

This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult your investment dealer, stockbroker, bank manager, accountant, lawyer or other professional advisor.

April 14, 2009

Quick Draw Mortgages Ltd.
a wholly-owned direct subsidiary of

AMALGAMATED INCOME LIMITED PARTNERSHIP

Offer to Purchase for Cash

all of the issued and outstanding limited partnership units of

Paddington Properties Partnership

not already held by Quick Draw Mortgages Ltd. and its affiliates

for

\$2.50 in cash for each Unit

Quick Draw Mortgages Ltd. (the "**Offeror**" or "**Quick Draw**"), a wholly-owned direct subsidiary of Amalgamated Income Limited Partnership ("**Amalgamated LP**"), hereby offers (the "**Offer**") to purchase, at a purchase price of \$2.50 per unit in Canadian funds (the "**Offer Price**"), all of the issued and outstanding limited partnership units (the "**Units**") of Paddington Properties Partnership ("**Paddington**"). The Offer Price is subject to adjustment in the case of payment by Paddington of certain distributions. See Section 9 of the Offer, "Changes in Capitalization, Distributions and Liens".

The Offer will be open for acceptance until 10:00 a.m. (Calgary time) on May 25, 2009 (the "Expiry Time"), unless withdrawn or extended.

The Offer is conditional upon, among other things, the Offeror determining in its sole judgment that neither Paddington nor any of its subsidiaries, associates or entities in which it has a direct or indirect material interest has, since the time the Offeror announced its intention to make the Offer, taken or proposed to take any action, or disclosed any previously undisclosed action taken by any of them, that, taken separately or together, might make it inadvisable for the Offeror to proceed with the Offer and/or taking up and paying for Units deposited under the Offer. **The Offer is not conditional upon a minimum number of Units being validly deposited under the Offer.** See Section 5 of the Offer, "Conditions of the Offer".

The Units are not listed for trading on any recognized exchange. Amalgamated LP and its affiliates currently own, directly or indirectly, 243,024 Units or approximately 30.4% of the 800,000 outstanding Units.

If Units validly deposited under the Offer are taken up and paid for, the Offeror intends, subject to applicable law, to acquire, directly or indirectly, all outstanding Units not deposited under the Offer by way of a Subsequent Acquisition Transaction, as described in Section 5 of the Circular, "Acquisition of Units Not Deposited". The terms of any such transaction will provide that each issued and outstanding Unit will entitle its holder (a "**Paddington Unitholder**" or "**Unitholder**") to receive the same consideration paid to Paddington Unitholders under the Offer.

Amalgamated General Partner Ltd. ("**Amalgamated General Partner**"), the general partner of Amalgamated LP, is acting as depositary under the Offer (the "**Depositary**"). Paddington Unitholders wishing to accept the Offer must properly complete and duly execute the accompanying letter of transmittal ("**Letter of Transmittal**") (which is printed on YELLOW paper) or a manually executed facsimile thereof and deposit it, together with certificate(s) representing their Units and all other documents required by the Letter of Transmittal, at the office of the Depositary shown below, on the Letter of Transmittal and on the back cover of this document, all in accordance with the transmittal instructions in the Letter of Transmittal.

Questions and requests for assistance may be directed to the Depositary at the address and telephone numbers set forth below and on the last page of this Offer and Circular. Additional copies of this Offer and Circular and the Letter of Transmittal may be obtained without charge on request from the Depositary at its office set forth below and on the last page of this Offer and Circular.

Amalgamated General Partner Ltd.

Via Courier

Unit 1, 606 Meredith Road NE
Calgary, Alberta T2E 5A8
Attention: Sean McPherson

Via Mail

P.O. Box 1290, Station 'M'
Calgary, Alberta T2P 2L2
Attention: Sean McPherson

Toll Free Telephone (within Canada): 1-888-708-5757

Direct Dial Number: (403) 265-6540

Fax: (403) 206-7185

Email: info@aiun.ca

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY IN CANADA OR THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY UNITED STATES STATE SECURITIES COMMISSION NOR HAS ANY SECURITIES REGULATORY AUTHORITY IN CANADA OR THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY UNITED STATES STATE SECURITIES COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF THIS TRANSACTION OR UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

NOTICE REGARDING PADDINGTON

As of the date of the Offer and Circular, the Offeror and Paddington Properties Ltd., the general partner of Paddington (the "**Paddington General Partner**") have not discussed an acquisition of the Units by the Offeror as contemplated by the Offer. The Offeror has had limited access to the non-public books and records of Paddington and the Offeror is not in a position to independently verify the information in Paddington's publicly filed documents including its financial statements.

As a result, all historical information concerning Paddington contained in this Offer and the Circular has been taken from or is based upon publicly available documents and records on file with Canadian securities regulatory authorities and other public sources, including the SEDAR website (www.sedar.com).

The securities of Paddington are subject to cease trade orders in each of the provinces of Manitoba and Québec (collectively, the "Cease Trade Orders") for failing to file and/or deliver financial statements in accordance with the applicable securities laws of those jurisdictions. The Cease Trade Orders prohibit holders of securities of Paddington who are resident in the provinces of Manitoba and Québec from trading or engaging in any act of the furtherance of a trade of any securities of Paddington.

The Offeror has received exemptive relief in the form of the partial revocation of the Cease Trade Orders from the securities regulatory authorities in each of the provinces of Manitoba and Québec, for the purposes of, among other things, making the Offer and permitting Paddington Unitholders to tender their Units to the Offer. Upon the completion of the Offer in accordance with the terms and conditions as provided herein, the securities of Paddington will continue to be subject to the Cease Trade Orders until such time as the Paddington General Partner complies with the information and reporting requirements of the securities laws of each of the provinces of Manitoba and Québec, and applies to and receives orders revoking the Cease Trade Orders from each of the securities regulatory authorities in such provinces.

NOTICE TO UNITHOLDERS IN THE UNITED STATES

This Offer is made for the securities of a Canadian limited partnership. The Offer is subject to Canadian disclosure requirements which are different from those of the United States. The enforcement by you of civil liabilities under United States federal or state securities laws may be adversely affected by the fact that the Offeror and Amalgamated General Partner are corporations governed by the laws of the Province of Alberta, Canada, and Amalgamated LP is a limited partnership governed by the laws of British Columbia, Canada, and that some or all of their respective officers and directors are residents of jurisdictions outside of the United States, and that all or a substantial portion of the assets of the Offeror, Amalgamated General Partner and Amalgamated LP and of the above mentioned Persons may be located in jurisdictions outside of the United States.

This document does not address any United States federal income tax consequences of the Offer to Unitholders in the United States. Unitholders in the United States should be aware that a disposition of Units may have tax consequences both in the United States and in Canada, which may not be described herein. Accordingly, Paddington Unitholders in the United States should consult their own tax advisors with respect to their particular circumstances and tax considerations applicable to them.

You should be aware that the Offeror or its affiliates may bid for or purchase securities otherwise than under the Offer, such as in privately negotiated purchases, subject to applicable Canadian securities laws and any other applicable securities laws.

FORWARD LOOKING STATEMENTS

Certain statements contained in the accompanying Circular, including statements made under Section 3 of the Circular, "Background to, Reasons for, and Benefits of, the Offer", Section 4, "Purpose of the Offer and Plans for Paddington", Section 5, "Acquisition of Units Not Deposited", and Section 9, "Source of Funds", in addition to certain statements contained elsewhere in this document, are "forward-looking statements" and are prospective. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The Offeror and Amalgamated LP disclaim any intention or obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or other circumstances, except to the extent required by applicable Securities Law.

While the Offer is being made to all Unitholders on the books of Paddington, this document does not constitute an offer or a solicitation to any Person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Paddington Unitholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Paddington Unitholders in any such jurisdiction.

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GLOSSARY

In the Offer, Circular and Letter of Transmittal, the following terms shall have the meanings set forth below, unless the subject matter or context is inconsistent therewith or such terms are otherwise defined in the Offer or Circular:

"**affiliate**" has the meaning ascribed thereto in the *Securities Act* (Alberta), as amended.

"**Amalgamated General Partner**" means Amalgamated General Partner Ltd., a corporation existing under the laws of Alberta, the general partner of Amalgamated LP, and Depositary under this Offer.

"**Amalgamated LP**" means Amalgamated Income Limited Partnership, a limited partnership formed under the laws of British Columbia.

"**Amalgamated LP Partnership Agreement**" means the amended limited partnership agreement dated November 18, 1994 as amended, March 1, 1995, February 26, 1996, February 25, 2005 and October 17, 2008, between the Amalgamated General Partner and the limited partners of Amalgamated LP, governing the business and affairs of Amalgamated LP.

"**associate**" has the meaning ascribed thereto in the *Securities Act* (Alberta), as amended.

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in a province or territory in Canada, except as otherwise provided for herein.

"**Cease Trade Orders**" means the cease trade orders issued by each of the Securities Regulatory Authorities in the provinces of Manitoba and Québec prohibiting the trading of the securities of Paddington.

"**Circular**" means the take-over bid circular accompanying the Offer and forming part hereof.

"**Compulsory Acquisition**" has the meaning ascribed thereto under Section 5 of the Circular "Acquisition of Units Not Deposited Under the Offer".

"**Depositary**" means Amalgamated General Partner, at its office specified in the Letter of Transmittal.

"**diluted basis**" means, with respect to the number of outstanding Units at any time, such number of outstanding Units calculated assuming that all outstanding options, warrants and all other rights to purchase Units, if any, are exercised.

"**Eligible Institution**" means a Canadian schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Dealers Association of Canada, members of the National Association of Securities Dealers or banks and trust companies in the United States.

"**Exemptive Relief**" means the orders dated April 7, 2009 and April 9, 2009, issued by the Securities Regulatory Authorities in the provinces of Manitoba and Quebec, respectively, each providing for the partial revocation of the applicable Cease Trade Orders to permit the Offeror to, among other things, make the Offer and to take-up and pay for the Units tendered thereunder.

"**Expiry Time**" means 10:00 a.m. (local time at the place of deposit) on May 25, 2009, unless the Offer is extended (pursuant to Section 4 of the Offer, "Variation or Extension of the Offer"), in which event the Expiry Time shall mean the latest time on which the Offer as so extended expires.

"**insider**" has the meaning ascribed thereto in the *Securities Act* (Alberta), as amended.

"**Letter of Transmittal**" means, in respect of the Units, a letter of transmittal accepting the Offer in the form printed on YELLOW paper accompanying the Offer and Circular.

"**MI 61-101**" means *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions*, as amended or replaced from time to time.

"**Offer**" means the offer to purchase all of the outstanding Units made hereby to Unitholders, the terms and conditions of which are set forth in the Offer Documents.

"**Offer Documents**" means, collectively, the Offer, Circular and Letter of Transmittal.

"**Offer Period**" means the period commencing on April 14, 2009, and ending at the Expiry Time.

"**Offer Price**" means \$2.50 in cash in Canadian funds per Unit, or such greater amount as the Offeror may specify as the purchase price per Unit under the Offer pursuant to Section 4 of the Offer, "Variation or Extension of the Offer".

"**Offeror**" or "**Quick Draw**" means Quick Draw Mortgages Ltd., a corporation incorporated under the laws of Alberta, and a wholly-owned direct subsidiary of Amalgamated LP.

"**Paddington**" means Paddington Properties Partnership, a limited partnership created under the laws of the Province of Manitoba.

"**Paddington General Partner**" means the general partner of Paddington, Paddington Properties Ltd., a corporation existing under the laws of Manitoba, and a wholly owned subsidiary of Qualico Developments (Winnipeg) Ltd.

"**Paddington Partnership Agreement**" means the amending partnership agreement dated December 29, 1983, amended March 1, 1984 and May 25, 1984, and as amended from time to time, between the Paddington General Partner, as the general partner, Qualico Developments Ltd., as the initial limited partner, such agreement governing the business and affairs of Paddington.

"**Paddington Properties**" means the 72 suite residential apartment complex, consisting of two multiple unit residential buildings situated on a 2.23 acre site on Regis Drive in the residential community of River Park South in South St. Vital, Winnipeg, Manitoba.

"**Paddington Unitholders**" or "**Unitholders**" means holders of Units, and, "**Unitholder**" means any one of them.

"**Person**" means an individual, body corporate, partnership, syndicate, trust or other form of unincorporated association.

"**Purchased Securities**" has the meaning ascribed thereto under Section 3 of the Offer "Manner and Time of Acceptance – Power of Attorney".

"**Securities Laws**" means any applicable Canadian provincial securities laws and any other applicable securities laws.

"**Securities Regulatory Authorities**" means the applicable securities commissions or similar regulatory authorities in each of the provinces and territories of Canada.

"**Subsequent Acquisition Transaction**" has the meaning ascribed thereto under Section 5 of the Circular, "Acquisition of Units Not Deposited Under the Offer".

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

"**Tax Proposals**" means all specific proposals to amend the Tax Act and the Tax Regulations publicly announced by or on behalf of the Minister of Finance of Canada prior to the date hereof.

"**Tax Regulations**" means the regulations under the Tax Act.

"**TSX**" means the Toronto Stock Exchange.

"**Units**" means the limited partnership units of Paddington, as the same are constituted on the date hereof.

"**U.S.**" or "**United States**" means the United States of America, its territories, its possessions or other areas subject to its jurisdiction.

All dollar references in the Offer and the Circular are to Canadian dollars unless otherwise expressly stated.

SUMMARY

The following is a summary only and is qualified by the detailed provisions contained elsewhere in the Offer and Circular. Unitholders are urged to read the Offer and Circular in their entirety. The information concerning Paddington contained in the Offer Documents has been taken from or is based upon publicly available documents or records on file with Securities Regulatory Authorities and other public sources. Although the Offeror has no reason to doubt the accuracy of Paddington's public filings, it is not in a position to independently assess or verify the information in Paddington's publicly filed documents. The Offeror does not assume any responsibility for the accuracy or completeness of the information taken from or based upon such documents, records and information, or for any failure by Paddington to disclose publicly events or facts that may have occurred or that may affect the significance or accuracy of any such information but which are unknown to the Offeror. Certain capitalized terms used in this summary are defined in the Glossary. Unitholders are urged to read the Offer Documents in their entirety.

The Offer

The Offeror is offering, during the Offer Period and on the terms and subject to the conditions of the Offer, to purchase all of the outstanding Units for \$2.50 in cash per Unit. The Offer Price is subject to adjustment in the case of payment by Paddington of certain distributions. See Section 9 of the Offer, "Changes in Capitalization, Distributions and Liens". The Offer is open for acceptance until, but not later than, the Expiry Time (10:00 a.m., Calgary time, on May 25, 2009), unless the Offer is withdrawn or the Offer Period is extended. The obligation of the Offeror to take up and pay for Units pursuant to the Offer is subject to various conditions. See Section 5 of the Offer, "Conditions of the Offer".

All Unitholders who tender Units to the Offer will, and will be deemed to, have assigned to the Offeror the amount of any distributions declared or paid on or in respect of the Units on or after April 14, 2009. Accordingly, holders of Units who tender their Units to the Offer which are taken up and paid for by the Offeror pursuant to the Offer, will not receive any further distributions from Paddington. See Section 9 of the Offer, "Changes in Capitalization, Distributions and Liens".

While the Offer is being made to all Unitholders on the books of Paddington, this document does not constitute an offer or a solicitation to any Person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Unitholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the Securities Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Unitholders in any such jurisdiction.

Conditions of the Offer

The obligation of the Offeror to take up and pay for Units pursuant to the Offer is subject to certain conditions, including that the Offeror shall have determined in its sole judgment that neither Paddington nor any of its subsidiaries, associates or entities in which it has a direct or indirect material interest has, since the time the Offeror announced its intention to make the Offer, taken or proposed to take any action, or disclosed any previously undisclosed action taken by any of them, that, taken separately or together, might make it inadvisable for the Offeror to proceed with the Offer and/or taking up and paying for the Units deposited under the Offer. **The Offer is not conditional upon a minimum number of Units being validly deposited under the Offer.** See "Conditions of the Offer" in Section 5 of the Offer.

Manner and Time of Acceptance

The Offer is open for acceptance until the Expiry Time (10:00 a.m., Calgary time, on May 25, 2009), unless the Offer is withdrawn or extended by the Offeror. See Section 3 of the Offer, "Manner and Time of Acceptance". Unitholders wishing to accept the Offer must deposit, before the Expiry Time, certificate(s) representing their Units together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile), and all other documents required by the Letter of Transmittal, at the office of the Depositary specified in the Letter of Transmittal. The office of the Depositary will be open during normal business hours until the Expiry Time.

Withdrawal of Deposited Units

Any Units deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Unitholder at any time until they have been taken up by the Offeror, under the Offer and in other circumstances described under "Withdrawal of Deposited Units" in Section 6 of the Offer. Except as so indicated or as otherwise required by applicable Securities Laws, deposits of Units are irrevocable.

Payment

Upon the terms and subject to the conditions of the Offer (as the same may be amended or waived), the Offeror will pay for the Units taken up under the Offer as soon as reasonably possible thereafter and in any event not later than three (3) Business Days following the time at which such Units are taken up under the Offer pursuant to applicable Securities Laws. See "Payment for Deposited Units" in Section 7 of the Offer.

The Offeror and Amalgamated LP

The Offeror was incorporated under the laws of Alberta and is a wholly-owned direct subsidiary of Amalgamated LP. The Offeror's business primarily consists of providing short term bridge financing, or investing and acquiring interests in, Canadian real estate businesses. The head office, registered office and principal place of business of the Offeror is at Unit 1, 606 Meredith Road N.E. Calgary, Alberta T2E 5A8.

Amalgamated LP is a limited partnership formed under the laws of British Columbia, and its business and affairs are governed by the Amalgamated LP Partnership Agreement. Amalgamated LP's business is currently focused on capitalizing on market inefficiencies with respect to real estate limited partnerships and other marketable securities, and financial service lending, all for the purpose of providing the limited partners thereof with a diversified income stream. Amalgamated LP is a reporting issuer or has equivalent status in all the provinces and territories of Canada, and the limited partnership units of Amalgamated LP are listed and posted for trading on the TSX under the trading symbol "AI.UN".

Amalgamated General Partner, the general partner of Amalgamated LP, was originally incorporated under the laws of British Columbia, and subsequently continued as a corporation under the laws of Alberta. The business of Amalgamated General Partner is limited to the management of the business of Amalgamated LP.

The head office and principal place of business of the Amalgamated LP and the Amalgamated General Partner is located at Unit 1, 606 Meredith Road N.E. Calgary, Alberta T2E 5A8. The registered office of the Amalgamated General Partner is at Suite 1400, 700 – 2nd Street S.W., Calgary, Alberta T2P 4V5, and the registered office of Amalgamated LP is at 550 Burrard Street, Suite 2300, Vancouver, British Columbia V6C 2B5.

As of the date hereof, Amalgamated LP and its affiliates beneficially own, directly or indirectly, 243,024 Units or approximately 30.4% of the 800,000 outstanding Units of Paddington.

Paddington

Paddington is a limited partnership formed under the laws of Manitoba, and its business and affairs are governed pursuant to the Paddington Partnership Agreement. Paddington currently operates the Paddington Properties, a 72 suite residential apartment complex, consisting of two multiple unit residential buildings situated on a 2.23 acre site on Regis Drive in the residential community of River Park South in South St. Vital, Winnipeg, Manitoba. Paddington currently provides the Unitholders with distributions of available cash, generally on a semi-annual basis.

Paddington General Partner was incorporated under the laws of Manitoba, and acts as the general partner of Paddington in accordance with the Paddington Partnership Agreement. Paddington General Partner is the registered legal owner of the Paddington Properties, and is a wholly owned subsidiary of Qualico Developments (Winnipeg) Ltd., a corporation formed under the laws of Manitoba. The head offices, principal place of business and registered offices of Paddington, the Paddington General Partner and Qualico Developments (Winnipeg) Ltd. are at 30 Spears Road, Winnipeg, Manitoba R2J 1L9.

To the knowledge of the Offeror, there are 800,000 Paddington Units issued and outstanding held by an aggregate of 26 Unitholders, including Amalgamated LP and its affiliates. Paddington is a reporting issuer or has equivalent status in the provinces of Manitoba and Québec. The Units of Paddington do not trade on any stock exchange.

The securities of Paddington are subject to the Cease Trade Orders in the provinces of Manitoba and Québec for failing to file and/or deliver financial statements in accordance with the applicable Securities Laws. The Cease Trade Orders prohibit holders of securities of Paddington who are resident in the provinces of Manitoba and Québec from trading or engaging in any act of the furtherance of a trade of any securities of Paddington. The Offeror sought, and has received, Exemptive Relief in the form of the partial revocation of the Cease Trade Orders from the Securities Regulatory Authorities in each of the provinces of Manitoba and Québec, for the purposes, among other things, of making the Offer and permitting Unitholders to tender Paddington Units to the Offer. Upon the completion of the

Offer in accordance with the terms and conditions as provided herein, the securities of Paddington will continue to be subject to the Cease Trade Orders until such time as Paddington complies with the information and reporting requirements under applicable Securities Laws, and applies to and receives orders revoking the Cease Trade Orders from each of the Securities Regulatory Authorities. See Section 2 of the Circular, "Paddington Properties Partnership".

Purpose of the Offer and Plans Regarding the Acquisition of Units Not Deposited

The purpose of the Offer is to enable the Offeror to acquire all of the outstanding Units other than the Units beneficially owned, directly or indirectly, by Amalgamated LP and its affiliates (including the Offeror). Canadian federal and provincial corporate legislation typically provides an offeror with the right of Compulsory Acquisition in respect the securities not tendered to a take-over bid of the corporation if, within 120 days after the date of the take-over bid, it is accepted by the holders of not less than 90% of the securities to which the offer relates. Such right will not be available to the Offeror in connection with the Offer as the Paddington Partnership Agreement does not contain provisions entitling, in certain circumstances, an offeror with the right of Compulsory Acquisition.

If the Offeror takes up and pays for the Units validly deposited under the Offer, the Offeror intends, if available and practical, to seek to acquire, directly or indirectly, such remaining Units through a Subsequent Acquisition Transaction. However, the Offeror reserves the right not to propose the Subsequent Acquisition Transaction, or to propose such other second step transaction not described in the Circular. If the Offeror decides not to effect a Subsequent Acquisition Transaction then it will evaluate other available alternatives to acquire the remaining Units. See "Acquisition of Units Not Deposited Under the Offer" in Section 5 of the Circular.

Reasons for the Offer

Amalgamated LP's business strategy, through its affiliates (including the Offeror), includes investing in and acquiring, directly or indirectly, securities, assets or businesses providing the limited partners thereof with a diversified income stream. Amalgamated LP believes that the completion of the Offer will be consistent with and in furtherance of this long-term strategy by building on Amalgamated LP's interests in real estate limited partnerships and adding a recurring and stable revenue stream that benefits the performance of Amalgamated LP. In addition, the Offeror believes that investment in the Canadian real estate industry is an effective use of capital to increase unitholder value and to benefit all stakeholders. See Section 3 of the Circular, "Background to, Reasons for, and Benefits of, the Offer".

Benefits of the Offer to Paddington Unitholders

If the Offer is successful, Amalgamated LP will acquire all of the Units not already beneficially owned, directly or indirectly, by Amalgamated LP and its affiliates (including the Offeror), and Paddington Unitholders will receive cash in exchange for the Units. Potential benefits of the Offer to Unitholders include: (i) all Paddington Unitholders will have an equal opportunity to receive cash in exchange for Units that are otherwise illiquid as the Units are not listed for trading on any stock exchange and subject to the Cease Trade Orders; (ii) Unitholders who hold their Units as capital property will, upon the exchange of such units for cash under the Offer, generally receive a greater after-tax return than if the Paddington Properties were sold by Paddington for an equivalent asset price; and (iii) to the knowledge of the Offeror, there are currently no other offers to acquire all of the outstanding Units.

Certain Canadian Federal Income Tax Considerations

A Paddington Unitholder who disposes of Units pursuant to the Offer will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Units held by the Unitholder at the time of the transfer. See Section 14 of the Circular "Certain Canadian Federal Income Tax Considerations".

Depositary

Amalgamated General Partner is acting as Depositary under the Offer. The Depositary will receive the deposits of Units by Letters of Transmittal from Unitholders at the Calgary office specified in the Letter of Transmittal. The Depositary will also be responsible for giving certain notices, if required, and for making payment for all Units purchased by the Offeror under the Offer. See Section 3 of the Offer, "Manner and Time of Acceptance", Section 7 of the Offer, "Payment for Deposited Units" and Section 15 of the Circular, "Depositary".

OFFER TO PURCHASE

TO: HOLDERS OF UNITS OF PADDINGTON PROPERTIES PARTNERSHIP

1. THE OFFER

The Offeror hereby offers to purchase, during the Offer Period, on and subject to the terms and conditions hereinafter specified, all of the outstanding Units, and including all Units which may become outstanding after the date of the Offer for \$2.50 in cash per Unit. The Offer Price is subject to adjustment in the case of payment by Paddington of certain distributions. See Section 9 of the Offer, "Changes in Capitalization, Distributions and Liens".

The Offer is open for acceptance until 10:00 a.m. (local time at the place of deposit) on May 25, 2009, unless withdrawn or extended. See Sections 4 and 6 of the Offer, "Variation or Extension of the Offer" and "Withdrawal of Deposited Units", respectively.

All Unitholders who tender Units to the Offer will, and will be deemed to, have assigned to the Offeror the amount of any distributions declared or paid on or in respect of the Units on or after April 14, 2009. Accordingly, holders of Units who tender their Units to the Offer which are taken up and paid for by the Offeror pursuant to the Offer, will not receive any further distributions from Paddington. See Section 9 of the Offer, "Changes in Capitalization, Distributions and Liens".

The obligation of the Offeror to take up and pay for Units pursuant to the Offer is subject to certain conditions. See Section 5 of the Offer, "Conditions of the Offer". If such conditions have been complied with or, to the extent capable of waiver, waived by the Offeror at or prior to the Expiry Time, the Offeror will take up and pay for the Units validly deposited and not properly withdrawn under the Offer in accordance with the terms of the Offer.

While the Offer is being made to all Unitholders on the books of Paddington, this document does not constitute an offer or a solicitation to any Person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Unitholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the Securities Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Unitholders in any such jurisdiction.

The accompanying Glossary, Summary, Circular and Letter of Transmittal are incorporated into and form part of the Offer and contain important information which should be read carefully before making a decision with respect to the Offer.

2. DEFINITIONS AND ABBREVIATIONS

Certain capitalized terms used in the Offer Documents are defined in the Glossary.

3. MANNER AND TIME OF ACCEPTANCE

The Offer is open for acceptance until the Expiry Time, being not later than 10:00 a.m. (Calgary time) on May 25, 2009, or until such time and date to which the Offer Period may be extended by the Offeror at its discretion unless withdrawn by the Offeror.

Letter of Transmittal

The Offer may be accepted by delivering the following documents to the Depositary at its office listed in the Letter of Transmittal (printed on YELLOW paper) and on the back of this document so as to arrive there not later than the Expiry Time:

- (a) the certificate or certificates representing the Units of Paddington for which the Offer is being accepted;
- (b) a Letter of Transmittal (printed on YELLOW paper), in the form accompanying the Offer, or a manually signed facsimile thereof, properly completed and duly executed in accordance with the rules and instructions set out in such Letter of Transmittal; and

- (c) any other relevant documents required by the rules and instructions set out in such Letter of Transmittal.

The Offer will be deemed to be accepted only if the Depository has actually received such documents no later than the Expiry Time at its office in Calgary, Alberta. Except as otherwise provided in the rules and instructions set out in the Letter of Transmittal or as may be permitted by the Offeror, the signature on a Letter of Transmittal must be guaranteed by an Eligible Institution or in some other manner acceptable to the Depository (except that no guarantee is required for the signature of a depositing Unitholder which is an Eligible Institution). If a Letter of Transmittal is executed by a person other than the registered holder of the Units represented by the certificate(s) deposited therewith, the certificate(s) must be endorsed or accompanied by an appropriate transfer power of attorney duly and properly completed by the registered holder with the signature on the endorsement panel or transfer power guaranteed by an Eligible Institution.

General

All questions as to the number of Units to be accepted, the aggregate price to be paid for those Units, the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any deposit of Units will be determined by the Offeror, in its sole discretion, which determination shall be final and binding on all parties. The Offeror reserves the absolute right to reject any or all deposits of Units determined by it not to be in proper form or the acceptance of payment for which may be unlawful or to waive any of the conditions of the Offer or any defect or irregularity in any deposit of Units. No deposit of Units will be deemed to be properly made until all defects and irregularities have been cured or waived. None of the Offeror, the Depository or any other person will be under any duty to give notification of any defect or irregularity in deposits or incur any liability for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer will be final and binding.

The proper deposit of Units pursuant to the procedures described above will constitute a binding agreement between the depositing Unitholder and the Offeror effective as of the Expiry Time, upon the terms and subject to the conditions of the Offer.

Distributions

Subject to the terms and conditions of the Offer and subject, in particular, to Units being validly withdrawn by or on behalf of a depositing Unitholder, and except as provided below, by accepting the Offer pursuant to the procedures set out herein, a Unitholder deposits, sells, assigns and transfers to Quick Draw all right, title and interest in and to the Units covered by the Letter of Transmittal (the "**Deposited Units**") and in and to all rights and benefits arising from such Deposited Units including, without limitation, any and all dividends, distributions, payments, securities, property or other interests that may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Units or any of them on and after the date of the Offer, including any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (collectively, "**Distributions**"). See "Changes in Capitalization, Distributions and Liens", in Section 9 of the Offer.

Power of Attorney

The execution of a Letter of Transmittal, irrevocably constitutes and appoints, effective at and after the time (the "**Effective Time**") that Quick Draw takes up the Deposited Units, each director or officer of Quick Draw, and any other person designated by Quick Draw in writing, as the true and lawful agent, attorney, attorney-in-fact and proxy of the holder of the Units covered by the Letter of Transmittal (which Units upon being taken up are, together with any Distributions thereon, hereinafter referred to as the "**Purchased Securities**") with respect to such Purchased Securities, with full powers of substitution (such powers of attorney, being coupled with an interest, being irrevocable), in the name of and on behalf of such Unitholder:

- (a) to register or record the transfer and/or cancellation of such Purchased Securities to the extent consisting of securities on the appropriate securities registers maintained by or on behalf of Paddington;
- (b) for so long as any such Purchased Securities are registered or recorded in the name of such Unitholder, to exercise any and all rights of such Unitholder including, without limitation, the right to vote, to execute and deliver (provided the same is not contrary to applicable Securities Laws), as and when requested by Quick Draw, any and all instruments of proxy, authorizations or consents in form and on terms satisfactory to Quick Draw in respect of any or all Purchased Securities, to revoke

any such instruments, authorizations or consents given prior to or after the Effective Time, to designate in such instruments, authorizations or consents any person or persons as the proxy of such Unitholder in respect of such Purchased Securities for all purposes including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise, or any adjournment thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Paddington;

- (c) to execute, endorse and negotiate, for and in the name of and on behalf of such Unitholder, any and all cheques or other instruments representing any Distributions payable to or to the order of, or endorsed in favour of, such Unitholder; and
- (d) to exercise any other rights of a Unitholder with respect to such Purchased Securities, all as set out in the Letter of Transmittal.

A Unitholder accepting the Offer under the terms of the Letter of Transmittal revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the Unitholder at any time with respect to the Deposited Units or any Distributions. The Unitholder accepting the Offer agrees that no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise will be granted with respect to the Deposited Units or any Distributions by or on behalf of the depositing Unitholder unless the Deposited Units are not taken up and paid for under the Offer or are properly withdrawn in accordance with Section 6 of the Offer, "Withdrawal of Deposited Units".

A Unitholder accepting the Offer also agrees not to vote any of the Purchased Securities at any meeting (whether annual, special or otherwise, or any adjournments thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Paddington and, except as may otherwise be agreed to with Quick Draw, not to exercise any of the other rights or privileges attached to the Purchased Securities, and agrees to execute and deliver to Quick Draw any and all instruments of proxy, authorizations or consents in respect of all or any of the Purchased Securities, and agrees to designate or appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by Quick Draw as the proxy of the holder of the Purchased Securities. Upon such appointment, all prior proxies and other authorizations (including, without limitation, all appointments of any agent, attorney or attorney in-fact) or consents given by the holder of such Purchased Securities with respect thereto will be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto.

Further Assurances

A Paddington Unitholder who executes a Letter of Transmittal covenants to execute, upon request, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Deposited Units and Distributions to the Offeror and acknowledges that all authority therein conferred or agreed to be conferred shall, to the extent permitted by law, survive the death or incapacity, bankruptcy or insolvency of the holder and all obligations of the holder therein shall be binding upon the heirs, personal representatives, successors and assigns of the holder, as the case may be.

Depositing Unitholders' Representations and Warranties

All Unitholders depositing Units to the Offer must have full power and authority to sell, assign and transfer the Units to the Offeror. Unitholders having their Units deposited to the Offer must have good title to their Units free and clear of all liens, restrictions, charges, encumbrances, claims and equities.

The acceptance of the Offer pursuant to the procedures set forth above constitutes a binding agreement between a depositing Unitholder and the Offeror, effective immediately following the time at which Offeror takes up Units deposited by such Unitholder, in accordance with the terms and conditions of the Offer. This agreement includes a representation and warranty by the depositing Unitholder that (i) the person signing the Letter of Transmittal has full power and authority to deposit, sell, assign and transfer the Deposited Units and all rights and benefits arising from such Deposited Units including, without limitation, any Distributions, (ii) the person signing the Letter of Transmittal owns the Deposited Units and any Distributions deposited under the Offer, (iii) the Deposited Units and Distributions have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any of the Deposited Units or Distributions to any other person, (iv) the deposit of the Deposited Units and Distributions complies with applicable Securities Laws, and (v) when the Deposited Units and Distributions are taken up and paid

for by the Offeror, the Offeror will acquire good title thereto (and to any Distributions), free and clear of all liens, restrictions, charges, encumbrances, claims and rights of others.

All questions as to the validity, form, eligibility (including timely receipt) and acceptance of any Units and accompanying documents deposited pursuant to the Offer will be determined by the Offeror in its sole discretion. Depositing Unitholders agree that such determination shall be final and binding. The Offeror reserves the absolute right to reject any and all deposits which the Offeror determines not to be in proper form or which may be unlawful to accept under the laws of any jurisdiction. The Offeror reserves the absolute right to waive any defect or irregularity in any deposit of any Units and accompanying documents. There shall be no duty or obligation on the Offeror, the Depositary or any other person to give notice of any defect or irregularity in any deposit, and no liability shall be incurred by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer Documents shall be final and binding. The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set out above.

4. VARIATION OR EXTENSION OF THE OFFER

The Offer is open for acceptance at the places of deposit until the Expiry Time, unless the Offer is withdrawn or the Offer Period is extended.

The Offeror may, at any time and from time to time while the Offer is open for acceptance, vary the terms of the Offer or extend the Expiry Time by giving notice in writing to the Depositary at its office in Calgary, Alberta. Also, if at any time before the Expiry Time, or at any time after the Expiry Time, but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in this Offer or the Circular, as amended from time to time, that would reasonably be expected to affect the decision of a Unitholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or an affiliate of the Offeror), the Offeror will give written notice of such change to the Depositary at its principal office in Calgary, Alberta. Upon the giving of such notice to the Depositary, the Expiry Time or withdrawal rights, as applicable, shall be deemed to be extended to the date specified in such notice or in the case of a variation the Offer shall be deemed to be varied in the manner described in such notice, as the case may be. The Offeror will, as soon as practicable after giving any such notice to the Depositary, publicly announce the extension, variation or change and cause the Depositary to mail a copy of any such notice to Unitholders as required by applicable Securities Laws at their respective addresses appearing in the securities register of Paddington, and shall provide notice of such extension, variation or change, to the TSX. Any notice of extension, variation or change will be deemed to have been given and be effective on the day on which it is delivered or otherwise communicated to the Depositary at its office in Calgary, Alberta. During any extension of the Offer, all Units previously deposited and not taken up and paid for or withdrawn will remain subject to the Offer and, subject to applicable Securities Laws, may be accepted for purchase by the Offeror on or before the Expiry Time in accordance with the terms of the Offer.

An extension of the Expiry Time shall not in and of itself constitute a waiver by the Offeror of any of its rights under Section 5 of the Offer, "Conditions of the Offer".

Under applicable Securities Laws, if there is a variation in the terms of the Offer, the period during which Units may be deposited under the Offer shall not expire before ten (10) days after the notice of variation has been delivered. If, prior to the Expiry Time, the Offeror in its sole discretion shall increase the Offer Price, such increase shall be applicable to all holders whose Units are taken up under the Offer.

Notwithstanding the foregoing, the Offer may not be extended by the Offeror if all the terms and conditions of such Offer have been complied with, except those waived by the Offeror, unless the Offeror first takes up and pays for all Units validly deposited under the Offer and not withdrawn.

5. CONDITIONS OF THE OFFER

The Offeror reserves the right to withdraw the Offer and not take up, purchase or pay for, and shall have the right to extend the period of time during which the Offer is open and postpone taking up and paying for, any Units deposited under the Offer unless all of the following conditions are satisfied or waived by the Offeror prior to the Expiry Time:

- (a) the Offeror shall have determined in its sole judgment that neither Paddington nor any of its subsidiaries, associates or entities in which it has a direct or indirect material interest has, since the time the Offeror announced its intention to make the Offer, taken or proposed to take any action, or disclosed any previously undisclosed action taken by any of them, that, taken separately or together, might make it inadvisable for the

Offeror to proceed with the Offer and/or taking up and paying for the Units deposited under the Offer, including any payments or distributions out of the ordinary course, any agreement or understanding relating to the re-financing, sale, disposition of or other dealing with the Paddington Properties or the businesses, assets or other properties of Paddington, its affiliates or associates or any part thereof or interest therein or relating to the rights of Paddington, its affiliates or associates to manage, operate or control the conduct of the businesses or any part thereof, in each case out of the ordinary course;

- (b) all other government and regulatory approvals, orders, rulings, exemptions and consents (including, without limitation those of any stock exchanges or other securities or Securities Regulatory Authorities) which, in the sole judgment of the Offeror, acting reasonably, are necessary shall have been obtained on terms and conditions satisfactory to the Offeror in its sole judgment, acting reasonably, and shall be in full force and effect, and any and all other applicable waiting periods under any competition, merger control or similar laws, regulation or other governmental authority having jurisdiction over Paddington, the Offeror or Amalgamated LP, the Offer or any other transaction contemplated by the Offer with respect to any such matters shall have expired or been terminated in respect of such transactions and no objection or opposition shall have been filed, initiated or made during any applicable statutory or regulatory period;
- (c) there shall not exist any prohibition under applicable Securities Laws against the Offeror making the Offer, taking up and paying for any Units deposited under the Offer or effecting a Subsequent Acquisition Transaction;
- (d) other than the Cease Trade Orders, the Offeror shall have determined in its sole judgment that (i) no action, suit or proceeding shall have been threatened or taken before or by any domestic court or tribunal or governmental agency or Securities Regulatory Authority or administrative agency or commission or by an elected or appointed public official or private person (including, without limitation, any individual, corporation, firm, group or other entity) in Canada, whether or not having the force of law, and (ii) no law, regulation or policy or order shall have been proposed, enacted, promulgated or applied, in the case of either (i) or (ii):
 - (A) to cease trade, enjoin, prohibit or impose material limitations or conditions on the purchase by or the sale to the Offeror of the Units or the right of the Offeror to own or exercise full rights of ownership of the Units;
 - (B) which, if the Offer were consummated, could, in the Offeror's sole judgment, adversely affect Paddington, or any of its subsidiaries, associates or entities; or
 - (C) which challenges or would prevent or make uncertain the ability of the Offeror or its affiliates to effect a Subsequent Acquisition Transaction;
- (e) the Exemptive Relief shall not have been withdrawn, revoked or otherwise terminated, by any one of the Securities Regulatory Authorities in the provinces of Manitoba or Québec;
- (f) the Offeror shall have determined in its sole judgment that there does not exist and has not occurred (or, if there does exist or shall have previously occurred, there shall not have been disclosed, generally or to the Offeror, or the Offeror shall not otherwise have discovered) any change (or any condition, event or development involving a prospective change) in the business, affairs, operations, assets, capitalization, condition (financial or otherwise), results of operations, cash flows, prospects, properties, constating documents, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, of or relating to Paddington or any of its subsidiaries, associates or entities which, in the sole judgment of the Offeror, is adverse or may be considered to be significant to a purchaser of Units or which might make it inadvisable for the Offeror to proceed with the Offer or taking up and paying for Units deposited under the Offer or completing a Subsequent Acquisition Transaction;
- (g) the Offeror shall have determined in its sole judgment that no property, right, franchise or license of Paddington, or any of its subsidiaries, associates or entities has been or would be impaired (or threatened to be impaired) or otherwise adversely affected (or threatened to be adversely affected), whether as a result of the making of the Offer, taking up and paying for Units deposited under the Offer, the completion of a Subsequent Acquisition Transaction, or otherwise, which might make it inadvisable for the Offeror to proceed with the Offer or taking up and paying for Units deposited under the Offer or completing a Subsequent Acquisition Transaction;

- (h) the Offeror shall have determined in its sole judgment that there does not exist any covenant, term or condition in any of the instruments or agreements to which any of Paddington or any of its subsidiaries, associates or entities is a party or to which they or any of their properties or assets are subject that might make it inadvisable for the Offeror to proceed with the Offer or taking up and paying for Units deposited under the Offer or completing a Subsequent Acquisition Transaction, or any other term, covenant or condition that may be breached or cause a default or permit third parties to exercise rights against any of Paddington or its subsidiaries, associates or entities which would have an adverse effect on Paddington or any of its subsidiaries, associates or entities as a result of the Offeror making the Offer or acquiring Units deposited under the Offer or completing a Subsequent Acquisition Transaction;
- (i) there shall not have occurred or been proposed any change to the Tax Act, any other applicable tax legislation or the interpretation of the provisions of the Tax Act or such other legislation that, in the sole discretion of the Offeror, is or would be detrimental to the Offeror or Paddington or any of their respective subsidiaries or any of their respective conditions (financial or otherwise), properties, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise), businesses, operations, results of operations, or prospects;
- (j) no dividends or other distributions shall have been declared or paid or otherwise made in respect of the outstanding Units on or subsequent to April 14, 2009;
- (k) there shall not have occurred, developed or come into effect or existence any event, action, state, condition or financial occurrence of national or international consequence, or any law, regulation, action, government regulation, inquiry or other occurrence of any nature whatsoever which, in the sole judgment of the Offeror, adversely affects or involves, or may adversely affect or involve, the financial markets in Canada or the United States generally, or the financial condition, business, operations, assets, affairs or prospects of Paddington or any of its subsidiaries, associates or entities; and
- (l) the Offeror shall not have become aware of any untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings in relation to all matters covered in earlier filings), in any document filed by or on behalf of Paddington with any Securities Regulatory Authority in Canada or elsewhere.

The foregoing conditions are for the exclusive benefit of the Offeror and may be asserted by the Offeror regardless of the circumstances giving rise to any such condition. The Offeror may, in its sole discretion, waive any of the foregoing conditions, in whole or in part, at any time and from time to time, without prejudice to any other rights which the Offeror may have. The failure by the Offeror at any time to exercise any of the foregoing rights will not be deemed to be a waiver of any such right and each such right shall be deemed to be an ongoing right which may be asserted at any time and from time to time. Any determination by the Offeror concerning any event or other matter described in the foregoing conditions will be final and binding upon all parties.

Any waiver of a condition or the withdrawal of the Offer shall be effective upon written notice or other communication confirmed in writing by the Offeror to that effect to the Depositary at its office in Calgary, Alberta. The Offeror, forthwith after giving any such notice, shall make a public announcement of such waiver or withdrawal, shall cause the Depositary, if required by law, as soon as practicable thereafter to notify Unitholders in the manner set forth below in Section 11 of the Offer and shall provide a copy of such notice to the TSX. Any notice of waiver will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Calgary, Alberta. In the event of any waiver, all Units deposited previously and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by the Offeror in accordance with the terms of the Offer. If the Offer is withdrawn, the Offeror shall not be obligated to take up or pay for any Units deposited under the Offer and the Depositary will promptly return the certificates representing Units, Letters of Transmittal, and any other related documents to the parties by whom they were deposited in acceptance of the Offer. See Section 6 of the Offer, "Withdrawal of Deposited Units".

6. WITHDRAWAL OF DEPOSITED UNITS

Except as otherwise provided in this Section 6, all deposits of Units under the Offer are irrevocable. Units may be withdrawn by or on behalf of a depositing Unitholder (unless otherwise required or permitted by applicable Securities Laws):

- (a) at any time before the Units have been taken up by the Offeror;

- (b) if the Units have not been paid for by the Offeror within three (3) Business Days after having been taken up; or
- (c) at any time before the expiration of ten (10) days from the date upon which either:
 - (i) a notice of change relating to a change which has occurred in the information contained in the Offer or the Circular, each as may be varied or amended from time to time, which change would reasonably be expected to affect the decision of a Unitholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror) in the event that such change occurs prior to the Expiry Time or after the Expiry Time but before the expiry of all rights to withdraw the Units deposited under the Offer; or
 - (ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered for the Units and an extension of the time for deposit to not later than ten (10) days after the date of notice of variation or a variation in the terms of the Offer consisting solely of a waiver of one or more of the conditions of the Offer);

is mailed, delivered or otherwise properly communicated, but only if such deposited Units have not been taken up by the Offeror before the date of the notice of change or notice of variation, as the case may be, and subject to abridgement of that period pursuant to such order or orders as may be granted by the Courts or Securities Regulatory Authorities.

Withdrawals of Units deposited under the Offer must be effected by notice of withdrawal made by or on behalf of the depositing Unitholder and must be actually physically received by the Depositary at the place of deposit of the applicable Units within the time limits indicated above. Notices of withdrawal: (a) must be made by a method, including facsimile transmission, that provides the Depositary with a written or printed copy; (b) must be signed by or on behalf of the person who signed the Letter of Transmittal accompanying the Units which are to be withdrawn; and (c) must specify such person's name, the number of Units to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the Units to be withdrawn. Any signature in a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in a Letter of Transmittal (as described in the instructions set out therein), except in the case of Units deposited for the account of an Eligible Institution.

A withdrawal of Units deposited under the Offer can only be accomplished in accordance with the foregoing procedures. The withdrawal will take effect only upon actual physical receipt by the Depositary of the properly completed and executed written notice of withdrawal.

If the Offeror extends the period of time during which the Offer is open, is delayed in taking up or paying for Units or is unable to take up or pay for Units for any reason, then, without prejudice to the Offeror's other rights, Units deposited under the Offer may, subject to applicable Securities Laws, be retained by the Depositary on behalf of the Offeror and such Units may not be withdrawn except to the extent that depositing Unitholders are entitled to withdrawal rights as set forth in this Section 6 or pursuant to applicable Securities Laws.

Withdrawals may not be rescinded and any Units withdrawn will thereafter be deemed not validly deposited for purposes of the Offer. However, withdrawn Units may be re-deposited at any time before the Expiry Time by again following one of the procedures described in Section 3 of the Offer, "Time and Manner of Acceptance".

In addition to the foregoing rights of withdrawal, Unitholders in certain provinces of Canada are entitled to statutory rights of rescission or damages or both in certain circumstances. See Section 17 of the Circular, "Statement of Rights".

All questions as to the validity (including timely receipt) and form of notices of withdrawal shall be determined by the Offeror in its sole discretion and such determinations shall be final and binding. None of the Offeror, the Depositary, or any other Person will be under any duty to give notice of any defect or irregularity in any notice of withdrawal or shall incur any liability for failure to give such notice.

7. PAYMENT FOR DEPOSITED UNITS

If all of the conditions referred to above in "Conditions of the Offer" in Section 5 of the Offer have been fulfilled or waived at or prior to the Expiry Time, the Offeror will become obligated to take up and pay for the Units deposited under the Offer and not withdrawn no later than ten (10) days from the Expiry Time, and to pay for the Units taken up as soon as possible, but in any event not later than three (3) Business Days after taking up the Units. In accordance

with applicable Securities Laws, the Offeror will take up and pay for Units deposited under the Offer after the date on which it first takes up Units deposited under the Offer not later than ten (10) days after the deposit of such Units.

For purposes of the Offer, the Offeror will be deemed to have taken up and accepted for payment Units validly deposited and not withdrawn under the Offer if, as and when the Offeror gives written notice or other communication confirmed in writing to the Depository at its office in Calgary, Alberta to that effect. Subject to applicable Securities Laws, The Offeror expressly reserves the right in its sole discretion to delay taking up and paying for any Units or to, on or after the initial Expiry Time, withdraw or terminate the Offer and not take up or pay for any Units if any condition specified under Section 5 of the Offer, "Conditions of the Offer" is not fulfilled or waived, by giving written notice thereof or other communication subsequently confirmed in writing to the Depository at its office in Calgary, Alberta.

The Offeror also expressly reserves the right, in its sole discretion, to delay taking up or paying for Units in order to comply, in whole or in part, with any applicable Laws or government regulatory approval. The Offeror will not, however, take up and pay for any Units deposited under the Offer unless it simultaneously takes up and pays for all Units then validly deposited under the Offer and not withdrawn.

The Offeror will pay for Units that have been taken up under the Offer by providing the Depository with sufficient funds (by bank transfer or other means satisfactory to the Depository) for delivery to Unitholders who have tendered and not withdrawn their Units under the Offer. Under no circumstances will interest accrue or be paid by the Offeror or the Depository to Persons depositing Units on the Offer Price payable in respect of such Units, regardless of any delay in making such payment.

The Depository will act as the agent of Persons who have deposited Units in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting payment to such Persons, and receipt of payment by the Depository will be deemed to constitute receipt of payment by Unitholders who have deposited and not withdrawn their Units pursuant to the Offer.

Settlement will be made by the Depository issuing or causing to be issued a cheque payable in Canadian funds to which a Person depositing Units is entitled. Unless otherwise directed by the Letter of Transmittal, the cheque will be issued in the name of the registered holder of the deposited Units. Unless the Person depositing the Units instructs the Depository to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, cheques will be forwarded by first class insured mail to such Person at the address specified in the Letter of Transmittal. If no address is specified, cheques will be forwarded to the address of the Unitholder as shown on the registers of security holders maintained by the Paddington General Partner. Cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing. Pursuant to applicable law, the Offeror may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Unitholder.

8. RETURN OF UNITS

Except where the Paddington General Partner fails to comply with the terms and obligations as general partner or as registrar and transfer agent under the Paddington Partnership Agreement in affecting the transfer and/or registration of Units validly tendered to the Offer, if any deposited Units are not taken up and paid for by the Offeror pursuant to the terms and conditions of the Offer for any reason, the Depository will return the certificates representing Units that are not purchased, and any other relevant documents, to the depositing Unitholder, as soon as practicable after the Expiry Time or withdrawal or early termination of the Offer.

9. CHANGES IN CAPITALIZATION, DISTRIBUTIONS AND LIENS

If, on or after the date of the Offer, Paddington splits, combines or otherwise changes any of the Units or its capitalization, or discloses that it has taken or intends to take any such action, then the Offeror may, in its sole discretion and without prejudice to its rights under Section 5 of the Offer, "Conditions of the Offer", make such adjustments as it deems appropriate to the Offer Price and the other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the amounts payable therefor) to reflect any such split, combination or other change.

Units acquired pursuant to the Offer shall be transferred by the holders thereof and acquired by the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom including the right to any and all Distributions which may be declared, paid, issued, distributed, made or transferred on or in respect of the Units on or after April 14, 2009. If on or after April 14, 2009 Paddington

should declare, pay or make any distribution on, or issues any rights with respect to any of the Units, accepted for purchase pursuant to the Offer and which is payable or distributable to registered Unitholders on a date prior to the transfer of Units to the name of the Offeror or its nominee or transferee on Paddington's securities register, then the whole of any such distribution or right shall be received and held by the depositing Unitholder for the account of the Offeror and shall be promptly remitted and transferred by the depositing Unitholder to the Depository for the account of the Offeror, accompanied by appropriate documentation of transfer. Pending such remittance, the Offeror will be entitled to all rights and privileges as owner of any such distribution or right, and may withhold the cheques payable by the Offeror pursuant to the Offer or reduce the amount of cash payable in respect of the amount or value thereof, as determined by the Offeror in its sole discretion. See Section 3 of the Offer, "Manner and Time of Acceptance – Distributions".

10. MAIL SERVICE INTERRUPTION

Notwithstanding the provisions of the Offer or the Letter of Transmittal, cheques, notices and other relevant documentation from the Offeror or the Depository to Unitholders will not be mailed if the Offeror determines that delivery by mail may be delayed, until such time as the Offeror has determined that delivery by mail will no longer be delayed. Persons entitled to cheques which are not mailed for the foregoing reason may take delivery thereof at the office of the Depository at which the Units, in respect of which the cheques are being issued, were deposited. Notwithstanding Section 7 of this Offer, cheques or documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery to the depositing Unitholders at the appropriate office of the Depository. Notice of any determination regarding mail service delay or interruption made by the Offeror shall be given in accordance with Section 11 of this Offer, "Notice and Delivery".

11. NOTICE AND DELIVERY

Without limiting any other lawful means of giving notice, any notice the Offeror or the Depository may give or cause to be given under the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to the registered Unitholders at their addresses as shown on the securities register of Paddington and the beneficial owners of the Units to whom the Offer was mailed, and will be deemed to have been received on the first day following the date of mailing which is a Business Day.

Except as otherwise required or permitted by applicable Securities Laws, if mail service is interrupted or delayed following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication. Except as otherwise required or permitted by applicable Securities Laws, if post offices in Canada or the United States are not open for the deposit of mail, any notice which the Offeror or the Depository may give or cause to be given to Unitholders under the Offer will be deemed to have been properly given and to have been received by Unitholders if: (a) it is given to the TSX for dissemination through their facilities; (b) it is published once in the National Edition of *The Globe and Mail* or *The National Post*, together with either the *New York Times* or *The Wall Street Journal*, and in *La Presse* in Québec; or (c) it is given to the Canada News Wire Service and the Dow Jones News Service for dissemination through its facilities.

Wherever the Offer calls for documents to be delivered to the Depository, such documents will not be considered delivered unless and until they have been physically received at the offices of the Depository set forth in the Letter of Transmittal.

12. MARKET PURCHASES AND SALES OF UNITS

Neither the Offeror nor its affiliates will bid for or make purchases of Units during the Offer Period other than those Units deposited under the Offer.

The Offeror has no present intention to sell Units taken up under the Offer. The Offeror reserves the right to make or to enter into an arrangement, commitment or understanding at or prior to the Expiry Time to sell any of such Units after the Expiry Time, provided that such arrangement, commitment or understanding is in compliance with the Exemptive Relief and/or the Cease Trade Orders.

13. SOLICITATION

Directors, officers, employees and consultants of the Offeror or Amalgamated General Partner may solicit the tender of Units. The Offeror will pay each appropriately registered securities dealer or advisor a fee of \$0.04 for each Unit

tendered, based on a minimum amount of ten thousand (10,000) Units tendered by the dealer, subject to a maximum fee of \$1,000.00 per investor.

14. OTHER TERMS

No stockbroker, investment dealer or other person (including the Depositary), has been authorized to give any information or make any representation on behalf of the Offeror or its affiliates other than as contained herein or in the accompanying Circular, and if any such information is given or made it must not be relied upon as having been authorized.

The Offer and all contracts resulting from the acceptance hereof shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein. Each party to a contract resulting from an acceptance of the Offer unconditionally and irrevocably attorns to the jurisdiction of the courts of the Province of Alberta.

In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, this Offer shall be made on behalf of the Offeror by brokers or dealers licensed under the laws of such jurisdiction.

The Offeror is entitled, in its sole discretion, to make a final and binding determination of all questions relating to the interpretation of the Offer Documents (including, without limitation, the satisfaction or non-satisfaction of any condition), the validity, form, eligibility (including timely receipt) and acceptance of any Units and accompanying documents deposited pursuant to the Offer and any notice of withdrawal of Units, the due completion of the Letter of Transmittal. The Offeror reserves the absolute right to reject any and all deposits which the Offeror determines not to be in proper form or which may be unlawful to accept under the laws of any jurisdiction. The Offeror reserves the right to waive any defect in or irregularity in any deposit or notice of withdrawal with respect to any Unit and the accompanying documents or any particular Unitholder or to permit the Offer to be accepted in any manner other than as set out in the Offer. There will be no duty or obligation on the Offeror, the Depositary or any other Person to give notice of any defect or irregularity in any deposit or notice of withdrawal, and no liability will be incurred by any of them for failure to give any such notice.

Subject to the terms of the Cease Trade Orders, the Offeror reserves the right to transfer to one or more affiliated companies the right to purchase all or any portion of the Units deposited pursuant to the Offer but any such transfer will not relieve the Offeror of its obligations under the Offer and in no way will prejudice the rights of persons depositing Units to receive payment for Units validly deposited and accepted for payment pursuant to the Offer.

Dated: April 14, 2009

Quick Draw Mortgages Ltd.

(signed)
Elias Foscolos
President

The accompanying Circular and Letter of Transmittal are incorporated into and form part of the Offer and contain important information which should be read carefully before making a decision with respect to the Offer.

CIRCULAR

The following information in this Circular is provided in connection with the Offer made by the Offeror dated April 14, 2009 to purchase all of the Units. The terms, conditions and provisions of the Offer Documents are incorporated into and form part of this Circular, and collectively constitute the take-over bid circular of the Offeror. Certain terms used in this Circular are defined in the Glossary. Unitholders should refer to the Offer Documents for details of the terms and conditions of the Offer.

The information concerning Paddington contained in the Offer Documents has been taken from or is based upon publicly available documents, records on file with Securities Regulatory Authorities and other public sources. Although the Offeror has no knowledge that would indicate that any statements contained herein taken from or based upon such documents and records or other information are untrue or incomplete, the Offeror does not assume any responsibility for the accuracy or completeness of the information taken from or based upon such documents, records and information, or for any failure by Paddington to disclose publicly events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to the Offeror.

1. THE OFFEROR AND AMALGAMATED LP

The Offeror

The Offeror was incorporated under the *Business Corporations Act* (Alberta) on April 11, 2007, and is a wholly-owned direct subsidiary of Amalgamated LP. The Offeror's business primarily consists of providing short term bridge financing, or investing and acquiring interests in, Canadian real estate businesses. The head office, principal place of business and registered office of the Offeror is at Unit 1, 606 Meredith Road N.E. Calgary, Alberta T2E 5A8.

The Offeror primarily holds investments in mortgages in the provinces of Alberta and British Columbia, Canada.

Amalgamated LP

Amalgamated LP is a limited partnership formed under the laws of British Columbia by filing under the *Partnership Act* (British Columbia), a certificate of partnership on November 24, 1994. The business and affairs of Amalgamated LP, as governed by the Amalgamated LP Partnership Agreement, consist of: (i) investing in and acquiring, directly or indirectly, securities, assets or businesses; and (ii) the holding, management, reorganization and disposition of such securities, assets or businesses, with a view to making a profit. Amalgamated LP may also engage in such other necessary or related activities as the Amalgamated General Partner deems advisable or desirable in order to carry on its business as aforesaid.

Amalgamated LP's business is currently focused on capitalizing on market inefficiencies with respect to securities of real estate limited partnerships, other marketable securities and financial services, all for the purpose of providing the limited partners thereof with a diversified income stream. The operations and revenues of Amalgamated LP are derived principally from three areas:

Real Estate Limited Partnerships ("RELPs"):

- (i) the acquisition and disposition of limited partnership units of RELPs ("**RELP Units**"), which were originally issued to finance the development of the real estate assets; and
- (ii) the acquisition of RELP Units is conducted by private mini-tenders or take-over bids of Amalgamated LP or affiliates thereof; and

Financial Services

- (i) the acquisition of short to medium term debt instruments and other financial contracts; and
- (ii) the acquisition of debt instruments and other financial contracts are conducted by Amalgamated LP or affiliates thereof, through private arrangements with the issuer (debtor).

Marketable Securities:

- (i) the acquisition of debentures, trust units, and common shares that can be purchased at a discount to management's determination of fair value; and
- (ii) acquisitions are usually through the public markets such as stock exchanges but also through mini-tender offers made through Amalgamated LP.

As of the date hereof, Amalgamated LP and its affiliates beneficially own, directly or indirectly, 243,024 Units or approximately 30.4% of the 800,000 outstanding Units of Paddington.

Amalgamated General Partner, the general partner of Amalgamated LP, was incorporated as 479660 B.C. Ltd. under the *Company Act* (British Columbia) on September 6, 1994, changed its name to "Amalgamated General Partner Ltd." by filing articles of amendment on November 17, 2005, and filed its transition application under the *Business Corporations Act* (British Columbia) on November 17, 2005. Amalgamated General Partner subsequently continued as a corporation under the *Business Corporations Act* (Alberta) on April 17, 2008. The business of Amalgamated General Partner is limited to the management of the business of Amalgamated LP. Amalgamated General Partner has no significant assets or financial resources.

The head office and principal place of business of Amalgamated LP and Amalgamated General Partner is located at Unit 1, 606 Meredith Road N.E. Calgary, Alberta T2E 5A8. The registered office of Amalgamated General Partner is at Suite 1400, 700 – 2nd Street S.W., Calgary, Alberta T2P 4V5, and the registered office of Amalgamated LP is at 550 Burrard Street, Suite 2300, Vancouver, British Columbia V6C 2B5.

2. PADDINGTON PROPERTIES PARTNERSHIP

General

Paddington is an existing limited partnership formed under the *Partnership Act* (Manitoba), and its business and affairs are governed under the Paddington Partnership Agreement, which also describes the rights and obligations of the limited partners and of the Paddington General Partner.

Paddington was formed for the purpose of owning and operating the Paddington Properties, a 72 suite residential apartment complex, consisting of two multiple unit residential buildings situated on a 2.23 acre site on Regis Drive in the residential community of River Park South in South St. Vital, Winnipeg, Manitoba. In conjunction with owning and operating the Paddington Properties, the Paddington Partnership Agreement provides that the objectives of Paddington are to provide the Paddington Unitholders with the opportunity for capital appreciation, cash income from ongoing operations, and an opportunity for income tax deferral.

Paddington General Partner was incorporated under the *Business Corporations Act* (Manitoba) (or a predecessor thereof) on September 25, 1979. Paddington General Partner is the registered legal owner of the Paddington Properties and acts as the general partner of Paddington in accordance with the Paddington Partnership Agreement. Paddington General Partner is a wholly owned subsidiary of Qualico Developments (Winnipeg) Ltd. ("**Qualico**") a corporation formed on an amalgamation under the *Corporations Act* (Manitoba) on January 1, 2008. The head offices, principal place of business and registered offices of Paddington, the Paddington General Partner and Qualico are at 30 Spears Road, Winnipeg, Manitoba R2J 1L9.

Capital Structure of Paddington

The interests of the Paddington Unitholders in Paddington is divided into 800,000 Units. Under the Paddington Partnership Agreement, the Paddington General Partner is authorized to issue additional Units for the purpose of raising additional capital necessary to protect, hold or maintain the interest of Paddington in the Paddington Properties in the same manner as would a prudent owner. Such additional issuances are subject to Unitholder approval by extraordinary resolution, such resolution requiring the approval of a minimum of 75% of the votes cast. Under such additional offering the existing Paddington Unitholders will be entitled to subscribe for such units pro rata according to the number of Units held by them and to subscribe on the same basis for any Units not subscribed for by other Unitholders.

Except as otherwise expressly provided in the Paddington Partnership Agreement, each issued and outstanding Unit is equal to each other with respect to all matters including the right to receive distributions from Paddington, and no Unit has any preference or right in any circumstances over any other Unit. Each Unitholder is entitled to one vote for each Unit held by him in respect of all matters to be decided by the Unitholders.

There are 800,000 Units of Paddington issued and outstanding as at the date of this Circular. To the knowledge of the Offeror, there are no other issued and outstanding securities of Paddington convertible or exchangeable for Units.

Cease Trade Orders

The securities of Paddington are subject to the Cease Trade Orders for failing to file and/or deliver financial statements in accordance with the applicable securities laws of the provinces of Manitoba and Québec. The Cease Trade Orders prohibit holders of securities of Paddington who are resident in the provinces of Manitoba and Québec from trading or engaging in any act of the furtherance of a trade of any securities of Paddington.

The Offeror has received the Exemptive Relief, which provides for the partial revocation of the Cease Trade Orders from the securities regulatory authorities in each of the provinces of Manitoba and Québec, for the purposes of, among other things, making the Offer and permitting Paddington Unitholders to tender their Units to the Offer. Upon the completion of the Offer in accordance with the terms and conditions as provided in the Offering Documents, the securities of Paddington will continue to be subject to the Cease Trade Orders until such time as the Paddington General Partner complies with the information and reporting requirements of the Securities Laws of each of the provinces of Manitoba and Québec, and applies to and receives orders revoking the Cease Trade Orders from each of the Securities Regulatory Authorities in such provinces.

Distributions

Paddington maintains a policy of distributing net cash flow from operations on a semi-annual basis. Subject to adequate working capital requirements, these distributions take place following the respective completion of the interim financial statements and the year-end financial statements. These distributions may be augmented in certain years by the use of previously set aside reserve funds to offset the cost of certain capital expenditures taking place during the year.

The Paddington General Partner is responsible for distribution net cash flow allocated as at the end of such period as to 99% thereof to the limited partners of Paddington, and as to 1% thereof to the Paddington General Partner as a fee. Any net loss for any fiscal period will be allocated 100% to the limited partners of Paddington, subject to the provisions of the Paddington Partnership Agreement. The following table summarizes the semi-annual distributions of net cash available for distribution by Paddington for the previous 5 fiscal years as reported and derived from management's discussion and analysis of Paddington for the applicable periods, as available on SEDAR.

Period	2008 (\$/Unit)	2007 (\$/Unit)	2006 (\$/Unit)	2005 (\$/Unit)	2004 (\$/Unit)
June	0.0937	0.0910	0	0	(1)
December	0.0706	0.0917	0.1920	01886	0.1627
Year Total	0.1644	0.1827	0.1920	0.1886	0.1627

Notes:

- (1) There is no publicly available information filed on SEDAR in respect of net cash available for distribution per Unit by Paddington for this 6 month period ended June 30, 2004. There are no SEDAR filings made by Paddington prior to March 2007.
- (2) The totals in the columns may not add due to rounding.

Price Range and Trading Volumes of Units

The Paddington Units are not listed or posted for trading on any exchange.

Prior Issuances of Units

To the knowledge of the Offeror, Paddington issued a total of 800,000 Paddington Units at a price of \$1.00 per Unit, for gross proceeds of \$800,000 in accordance with a prospectus of Paddington dated May 30, 1984. To the knowledge of the Offeror, there have been no further issuances of Units by Paddington.

Information and Reporting Requirements

Paddington is subject to the information and reporting requirements of the Securities Laws. In accordance therewith, Paddington is required to file reports and other information with the Securities Regulatory Authorities relating to its business, financial statements and other matters which may be inspected at the offices or through the facilities of such Securities Regulatory Authorities. Information as of particular dates concerning Paddington General Partner's directors and certain of its officers, their remuneration, options, granted to them, the principal Unitholders and any material interest of such Persons in material transactions with Paddington and other matters is required to be disclosed in proxy statements distributed to Unitholders and filed with Securities Regulatory Authorities.

Pursuant to the provisions of Securities Laws, the Paddington General Partner must send a directors' circular to all Unitholders in connection with the Offer, which circular, together with other information, must disclose any material changes in the affairs of Paddington subsequent to the date of the most recent published financial statements of Paddington.

3. BACKGROUND TO, REASONS FOR, AND BENEFITS OF, THE OFFER

Background to the Offer

In accordance with its business purposes under the Amalgamated LP Partnership Agreement, Amalgamated LP acquires, holds, and where appropriate, trades units of publicly and non-publicly traded units of RELPs, and financial instruments and contracts. Since August 2005, Amalgamated LP has been acquiring Units of Paddington and, since 2007, has been reviewing the financial performance and progress of Paddington, primarily through its publicly filed financial statements, and accessing such information and records as permitted to Unitholders under the Paddington Partnership Agreement. Through this review, Amalgamated LP determined that there was a strategic rationale for acquiring the balance of the Units.

Paddington, as a reporting issuer in the provinces of Manitoba and Québec, is subject to the information and reporting requirements of the Securities Laws of these provinces. In accordance therewith, Paddington is required to file reports, financial statements and other information with Securities Regulatory Authorities relating to its business, financial condition and other matters. In 2007, when Amalgamated LP was evaluating a potential offer to acquire Units of Paddington, it became aware that the securities of Paddington were subject to the Cease Trade Orders for failing to file certain of the financial statements of Paddington in accordance with Securities Laws. The Cease Trade Orders effectively render the Units illiquid, to the detriment of all Unitholders.

During late 2008 and early 2009, Amalgamated LP continued with its financial and legal due diligence of Paddington based on publicly available documents, information and data. In February 2009, management of Amalgamated General Partner issued correspondence to Paddington General Partner seeking clarification on its long term strategy in respect of Paddington, including what steps, if any, Paddington General Partner had taken to remedy the lack of liquidity impacting the Units as a consequence of the Cease Trade Orders. As of the date hereof, no response has been received by Amalgamated General Partner from the Paddington General Partner.

As a result of this lack of response by the Paddington General Partner, management of Amalgamated General Partner met in late February 2009 to discuss the possibility of making an offer for all of the Units of Paddington, subject to obtaining the Exemptive Relief from the Securities Regulatory Authorities. Following that meeting, management of Amalgamated General Partner determined it appropriate to proceed with exploring the potential of such transaction, including applying for the Exemptive Relief in order that an offer, if authorized and approved by the board of directors of Amalgamated General Partner, may be undertaken.

On March 19, 2009, management of Amalgamated General Partner decided upon and presented the terms of the Offer to the board of directors of Amalgamated General Partner who met on that date to consider its terms and conditions and to weigh its costs and benefits in light of Amalgamated LP's strategy in increasing its exposure to

RELPs. At that meeting, the board of directors of Amalgamated General Partner authorized and approved proceeding with the Offer.

Reasons for the Offer

The Offer is one of the methods that Amalgamated LP utilizes in conducting its business, which involves capitalizing on market inefficiencies with respect to securities of RELPs and other marketable securities, and financial service lending, all for the purpose of providing the limited partners thereof with a diversified income stream.

If the Offer is successful, Amalgamated LP will acquire all of the Units and Unitholders will receive cash for Units. The completion of the Offer will result in, among other things, the integration of Amalgamated LP's investment portfolio with that of Paddington, and be consistent with and in furtherance of this long-term strategy by building on Amalgamated LP's interests in residential real estate complexes in Canada through investment in RELPs.

Benefits of the Offer

The discussion below is based on market and business conditions existing as of the date hereof and reflects the Offeror's best estimate of the effects of such integration. There can be no assurance that the benefits discussed below will ultimately be achieved.

Liquidity - The Units are not posted or listed on any exchange; as a result there are limited opportunities for Unitholders to sell Units for cash. The securities of Paddington are currently subject to Cease Trade Orders that have been issued by the Securities Regulatory Authorities in each of the provinces of Manitoba and Quebec. As a result, Unitholders residing in such provinces are unable to sell their Paddington Units either in exchange for other securities or for cash consideration. As the head office of Paddington General Partner, the registrar and transfer agent for Paddington, is in the province of Manitoba, applicable Securities Regulatory Authorities may take the view that any act of the Paddington General Partner in registering a sale, disposition, transfer or any act in furtherance of a trade, in respect of the Units, may not comply with the terms of the Cease Trade Orders, notwithstanding such sale, disposition, transfer, or any act in furtherance of a trade, in respect of the Units, occurred outside of the jurisdictions affected by the Cease Trade Orders. Therefore, the Offer, in conjunction with the Exemptive Relief, provides Unitholders in all jurisdictions with a temporary opportunity to exchange their Units for cash. See Section 2 of the Circular, "Paddington Properties Partnership – Capital Structure of Paddington – Cease Trade Orders".

Tax Efficiency - Unitholders who hold their Units as capital property and who tender their Units to the Offer will generally receive a greater after-tax return in comparison to a sale of the Paddington Properties for an equivalent amount of cash and funds were distributed to Unitholders. **Unitholders are encouraged to seek independent professional advice regarding the income tax consequences of disposing of their Units pursuant to the Offer.** See Section 14 of the Circular, "Certain Canadian Federal Income Tax Considerations".

No Further Offers - To the knowledge of the Offeror, there are currently no other offers (i) to acquire all of the outstanding Units for cash, or (ii) to acquire the Paddington Properties for cash.

4. PURPOSE OF THE OFFER AND PLANS FOR PADDINGTON

Purpose of the Offer

The purpose of the Offer is to enable the Offeror to acquire all of the outstanding Units other than the Units beneficially owned, directly or indirectly, by the Offeror, its affiliates (including Amalgamated LP). If the Offeror takes up and pays for the Units validly deposited under the Offer, the Offeror currently intends to acquire, directly or indirectly, all of the remaining Units not deposited under the Offer through a Subsequent Acquisition Transaction. See "Acquisition of Units Not Deposited Under the Offer" in Section 5 of the Circular.

Although the Offeror currently intends to propose a Subsequent Acquisition Transaction generally on the same terms as the Offer, it is possible that, as a result of delays in the Offeror's ability to effect such a transaction, information hereafter obtained by the Offeror, changes in general economic, industry, regulatory or market conditions or in the business of Paddington, or other currently unforeseen circumstances, such a transaction may not be so proposed, may be delayed or abandoned or may be proposed on different terms.

Plans for Paddington

Amalgamated LP has had an opportunity to review publicly available information filed with Securities Regulatory authorities, and information that Amalgamated LP, as a Unitholder, has a right to review in accordance with the Paddington Partnership Agreement, and other public sources with respect to the operations of Paddington. As a result, Amalgamated LP's plans for Paddington's business are of a general nature and may change when more information becomes available.

If the Offer is successful, Amalgamated LP intends to complete a detailed review of Paddington and its assets, operations, properties, structures, capitalization, policies, management and personnel with a view to, where appropriate, integrating the businesses carried on by the Offeror and those carried on by Paddington.

Other than as described herein, Amalgamated LP currently does not have any plans or proposal that would result in any extraordinary transaction, such as a merger, amalgamation or reorganization or liquidation, any purchase, sale, lease or transfer of a material amount of assets involving Paddington or any of its subsidiaries, or any material change in the indebtedness or capitalization of Paddington.

5. ACQUISITION OF UNITS NOT DEPOSITED UNDER THE OFFER

Compulsory Acquisition

Canadian federal and provincial corporate legislation typically permits an offeror to acquire ("**Compulsory Acquisition**") the securities not tendered to a take-over bid of the corporation if, within 120 days after the date of the take-over bid, it is accepted by the holders of not less than 90% of the securities to which the offer relates. The Paddington Partnership Agreement does not contain provisions entitling, in certain circumstances, an offeror with the right of Compulsory Acquisition. Therefore, there are no rights of Compulsory Acquisition available to the Offeror in connection with the Offer.

Subsequent Acquisition Transaction

If the Offeror takes up and pays for Units validly deposited pursuant to the Offer, and as the foregoing statutory right of Compulsory Acquisition described above is not available, the Offeror intends to acquire the remainder of the Units as soon as practicable by way of a Subsequent Acquisition Transaction (as hereinafter defined).

The Offeror will seek to cause a special meeting of Unitholders to be called to consider amendments to the Paddington Partnership Agreement or such other transaction involving Paddington and the Offeror and/or one or more affiliates of the Offeror (a "**Subsequent Acquisition Transaction**"), for the purposes of enabling the Offeror to acquire all the Units not acquired by the Offeror pursuant to the Offer, carried out for a consideration per Unit not less than the Offer Price. The timing and details of any such transaction would necessarily depend on a variety of factors, including the number of Units acquired pursuant to the Offer.

A Subsequent Acquisition Transaction may take the form of amendments to the Paddington Partnership Agreement. Such an amendment can only be effected with the consent of a 75% majority vote of Unitholders at a duly convened meeting of Unitholders, or by written resolution signed by Unitholders holding a minimum of 75% of the issued Units. The Offeror will cause the Units acquired under the Offer to be voted in favour of such a transaction. The timing and details of any such Subsequent Acquisition Transaction would necessarily depend upon a variety of factors, including the number of Units acquired pursuant to the Offer. If the Offeror and its affiliates own at least 75% of the outstanding Units on a fully diluted basis, the Offeror believes it will own sufficient Units to effect a Subsequent Acquisition Transaction.

A Subsequent Acquisition Transaction may constitute a "business combination" within the meaning of MI 61-101 if such Subsequent Acquisition Transaction would result in the interest of a holder of Units being terminated without the consent of the holder, irrespective of the nature of the consideration provided in substitution therefore. Those methods of acquiring the remaining outstanding Units may also be "related party transactions" within the meaning of MI 61-101, although MI 61-101 also provides an exemption from related party transaction requirements where the transaction is also a business combination. The Offeror expects that any Subsequent Acquisition Transaction relating to Units will be a "business combination" under MI 61-101.

MI 61-101 provides that unless exempted, an issuer proposing to carry out a business combination is required to prepare a formal valuation of the affected securities (in this case, the Units) and, subject to certain exceptions, any non-cash consideration being offered to, or received by, the holders of the affected securities and provide to the holders of the Units a summary of such valuation or the entire valuation.

In connection therewith, the Offeror intends to rely on an available exemption or to seek waivers pursuant to MI 61-101 exempting the Offeror or Paddington or their affiliates, as appropriate, from the requirement to prepare a valuation in connection with any Subsequent Acquisition Transaction. An exemption is available under MI 61-101 for certain second step business combinations completed no later than 120 days after the expiry of a formal take-over bid if the offeror discloses in the take-over bid circular that it intends to acquire the remainder of the securities under a statutory right of action or under a business combination no later than 120 days after the expiry of the take-over bid for consideration per security at least equal in value to and in the same form as the consideration that the tendering security holders in the take-over bid were entitled to receive in the bid and the take-over bid disclosure documents describe the expected tax consequences of both the bid and the business combination if, at the time the bid was made, the tax consequences arising from the business combination were reasonably foreseeable to the Offeror, and were reasonably expected to be different from the tax consequences of tendering to the bid, and disclosed that the tax consequences of the bid and the business combination may be different if, at the time the bid was made, the Offeror could not reasonably foresee the tax consequences arising from the business combination.

The Offeror currently intends that the consideration offered under any Subsequent Acquisition Transaction proposed by it would be at least equal in value to and in the same form as the consideration offered under the Offer and that such Subsequent Acquisition Transaction would be completed no later than 120 days after the Expiry Time. In addition, the Offeror has included the disclosure required under MI 61-101 in the Offer and Circular. Accordingly, the Offeror expects to rely on the exemption from the requirement to prepare a valuation in connection with a Subsequent Acquisition Transaction.

MI 61-101 also requires that, unless exempted, in addition to any other required securityholder approval, in order to complete a business combination, the approval of a majority of the votes cast by each class of affected securities at a meeting of security holders of that class called to consider the transaction be obtained. In relation to the Offer and any second step business combination, this "minority approval" must be obtained from, unless an exemption is available or discretionary relief is granted by the Securities Regulatory Authorities, all Unitholders, excluding the votes attached to Units beneficially owned or over which control or direction is exercised by the Offeror, any "interested party", any "related party" of an "interested party" (unless the related party meets that description solely in its capacity as a director or senior officer of one or more Persons that are neither interested parties nor issuer insiders of the issuer) or a joint actor with any such interested party or related party of an interested party for purposes of MI 61-101.

However, MI 61-101 provides that, subject to certain terms and conditions, the votes attached to the Units acquired under the Offer may be included as votes in favour of a subsequent business combination in determining whether minority approval has been obtained if, among other things, the business combination is effected by the Offeror or its affiliate and is in respect of Units that were not acquired in the take-over bid, the business combination is completed no later than 120 days after the expiry of the bid, the consideration per security that the holders of affected securities would be entitled to receive in the business combination is at least equal in value to and is in the same form as the consideration that the tendering Unitholders were entitled to receive in the bid and the take-over bid disclosure document discloses, among other things, (i) that if the Offeror acquired Units under the bid, the Offeror intended to acquire the remainder of the securities under a business combination no later than 120 days after the expiry of the bid for consideration per security at least equal in value to and is in the same form as the consideration that the Unitholders were entitled to receive in the bid, (ii) that the business combination would be subject to minority approval, (iii) the number of votes attached to the securities that, to the knowledge of the Offeror after reasonable inquiry, would be required to be excluded in determining whether minority approval for the business combination had been obtained, (iv) the identity of holders of such securities excluded from the minority approval determination, setting out their individual holdings, (v) the identity of each class of securities the holders of which would be entitled to vote separately as a class on the business combination, (vi) the expected tax consequences of both the bid and the business combination if, at the time the bid was made, the tax consequences arising from the business combination were reasonably foreseeable to the Offeror and were reasonably expected to be different from the tax consequences of tendering to the bid, and (vii) that the tax consequences of the bid and the business combination may be different if, at the time the bid was made, the Offeror could not reasonably foresee the tax consequences arising from the business combination.

As disclosed above, the Offeror currently intends that the consideration offered under any Subsequent Acquisition Transaction proposed by it would be at least equal in value to and in the same form as the consideration paid to tendering Unitholders under the Offer and that such business combination would be completed no later than 120 days after the Expiry Time. To the knowledge of the Offeror as of the date hereof, after reasonable enquiry, no votes attached to any Units would be required to be excluded in determining whether minority approval for any Subsequent Acquisition Transaction had been obtained. The Offeror expects that only holders of Units would be entitled to vote on a Subsequent Acquisition Transaction. The Offeror intends that the votes attached to the Units acquired by it under the Offer will be included as votes in favour of a second step business combination in determining whether minority approval has been obtained in connection with a Subsequent Acquisition Transaction. In addition, under MI 61-101 if, following the Offer, the Offeror and its affiliates beneficially own, in the aggregate, 90% or more of the Units at the time the business combination is agreed to, the requirement for minority approval under MI 61-101 would not apply to the business combination if a statutory appraisal remedy is available, or if no statutory appraisal remedy is available, a substantially equivalent enforceable right is provided to holders of the class of affected securities and that is described in the disclosure document for the business combination. Any Subsequent Acquisition Transaction may also result in Unitholders having the right to dissent and demand payment of the fair value of their Units. If the statutory procedures are complied with, this right could lead to a judicial determination of the fair value required to be paid to such dissenting Unitholders for their Units. The fair value of Units so determined could be more or less than the amount paid per Unit pursuant to the Subsequent Acquisition Transaction or the Offer.

The Canadian federal income tax consequences to a Unitholder arising from a Subsequent Acquisition Transaction are expected to be different from the tax consequences to such Unitholder of tendering its Units to the Offer. See Section 14 of the Circular, "Certain Canadian Federal Income Tax Considerations" for a description of the expected tax consequences of both the Offer and a Subsequent Acquisition Transaction. Unitholders should consult their legal advisors for a determination of their legal rights with respect to a Subsequent Acquisition Transaction if and when proposed.

Other Alternatives

If the Offeror decides not to effect a Subsequent Acquisition Transaction then it will evaluate other available alternatives to acquire the remaining Units. Such alternatives could include, to the extent permitted by applicable law, purchasing additional Units, in privately negotiated transactions, in another take-over bid or exchange offer or otherwise, or taking no further action to acquire additional Units. Any additional purchases of Units could be at a price greater than, equal to or less than the price to be paid for Units under the Offer and could be for cash and/or securities of the Offeror or other consideration. Alternatively, the Offeror may sell or otherwise dispose of any or all Units acquired pursuant to the Offer or otherwise. Such transactions may be effected on terms and at prices then determined by the Offeror, which may vary from the price paid for Units under the Offer.

Judicial Developments

On February 1, 2008, MI 61-101 came into force in the Provinces of Ontario and Québec, introducing harmonized requirements for enhanced disclosure, independent valuations and minority securityholder approval for specified types of transactions. See "Subsequent Acquisition Transaction" above. Certain judicial decisions may be considered relevant to any business combination that may be proposed or effected subsequent to the expiry of the Offer. Canadian courts have, in a few instances, granted preliminary injunctions to prohibit transactions involving business combinations. The current trend in both legislation and Canadian jurisprudence is toward permitting business combinations to proceed, subject to evidence of procedural and substantive fairness in the treatment of minority Unitholders.

Unitholders should consult their legal advisors for a determination of their legal rights with respect to any transaction that may constitute a business combination.

6. COMMITMENTS TO ACQUIRE SECURITIES OF PADDINGTON

Other than pursuant to the Offer and except as disclosed herein, there are no commitments to acquire securities of Paddington by (i) the Offeror or, to the knowledge of the Offeror, Amalgamated LP or Amalgamated General Partner, or any directors or senior officers of the Offeror or Amalgamated General Partner, after reasonable enquiry, (ii) by any of the directors and senior officers of the Offeror or Amalgamated General Partner, or (iii) by any of their respective associates, or (iv) by any person or company who beneficially owns (directly or indirectly)

more than 10% of any class of the equity securities of the Offeror, or (v) by any person or company acting jointly or in concert with the Offeror. See "Arrangements With Management Securityholders and Securityholders" in Section 7 of the Circular.

7. ARRANGEMENTS WITH MANAGEMENT SECURITYHOLDERS AND SECURITYHOLDERS

There are no arrangements or agreements made or proposed to be made between the Offeror, Amalgamated LP and Paddington or the directors or senior officers of the Paddington General Partner, and no payments or other benefits are proposed to be made or given by way of compensation for loss of office or as to such directors or senior officers remaining in or retiring from office. There are no contracts, arrangements or understandings, formal or informal, between the Offeror or Amalgamated LP and any Unitholder with respect to the Offer or between the Offeror, Amalgamated LP and any person or company with respect to any securities of Paddington in relation to the Offer.

8. OWNERSHIP OF AND TRADING IN SECURITIES OF PADDINGTON

Other than Amalgamated LP and its affiliates, which beneficially own, directly or indirectly, 243,024 Units or approximately 30.4% of the 800,000 outstanding Units of Paddington, and other than pursuant to the Offer, none of the Offeror, Amalgamated LP, Amalgamated General Partner or any director or senior officer of the Offeror or Amalgamated General Partner, to the knowledge of the directors and senior officers of the Offeror and Amalgamated General Partner, after reasonable enquiry, any associate of the directors or senior officers of the Offeror, Amalgamated General Partner, or any person holding more than 10% of any class of equity security of the Offeror, Amalgamated LP or Amalgamated General Partner, beneficially owns, directly or indirectly, or controls or exercises direction over, or has the right to acquire, any securities of Paddington.

None of the Offeror, Amalgamated LP or Amalgamated General Partner nor, to the knowledge of the directors and senior officers of the Offeror and Amalgamated General Partner after reasonable enquiry, any of the persons referred to above, has traded in any securities of Paddington during the six months preceding the date hereof.

9. SOURCE OF FUNDS AND EXPENSES

The Offeror estimates that if it acquires all the Units not already held by it and its affiliates, (including Amalgamated LP), the total amount of cash required will be approximately \$1,450,000, which includes fees and expenses payable by the Offeror. The Offeror will satisfy or arrange for the satisfaction of such funding requirements for the Offer through cash to be made available to the Offeror by Amalgamated LP from its existing cash resources.

10. EFFECTS OF THE OFFER

Market for the Units

The Units are not listed and posted for trading on any recognized stock exchange in Canada. However, the purchase of Units pursuant to the Offer will reduce the number of Units that, subject to the Cease Trade Orders, might otherwise trade in the over-the-counter market, if any, as well as the number of holders of Units, and, depending on the number of Units deposited and purchased under the Offer, could adversely affect the liquidity and market value, if any, of the remaining Units held by Unitholders.

Paddington Partnership Agreement

Depending on the results of the Offer, the Offeror will consider taking the steps necessary to call a meeting of the Unitholders for the purpose of considering amendments to the Paddington Partnership Agreement that would provide for a right of Compulsory Acquisition for an offeror, or as may be necessary to implement a Subsequent Acquisition Transaction (other than an amendment to the Paddington Partnership Agreement), and to provide the limited partners of Paddington with an effective means or remedies in respect of a general partner that fails to comply with the contractual requirements of the Paddington Partnership Agreement, or otherwise fails to comply with the provincial or federal laws of Canada applicable to Paddington. See Section 5, of the Circular "Acquisition of Units Not Deposited Under the Offer".

Outstanding Indebtedness of Paddington

To the best knowledge of the Offeror, Paddington has as at June 30, 2008, a 5 year term first mortgage on the

Paddington Properties in the principal balance of \$2,186,878, at an interest rate of 4.78%, maturing July 1, 2010.

11. OTHER MATERIAL FACTS

Neither the Offeror, Amalgamated LP or Amalgamated General Partner are aware of any material facts concerning the Units or other material facts not disclosed in the Offer that have not previously been generally disclosed that would reasonably be expected to affect the decision of the Unitholders to accept or reject the Offer.

12. ACCEPTANCE OF THE OFFER

The Offeror has no knowledge of whether any Unitholders will accept the Offer. See Section 6 of the Circular, "Arrangements with the Management Securityholders and Securityholders".

13. REGULATORY MATTERS

Valuation Exemption

The Offeror, together with its affiliates (including Amalgamated LP), currently own 243,024 Units or approximately 30.4% of the 800,000 outstanding Units. Accordingly, the Offer is an "insider bid" within the meaning of certain Securities Laws, including MI 61-101, as the Offeror has, or is deemed to have, beneficial ownership of more than 10% of the Units. The applicable securities legislation and MI 61-101 require that a formal valuation of the securities that are the subject of the bid be prepared by an independent valuator and filed with the applicable regulatory authorities, subject to certain exemptions. In accordance with Section 2.4(1)(a) of MI 61-101, the Offeror is exempt from the requirement to obtain a formal valuation on the basis that the Offeror or Amalgamated General Partner has not had within the preceding 12 months, any board or management representation in respect of Paddington General Partner, or any knowledge of any material information concerning Paddington or its securities that has not been generally disclosed.

To the knowledge of the Offeror, Amalgamated LP, Amalgamated General Partner and the directors and senior officers thereof, after reasonable inquiry, no prior valuation has been made in respect of Paddington in the last 24 months before the date of the Offer.

14. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

General

In the opinion of Gowling Lafleur Henderson LLP, counsel to the Offeror, the following is a fair and adequate summary of the principal Canadian federal income tax considerations of disposing of Units pursuant to this Offer, and who, for purposes of the Tax Act, are resident in Canada, hold their Units as capital property and deal at arm's length with and are not affiliated with, the Offeror. Generally, the Units will be considered to be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business and has not acquired the Units in one or more transactions considered to be an adventure in the nature of trade.

This summary is based upon the provisions of the Tax Act and Tax Regulations in force as of the date hereof, all Tax Proposals and counsel's understanding, based upon publicly available materials, of the current administrative and assessing policies of the Canada Revenue Agency. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Tax Proposals, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be legal or tax advice to any Unitholder. Consequently, Unitholders should seek independent professional advice regarding the income tax consequences of disposing of the Units pursuant to this Offer, having regard to their own particular circumstances.

Disposition of Units Pursuant to the Offer

A disposition by a Unitholder of his or her Units pursuant to this Offer will result in a capital gain (or capital loss) to the Unitholder to the extent the proceeds of disposition of such Units, net of reasonable disposition costs, exceed (or are exceeded by) the adjusted cost base of the Units. In general, the adjusted cost base of a Unitholder's Units at a particular time will be equal to the subscription price of the Units, plus income of Paddington that has been allocated to the Unitholder, minus losses of the Paddington allocated to the Unitholder and minus distributions received by the Unitholder from Paddington.

If, at the end of any fiscal period of Paddington, the deductions in computing the adjusted cost base of a Unitholder's Units exceed the subscription price and additions in computing such adjusted cost base, such negative amount will be deemed to be a capital gain of the Unitholder from a disposition of the Units and the adjusted cost base of the Unitholder's Units will be nil at the beginning of the next fiscal period of Paddington.

One-half of any capital gain realized by a Unitholder in a taxation year must be included in computing the Unitholder's income for that year as a taxable capital gain. One-half of a capital loss realized in a taxation year will be deductible as an allowable capital loss against taxable capital gains realized in that year or in any of the three taxation years preceding that year or any subsequent taxation year, subject to certain restrictions contained in the Tax Act.

A Unitholder that is an individual or a trust may be liable for alternative minimum tax as a result of realizing a capital gain. A Unitholder that is a "Canadian-controlled private corporation" (within the meaning of the Tax Act) may be liable to pay an additional refundable tax of 62/3% on certain investment income, including taxable capital gains.

Disposition of Units Pursuant to a Subsequent Acquisition Transaction

As described in Section 5 of this Circular under the heading "Acquisition of Units Not Deposited Under the Offer - Compulsory Acquisition", there are no rights of Compulsory Acquisition available to the Offeror in connection with the Offer.

As further described in Section 5 of this Circular under the heading "Acquisition of Units Not Deposited Under the Offer – Subsequent Acquisition Transactions", it is the Offeror's current intention to consider other means of acquiring, directly or indirectly, all of the Units in accordance with applicable law, including a Subsequent Acquisition Transaction. In the event the Offeror undertakes a Subsequent Acquisition Transaction, the tax consequences to Unitholders who do not tender their Units under the Offer will depend upon the nature of the particular transaction or transactions undertaken and may be substantially the same as, or materially different from, those described above. Unitholders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Units acquired pursuant to such transactions.

The Canadian federal income tax consequences set forth above are for general information only. Unitholders are urged to consult their own tax advisors to determine the particular tax effects to them of the Offer.

15. DEPOSITARY

The Offeror has engaged Amalgamated General Partner to act as Depositary for the receipt of certificates in respect of Units, if any, and related Letters of Transmittal. The Depositary has also been engaged to make the payments for Units purchased by the Offeror pursuant to the Offer. The Depositary will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection therewith, including without limitation applicable Securities Laws compliance matters.

16. LEGAL MATTERS

Legal matters on behalf of Amalgamated LP and the Offeror will be passed upon by Gowling Lafleur Henderson LLP, counsel to Amalgamated LP and the Offeror.

17. STATEMENT OF RIGHTS

Securities legislation in the provinces and territories of Canada provides security holders of Paddington with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to those security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

18. APPROVAL OF OFFER AND TAKEOVER BID CIRCULAR

The contents of the Offer and this Circular have been approved and the sending, communication or delivery thereof to the Unitholders has been authorized by the Board of Directors of the Offeror and Amalgamated General Partner Ltd., as general partner of Amalgamated Income Limited Partnership.

CONSENT OF COUNSEL

To: The Board of Directors of the Offeror

We hereby consent to the reference to our opinion contained under Section 14, "Certain Canadian Federal Income Tax Considerations" in the Circular accompanying the Offer dated April 14, 2009 by the Offeror to the holders of Units of Paddington Properties Partnership.

Calgary, Alberta
April 14, 2009

(Signed) *Gowling Lafleur Henderson LLP*

CERTIFICATE OF OFFEROR AND AMALGAMATED LP

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Dated: April 14, 2009

Quick Draw Mortgages Ltd.
by:

(signed)
Michael Charlton
Director

Amalgamated Income Limited Partnership,
By its general partner, **Amalgamated General Partner Ltd.**
by:

(signed)
Chris J. Boatman
Director

The Depository for the Offer is:

AMALGAMATED GENERAL PARTNER LTD.

Via Courier

Unit 1, 606 Meredith Road NE
Calgary, Alberta T2E 5A8
Attention: Sean McPherson

Via Mail

P.O. Box 1290, Station 'M'
Calgary, Alberta T2P 2L2
Attention: Sean McPherson

Toll Free Telephone (within Canada): 1-888-708-5757

Direct Dial Number: (403) 265-6540

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