council approved, Westbank first nations a joint venture partner.

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Authentic Okanagan Living

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ACT NOW INVESTMENT OPPORTUNITY
CLOSES NOVEMBER 30, 2010