ARMTEC INFRASTRUCTURE INCOME FUND

ANNUAL INFORMATION FORM
For the year ended December 31, 2009

March 25, 2010

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NOMENCLATURE

In this Annual Information Form (“**AIF**”), the term “**Armtec**” refers to Armtec Infrastructure Income Fund (the “**Fund**”) together with its affiliated entities, Armtec Operating Trust (“**AOT**”), Armtec AEP GP Limited (“**AEP GP**”), Armtec Exchangeable Partnership (“**AEP**”), Armtec Holdings Limited (“**AHL**”), Armtec Limited Partner Corp. (“**ALPC**”), Armtec Limited Partnership (“**ALP**”), Durisol Consulting Services Inc. (“**DCS**”) and Armtec US Limited, Inc. (“**Armtec US**”). The term “**Fund Entities**” refers collectively to AOT, AEP GP, AEP, AHL, ALPC, ALP, DCS and Armtec US.

In this AIF, all references to dollars are in Canadian dollars unless otherwise noted. All information in this AIF is presented as at December 31, 2009 unless otherwise noted.

FORWARD-LOOKING INFORMATION

This AIF may contain "forward-looking" statements within the meaning of applicable securities legislation which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Fund or industry results, to be materially different from any future results, events, expectations, performance or achievements expressed or implied by such forward-looking statements. All such forward-looking statements are made pursuant to the “safe harbour” provisions of applicable Canadian securities legislation. Forward-looking statements may include comments with respect to the Fund’s objectives, strategies to achieve those objectives, expected financial results, and the outlook for the Fund’s business. Forward-looking statements typically contain such words or phrases such as "may", "outlook", "objective", "intend", "estimate", "anticipate", "should", “could”, “would”, "will", "expect", "believe", "plan" and other similar terminology suggesting future outcomes or events. These statements reflect current expectations regarding future events and operating performance and are based on information currently available to the Fund's management.

Forward-looking statements involve numerous assumptions and should not be read as guarantees of future performance or results. Such statements will not necessarily be accurate indications of whether or not such future performance or results will be achieved. You should not unduly rely on forward-looking statements as a number of factors, many of which are beyond the control of the Fund, could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to the factors listed below and those discussed in the Fund's materials filed with the Canadian securities regulatory authorities from time to time. Although the forward-looking statements contained in this AIF are based upon what management of the Fund believes are reasonable assumptions, the Fund cannot assure investors that actual results will be consistent with these forward-looking statements. All forward-looking statements in this AIF are qualified by these cautionary statements. These forward-looking statements and outlook are made as of the date of this AIF and, except as required by applicable law, the Fund assumes no obligation to update or revise them to reflect new events or circumstances.

STRUCTURE

Name, Address and Jurisdiction of the Fund

Armtec Infrastructure Income Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario by a declaration of trust dated June 15, 2004, as amended and restated on July 27, 2004 (the "**Declaration of Trust**").

The head and registered office of the Fund is located at 370 Speedvale Avenue West, Suite #3, Guelph, Ontario, N1H 7M7.

Among other things, the Fund has been established to hold, directly and indirectly, securities and assets of the Fund Entities and other investments in entities conducting the business of manufacturing and/or marketing of drainage products, precast and pre-stressed concrete products, highway noise barriers and engineered solutions for infrastructure applications and such other investments as the trustees of the Fund (the "**Trustees**") may determine to be appropriate; provided, however, that the Fund may not undertake any activity, take any action, or make any investment that would result in the Fund not being considered a "mutual fund trust" or a "registered investment" for purposes of the *Income Tax Act* (Canada) (the "**Tax Act**").

Fund Entities

AOT

AOT is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated July 16, 2004 (the "**AOT Declaration of Trust**"). Among other things, AOT was established to hold, directly and indirectly, investments in entities conducting the business of manufacturing and/or marketing of drainage products, precast and pre-stressed concrete products, highway noise barriers and engineered solutions for infrastructure applications in a diverse cross-section of industries, including the public infrastructure market and private sector markets such as commercial construction, residential building, natural resources and agricultural drainage. With the exception of 393,889 outstanding Class B exchangeable partnership units of AEP (the "**AEP Exchangeable Units**") which were issued as partial consideration for certain acquisitions completed by the Fund, AOT holds, directly or indirectly, 100% of the securities of each of AEP GP, AEP, AHL, ALPC, ALP, DCS and Armtec US. The AEP Exchangeable Units are exchangeable on a one-for-one basis for units of the Fund ("**Units**"). The AEP Exchangeable Units entitle the holders thereof to receive distributions from AEP in the same amount and at the same time, on a unit for unit basis, as distributions made by the Fund to holders of Units of the Fund (the "**Unitholders**").

AEP GP

AEP GP is a corporation incorporated under the laws of the Province of Ontario, and is the sole general partner of AEP. AEP GP does not conduct any active business other than acting as the general partner of AEP.

AEP

AEP is a limited partnership established under the laws of the Province of Ontario. AEP is an investment holding limited partnership. AOT is the sole voting limited partner of AEP.

AHL

AHL is a corporation continued under the laws of the Province of Ontario, and is the sole general partner of ALP. Other than (i) acting as the general partner of ALP, and (ii) participating in acquisitions as described in more detail under the heading "General Development of the Business" below, AHL does not conduct any active business in the ordinary course.

ALPC

ALPC is a corporation incorporated under the laws of the Province of Ontario and is a limited partner of ALP. Other than holding an investment in ALP, ALPC does not conduct any active business.

ALP

ALP is a limited partnership established under the laws of the Province of Ontario pursuant to a limited partnership agreement dated July 16, 2004 between AHL, as general partner, ALPC, as a limited partner, and each person who is admitted to ALP as a limited partner (the "**ALP Limited Partnership Agreement**"). ALP's business is manufacturing and/or marketing of drainage products, precast and pre-stressed concrete products, highway noise barriers and engineered solutions for infrastructure applications. Its customers are in a diverse cross-section of industries, including the public infrastructure market and private sector markets such as commercial construction, residential building, natural resources and agricultural drainage. ALP owns, operates and leases assets and property in connection with the business. The limited partners of ALP are currently AEP, ALPC and AHL.

DCS

DCS is a corporation incorporated under the laws of Canada. All of the issued and outstanding shares of DCS are held by AHL. During 2009, DCS provided engineering consulting services to ALP and other third party entities. DCS no longer carries on any active business.

Armtec US

Armtec US was incorporated under the laws of the State of Delaware on January 4, 2010. All of the issued and outstanding shares of Armtec US are held by AHL. Armtec US provides sales services in the United States ("U.S.").

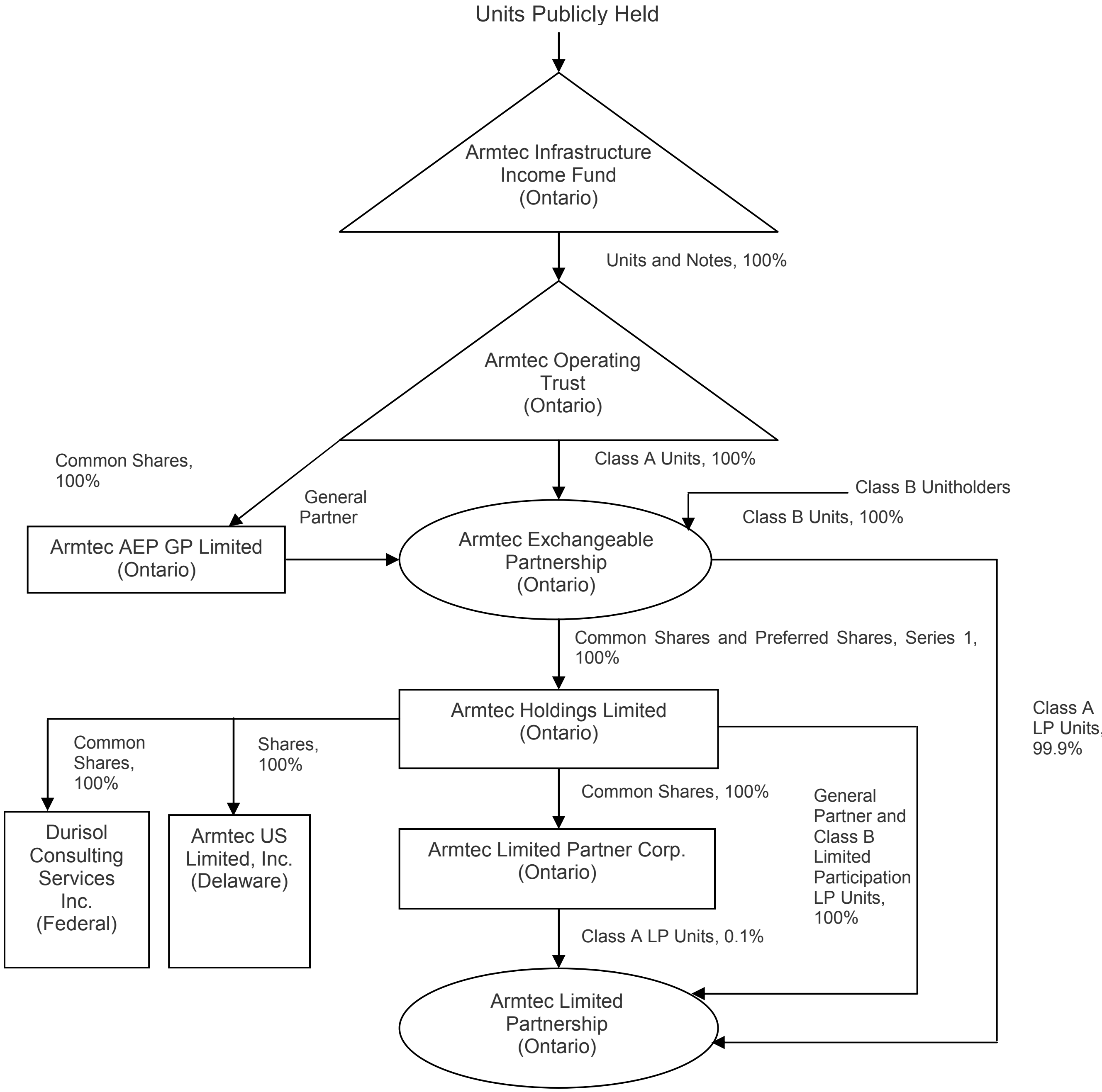
Administration Agreement

On July 27, 2004, the Fund entered into an administration agreement with ALP, AOT, AHL and ALPC pursuant to which ALP agreed to provide (for no additional consideration, other than reimbursement by the Fund of out-of-pocket expenses for the provision of such services) administrative and support services to the Fund, AOT, AHL and ALPC. The administration agreement had an initial term of five years and was renewable for two additional five-year terms at the option of the parties.

On July 27, 2009, the administration agreement was renewed, amended and restated to include AEP and AEP GP as recipients of administrative and support services (the "**Amended and Restated Administration Agreement**"). The Amended and Restated Administration Agreement has an initial term of five years, and is renewable for two additional five-year terms at the option of the parties.

Structure of the Fund

The Fund owns, directly, 100% of the issued and outstanding securities of AOT, and owns, directly or indirectly, 100% of the issued and outstanding voting securities of each of AEP GP, AEP, AHL, ALPC, ALP, DCS and Armtec US (the AEP Exchangeable Units are not voting securities). The following diagram illustrates the relationship of the Fund and the Fund Entities as at the date hereof. For simplification, this diagram omits certain wholly-owned inactive subsidiaries of the Fund.



GENERAL DEVELOPMENT OF THE BUSINESS

2004

The Fund was established on June 15, 2004. On July 27, 2004, the Fund completed an initial public offering (the "**IPO**") of 9,015,000 Units, at a price of $10.00 per Unit, for aggregate gross proceeds of $90,150,000. On the same date, the Fund indirectly acquired all of the securities and assets of AHL, a leading manufacturer and marketer of drainage products and engineered solutions for infrastructure applications, for an aggregate purchase price of approximately $78.4 million in cash. The purchase price and associated expenses were financed by the proceeds from the IPO.

Three Year History

2007

On October 1, 2007, the Fund acquired the precast and pre-stressed concrete manufacturing business of Con-Force, based in Calgary, Alberta. Founded in 1949, the Con-Force business consists of the design, manufacture and installation of precast and pre-stressed concrete components for a variety of structures.

Under the terms of this transaction, the Fund, through AHL, acquired all of the outstanding shares of the corporations (the "**Con-Force Corporations**") which carried on the Con-Force business pursuant to a share purchase agreement dated September 10, 2007 (the "**Con-Force Purchase Agreement**") between TWCF Limited Partnership, Vair Holdings Inc., Merv Schweitzer, Ken Pensack, Larry Wentz, Tony Walton and Kevin McBeth (the "**Con-Force Vendors**"), as vendors, Ron Adams, ALP, and AHL, as purchaser, for an aggregate purchase price of approximately $122.1 million, subject to adjustment in accordance with the Con-Force Purchase Agreement.

The purchase price for the Con-Force business was paid partly in cash and partly by the issuance by AHL to the Con-Force Vendors of an aggregate of 1,067,073 Preferred Shares, Series 1 (the "**AHL Shares**") at an issue price of $16.40 per AHL Share. The AHL Shares were exchanged by the Con-Force Vendors immediately following the closing of the transaction for AEP Exchangeable Units on a one-for-one basis. As at the date hereof, all of the AEP Exchangeable Units held by the Con-Force Vendors have been exchanged for Units of the Fund.

The acquisition of the Con-Force business was financed by the completion by the Fund on October 1, 2007, of a bought deal public offering of 3,705,000 Units at a price of $16.40 per Unit, for gross proceeds of $60,762,000. In connection with this offering, the Fund entered into an agreement dated September 14, 2007 (the "**2007 Underwriting Agreement**") with a syndicate of underwriters co-led by TD Securities Inc. and Scotia Capital Inc., and including BMO Nesbitt Burns Inc., CIBC World Markets Inc. and M Partners Inc.

On October 1, 2007, immediately following the completion of the acquisition by the Fund of the Con-Force business, AHL was continued from the Province of Ontario to the Province of Alberta, and amalgamated with all of the Con-Force Corporations as "Armtec Holdings Limited". On October 26, 2007, the amalgamated corporation was continued from the Province of Alberta back into the Province of Ontario. On November 30, 2007, as part of an internal reorganization, the assets and liabilities of the Con-Force business were transferred from AHL to ALP.

2008

On March 20, 2008, the Fund acquired certain tangible and intangible assets and liabilities of Bruce Tile Inc. ("**Bruce Tile**") for an aggregate purchase price of approximately $9.5 million. Based in Walkerton, Ontario, Bruce Tile is a leading high density polyethylene pipe ("**HDPE**") and drainage tile manufacturer and a significant supplier to Ontario's agricultural market. This transaction was completed pursuant to the terms of an asset purchase agreement dated March 20, 2008 between ALP and Bruce Tile. Approximately $2.0 million of the purchase price was paid by the issuance to Bruce Tile of 87,834 AEP Exchangeable Units, which remain outstanding.

On June 5, 2008, the Fund acquired the business carried on by Durisol Inc. and its related companies. Based in Hamilton, Ontario, the Durisol business consists of the manufacture of highway noise barriers and related highway and infrastructure products such as retaining walls and acoustic enclosures.

Under the terms of this transaction, AHL acquired all of the outstanding shares of Durisol Inc., Mitchell Wood Recycling Inc. ("**Mitchell Wood**") and H.J. Rerup Consulting Inc. ("**H.J. Rerup**"), for an aggregate purchase price of approximately $18.5 million. This transaction was completed pursuant to the terms of a share purchase agreement dated June 5, 2008 (the "**Durisol Purchase Agreement**") between AHL, as purchaser, and Hans J. Rerup, Lydia A. Doering and Durisol Materials Limited ("**Durisol Materials**"), as vendors (the "**Durisol Vendors**"). Approximately $5.0 million of the purchase price was paid by the issuance to Durisol Materials of 208,855 AEP Exchangeable Units, which remain outstanding, and the balance in cash. A further payment of $15.0 million will be made to Durisol Materials in 2010 as the Durisol business satisfied certain financial objectives as set out in the Durisol Purchase Agreement. Hans J. Rerup became an executive officer of the Fund following the acquisition of the Durisol business on June 5, 2008. Hans J. Rerup held executive office positions with Fund up until January 27, 2010, at which time Mr. Rerup was the Vice-President, Engineering of the Fund. Mr. Rerup has an interest in Durisol Materials.

On June 5, 2008, immediately following the completion of the Durisol business acquisition, the assets and liabilities of Durisol Inc. and Mitchell Wood were transferred and assigned to ALP. On August 28, 2008, H.J. Rerup's name was changed to Durisol Consulting Services Inc. On November 30, 2008, Durisol Inc. and Mitchell Wood were wound-up into AHL. Mitchell Wood was voluntarily dissolved on August 20, 2009.

On June 27, 2008, the Fund acquired the outstanding shares of A.E. Concrete Pre-cast Products Ltd. ("**AE Concrete**") for approximately $19.0 million. Based in Surrey, British Columbia, AE Concrete manufactures and supplies precast concrete standard products to the B.C. and Washington State infrastructure and residential markets. AE Concrete manufactures several types of utility vaults and ancillary products, and a versatile precast retaining wall system. This transaction was completed pursuant to the terms of a share purchase agreement dated June 24, 2008 between AHL, as purchaser, ALP, and the former shareholders of AE Concrete (the "**AE Concrete Purchase Agreement**"). Immediately following the completion of the transaction, the assets and liabilities of AE Concrete were transferred and assigned to ALP. On November 30, 2008, AE Concrete was wound-up into AHL.

On July 10, 2008, the Fund completed a bought deal private placement offering of 1,552,800 Units at a price of $24.15 per Unit, for gross proceeds of $37,500,120 pursuant to an agreement (the "**2008 Underwriting Agreement**") with Scotia Capital Inc. and TD Securities Inc. The net proceeds were used to partially finance the acquisitions completed by the Fund on July 31, 2008 (as described immediately below this paragraph), as well as for general business purposes and reduction of the outstanding bank indebtedness owing by the Fund under its Credit Facilities (as defined and described under the section "Description of the Fund – Material Debt" below).

On July 31, 2008, Armtec acquired the assets of the Brooklin Concrete division ("**Brooklin**") of Clearford Industries Inc. ("**Clearford**") and the outstanding shares of Boucher Pre-cast Concrete Limited ("**Boucher**"). Founded in 1952, Brooklin is a manufacturer of septic tanks and other standard precast concrete products in Ontario. Brooklin also manufactures precast concrete products including patio stones, retaining walls, transformer foundations, and switching chambers. Founded in 1954, Boucher is located in Ottawa, Ontario and manufactures, among other products, commercial tanks, bridges, box culverts and segmental rings used in tunneling, pipe rehabilitation and public transit systems.

The acquisition by the Fund of Brooklin was completed pursuant to the terms of an asset purchase agreement dated June 25, 2008 between Clearford, as vendor, and ALP, as purchaser (the "**Brooklin Purchase Agreement**"). The acquisition by the Fund of the outstanding shares of Boucher was completed pursuant to a share purchase agreement dated April 29, 2008 between Clearford, Boucher, Stephen Boucher and Paul Boucher (the "**Boucher Purchase Agreement**"), which was assigned to AHL pursuant to an assignment and amendment agreement dated July 31, 2008 (the "**Boucher Assignment Agreement**"). The aggregate purchase price for the Brooklin and Clearford acquisitions was approximately $65.0 million, and was paid partly by the issuance to Clearford of 117,371 AEP Exchangeable Units and the balance by the issuance of a promissory note and in cash. As at the date hereof, all of the AEP Exchangeable Units held by Clearford have been exchanged for Units of the Fund or have been cancelled.

Immediately following the closing of the Brooklin and Clearford transactions, the assets and liabilities of Boucher were transferred and assigned to ALP. On November 30, 2008, Boucher was wound-up into AHL.

On August 8 2008, the Fund acquired the outstanding shares of BURNCO Concrete Products Ltd. ("**BURNCO Concrete**"), for an aggregate purchase price of approximately $50.0 million. The transaction was completed pursuant to a share purchase agreement dated July 18, 2008 between AHL, as purchaser, and BURNCO Rock Products Limited, as vendor (the "**BURNCO Concrete Purchase Agreement**"). BURNCO Concrete is based in Alberta and produces a wide variety of precast concrete products and pre-mixed package products to both the infrastructure and residential markets. Immediately following the closing of the BURNCO Concrete transaction, the assets and liabilities of BURNCO Concrete were transferred and assigned to ALP. On August 11, 2008, BURNCO Concrete changed its name to 1219316 Alberta Ltd. ("**1219316**"). On November 30, 2008, 1219316 was wound-up into AHL and is currently in the process of being voluntarily dissolved.

On August 15, 2008, ALP acquired certain real property assets from Bruce Tile (then and since known as "Triax Inc."), for an aggregate purchase price of approximately $2.5 million. The purchase price was paid by the issuance to Bruce Tile of 97,200 AEP Exchangeable Units, which remain outstanding.

On August 21, 2008, the Fund expanded its agricultural business in Ontario through the acquisition of certain tangible and intangible assets of Oxford Plastics Inc. ("**Oxford**") for an aggregate purchase price of approximately $5.7 million. This acquisition was completed pursuant to an asset purchase agreement dated August 20, 2008 between Oxford, as vendor, and ALP, as purchaser. As part of the acquisition, the Fund acquired inventory and equipment used in the manufacture of HDPE drainage tile for the agricultural and building trades markets.

2009

On February 6, 2009, the Fund entered into an agreement (the "**2009 Underwriting Agreement**") with a syndicate of underwriters led by Scotia Capital Inc. and BMO Capital Markets to complete a bought deal public offering of approximately 3,100,000 Units at a price of $17.75 per Unit, for gross proceeds of $55,025,000. This offering was completed on February 23, 2009. The net proceeds were used for the repayment of a $50 million bridge loan outstanding under the Fund's

Credit Facilities (as defined and described under the section "Description of the Fund – Material Debt" below), and for general business purposes.

On May 11, 2009, the Fund acquired certain tangible and intangible assets of Groupe Tremca Inc. ("**Tremca**") for an aggregate purchase price of approximately $45.0 million, pursuant to an asset purchase agreement dated April 27, 2009 between Tremca and Groupe Tremca Préfabriqué Inc., as vendors, and ALP, as purchaser (the "**Tremca Purchase Agreement**"). In connection with this transaction, the Fund issued warrants to Tremca the value of which is dependent on the value of the Units of the Fund and shall not exceed $4 million. Based in Saint-Jean-Sur-Richelieu, Quebec, Tremca is a manufacturer of precast concrete and infrastructure products such as concrete pipes, architectural and structural elements, highway noise barriers, retaining walls, precast amenities and steps. This acquisition has strengthened the Fund's position in the Quebec marketplace.

Significant Acquisition

On June 30, 2009, the Fund completed the acquisition of the outstanding shares of Pre-Con Inc. ("**Pre-Con**"), for an aggregate purchase price of approximately $48.4 million, pursuant to a share purchase agreement dated June 8, 2009 between AHL, as purchaser, Blue Circle Home Products International Limited, as vendor, and Lafarge Canada Inc., as guarantor (the "**Pre-Con Purchase Agreement**"). The Pre-Con business is based in Southern Ontario and provides precast and pre-stressed products to both the infrastructure and commercial markets. Pursuant to Part 8 of National Instrument 51-102, a business acquisition report in respect of this acquisition was filed on June 30, 2009 by the Fund on SEDAR at www.sedar.com.

Immediately following the completion of the acquisition of Pre-Con on June 30, 2009, the assets and liabilities of Pre-Con were transferred and assigned to AHL. On November 30, 2009, Pre-Con was wound-up into AHL.

Recent Developments - Corporate Reorganization – January 1, 2010

On October 5, 2009, the Fund announced a corporate reorganization (the "**Reorganization**") designed to capitalize on the significant acquisition growth the Fund has undertaken over the past three years, and transform the Fund by transitioning the various companies it has acquired into one operating company. Management believes that the new structure will place the Fund in the best position to compete effectively in the North American infrastructure markets by making available nationally its comprehensive range of products and services. It will also allow the Fund to capitalize on its new operational scale, product diversity and market depth to deliver a full range of innovative products and enhanced quality services to customers in local markets across Canada.

The Reorganization was effective on January 1, 2010 and has brought together the Fund's former Armtec division, Con-Force division and Durisol division into one regionally based organization, supported by a centralized services group headquartered in Guelph, Ontario. To support the new organizational structure, the Fund is in the process of implementing the SAP enterprise resource planning ("**ERP**") system across its operations. Commencing in 2010, the Fund will report as one operating segment. Management expects the Reorganization to be substantially completed in 2010 with a total cost of approximately $6.1 million, of which approximately $4.6 million was incurred in the fourth quarter of 2009.

DESCRIPTION OF THE BUSINESS

Armtec Infrastructure Income Fund is a leading manufacturer and marketer of a comprehensive range of infrastructure products and engineered construction solutions for customers in a diverse cross-section of industries that are located in every region of Canada, as well as in selected markets globally. These markets include Canada's national and regional public infrastructure markets and private sector markets in residential construction, commercial building, agricultural drainage and natural resources.

Operating through its network of regional offices and production facilities across the country, Armtec's broad range of engineered solutions include products for drainage, bridge applications, soil retention, rehabilitation and water management systems. The range of product include, corrugated high-density polyethylene, corrugated steel and concrete pipe; an array of architectural and structural precast and pre-stressed concrete products from steps, paving stones, slabs and wall panels to highly engineered structural components designed and installed for projects such as bridges, sports venues and parking garages; and a full suite of noise barriers, acoustic enclosures and wall systems along with associated retaining and traffic barrier systems.

Prior to the completion of the Reorganization on January 1, 2010, the operations of the Fund were carried out through three divisions of ALP, namely, the Armtec division, the Con-Force division, and the Durisol division. A description of each of these divisions and their business activities and operations are set out below. The Reorganization combined the business of each of the Armtec division, the Con-Force division and the Durisol division into one regionally based organization supported by a centralized services group.

Armtec Division

General Description

Prior to the Reorganization, the Armtec business developed a suite of complementary construction and infrastructure products and engineered solutions (the "Armtec Business"), which has positioned Armtec as a leading solutions provider to its diverse base of industrial, commercial, agricultural and residential customers. The technical expertise of the division's sales team often leads to the Armtec Business being consulted early in the engineering-intensive specifications stage of major infrastructure projects. The Armtec Business is operated through the industry's largest manufacturing and distribution network in Canada.

Product Overview

Construction and Infrastructure Applications ("CIA")

There are significant categories of products offered by the Armtec Business in the marketplace including high density polyethylene and corrugated steel pipe, geosynthetic products; guardrail and foundation damp proofing products. CIA products represented approximately 84% of the Armtec Business revenue in 2009 and approximately 87% of the Armtec Business revenue in 2008.

Corrugated Steel ("CSP") and High-Density Polyethylene Products ("HDPE")

HDPE pipe offers numerous advantages over competing materials, including lighter weight, ease of installation, strong and tight joints, and chemical and abrasion resistance. HDPE pipe has the potential to increasingly displace concrete pipe in the Canadian market, which has been the case in the U.S. and European markets. Although the Armtec Business sells HDPE pipe primarily for drainage and storm sewers, the product can also be used for other applications such as storm water retention tanks and underground conduits for electrical and telecommunications wire. The Armtec Business produces both a single-wall and double-wall application corrugated pipe under the BOSS 1000, BOSS 2000 and POLY-TITE names. BOSS pipe is used primarily in road culvert applications. POLY-TITE is a twin-walled pipe; similar to BOSS however, it is manufactured with a higher grade resin for long-term stress-crack resistance and is always manufactured with watertight joints. BOSS 2000 and POLY-TITE are the only HDPE pipes certified by the Canadian Standards Association ("**CSA**") for the full range of diameters available.

HDPE tubing products have replaced the use of clay tiles and/or concrete in land drainage applications. The product is used in agricultural land drainage to increase crop yields, as weeping tile in new home construction applications and in repairs and renovations of existing homes. Weeping tile is often specified for use in conjunction with Platon, described below.

The attributes of CSP include lower installation costs, ease of installation, strength and flexibility. As a result of these attributes, CSP has a significant share of the market for drainage and culvert applications. The Armtec Business has also supplied large diameter CSP for use in the construction of foundations for wind towers. CSP is supplied in a variety of coatings to meet specific durability requirements.

Ultra Flo Spiral Rib Pipe is an economical alternative for storm sewer drainage systems. It is a flexible metal pipe with spiral ribs and a continuous interlocking seam that is hydraulically smooth on the inside. Its unique design results in flow characteristics similar to conventional smooth-wall pipe materials such as concrete, ductile iron and plastic. The Fund has the exclusive license from W.E. Hall Company to manufacture and sell Ultra Flo in Canada. Typical applications for this product include storm sewers, highway centreline (median) drainage and underground storm water retention tanks. Ultra Flo is a complementary product to BOSS 2000 and POLY-TITE because it is available in much larger diameters than is currently available for HDPE products.

Geosynthetics

The Armtec Business distributes as wide variety of product used in soil stabilization and soil architecture. Typical applications for this product include road construction base stabilization, golf course construction, steepened slopes construction, and retaining walls.

Platon

Platon is an impermeable membrane, manufactured from HDPE, which is used as a foundation and basement damp-proofing barrier for residential construction and repair. Platon relies on air gap technology to provide outstanding performance and is the only product in the residential foundation market that guarantees crack-bridging performance of up to 1/4 inch. Platon is also used in the construction of sub floors in residential basements. Armtec manufactures Platon under an agreement with Isola AS of Norway, and has the rights to sell the product in both Canada (on an exclusive basis) and the U.S. Armtec has a distribution agreement with CertainTeed Inc. ("**CertainTeed**") of Valley Forge, Pennsylvania, whereby CertainTeed will distribute Platon throughout the U.S. residential housing and building trade markets.

Engineered Solutions

Armtec has developed a line of engineered products for the infrastructure industry including Multi-Plate, Super-Span®, Bridge-Plate, steel bin-type retaining walls, CONTECH Stormwater Solutions and BEBO. Engineered solutions represented approximately 16% of the Armtec Business revenue in 2009 and approximately 13% of the Armtec Business revenue in 2008.

Multi-Plate, Super-Span and Bridge-Plate are used as cost-effective steel construction alternatives to traditional concrete bridge and drainage structures and are particularly well-suited to a more rugged construction environment. Multi-Plate is available in a wide range of shapes and sizes to suit the needs of the drainage and short-span bridge market. By introducing special features such as concrete thrust beams and roof stiffening ribs, spans of up to 18 metres have been successfully installed for Super-Span which is used in a variety of bridge and mining applications. Bridge-Plate, being the strongest corrugated steel product available in soil-steel bridge applications, is 3.5 times stronger and 10 times stiffer than conventional structural plate. These enhanced properties allow Armtec to design long span structures with lighter steel sections, thus providing very cost-effective solutions. Typical applications for this product include bridge structures over water, road grade separations, road/rail grade separations and avalanche protection structures.

The Armtec Business also supplies steel bin retaining walls which are constructed by bolting lightweight galvanized steel members together at the job site. Once backfilled, the solid mass acts as a gravity retaining wall. Typical applications include road widening, slope stabilization, grade separations, loading docks and fresh water recreational dock facilities.

CONTECH® Stormwater Solutions are a product distributed by Armtec. These products are designed to provide on-site primary treatment of storm water run off. Typical application of this product includes storm water management in commercial retail developments.

BEBO® Concrete Arch Bridges are based on the well-proven Swiss technology and are constructed with precast concrete arches, allowing Armtec to extend its bridge and stream crossing product offering, allowing for bridge spans of up to 31 metres. Armtec is licensed to sell these structures throughout Canada apart from the four Atlantic Provinces.

Suppliers

Long-standing relationships with key suppliers of raw materials have assisted the Armtec Business in maintaining efficient procurement and reliability of supply. These relationships have allowed Armtec to maintain its market position, while optimizing its working capital investment.

HDPE products are produced using resins. The Armtec Business purchases virgin resin either directly from the primary manufacturers or from large specialty distributors. For those products where recycled resins are permitted, Armtec has established relationships with processors of recycled industrial and consumer resins. Armtec also has its own resin-testing laboratory, which enables it to certify its HDPE products to CSA standards.

The majority of CSP products are produced using galvanized steel purchased primarily from one supplier. In addition to galvanized product, the Armtec Business purchases a premium aluminum-coated product for use in its CSP and Ultra Flo products, and a substantial amount of carbon steel for structural plate and guardrails. These products are readily sourced from other North American steel manufacturers with which Armtec has established relationships.

Geosynthetic products are distributed by the Armtec Business in Canada. While Armtec has successfully established distribution relationships with key manufacturers of these products, management believes that alternative sources of supply are available if required.

Armtec is the exclusive distributor of storm water quality treatment systems for CONTECH Construction Products of West Chester, Ohio.

Competition

The Canadian market for pipe is somewhat fragmented. Competitors of the Armtec Business are comprised primarily of private companies, all of which are smaller and less diversified than Armtec. Armtec believes that it is the market leader in the corrugated pipe, and related engineered products markets in Canada. U.S. based manufacturers of HDPE pipe account for a small market share in Canada.

Employees

As at December 31, 2009, the Armtec Business employed the equivalent of approximately 345 full-time employees. Of this total, approximately 47 performed sales and marketing functions, 17 performed engineering functions, 39 were salaried operational employees, 45 performed customer service and related functions, 23 performed non-sales related administrative functions, with the balance largely comprised of hourly paid operational workers. The employee structure of the Armtec Business is highly variable reflecting the seasonal nature of its operations. The number of hourly employees of the Armtec Business may be reduced by approximately 40% during winter months.

On average during 2009, the Armtec Business employed approximately 130 employees at 12 locations that were represented by unions. The collective bargaining agreements with these unions expired, or will expire, between February 2009 and July 2012. Four of these agreements which expired in 2009 have been settled successfully, one is currently under negotiations, and another is before conciliation with the Ministry of Labour in Ontario. Management believes that the Fund continues to effect excellent relationships with its employees and respective labour unions. The Armtec Business's last labour dispute occurred in 1988 and lasted one day.

Con-Force Division

Prior to the Reorganization, The Con-Force business designed, manufactured and installed precast and pre-stressed concrete components for a variety of structures including bridges, box culverts, parkades, stadiums, schools, hospitals and office buildings (the "**Con-Force Business**"). With the recent acquisitions of Tremca and Pre-Con, the Con-Force Business is now a supplier of engineered solutions to infrastructure markets across Canada apart from the Atlantic Provinces.

The Con-Force Business also produces a range of construction and infrastructure application precast products ranging from underground utilities to landscaping products and commercial roofing slabs. The CIA production of the Con-Force Business was expanded by the Fund in 2008 and 2009, through its business acquisitions of AE Concrete in British Columbia, the precast concrete production business of BURNCO Concrete in Calgary and Edmonton, Alberta, Brooklin Concrete with four locations in Ontario, and Tremca in Quebec. The Con-Force Business offers what the Fund believes to be one of the most complete lines of precast products in the industry and has established what the Fund believes to be strong supply relationships with national distribution channels.

Product Overview

Construction and Infrastructure Products - Con-Force Concrete Products Group

The Con-Force Business manufactures a range of products including precast pipe, underground vaults, retaining wall systems, light pole bases, transformer bases, tanks, roof ballast and landscaping products. CIA products are produced and supplied year round to a diverse client base that includes but is not limited to; general contractors, landscapers, utility companies, retailers and waste-water systems installers. The Con-Force Business derives significant revenue from customers who buy from inventory as well as from contracts with utility companies such as Enmax, Telus and Atco. The Con-Force Business also manufactures retaining wall panels for RECo (The Reinforced Earth Company), and have maintained a long term partnership in the production and sale of these panels on numerous projects across Canada. CIA products represented approximately 25% of the revenue of the Con-Force Business in 2009 and represented approximately ●% of the revenue of the Con-Force Business in 2008.

Engineered Solutions

The Con-Force Business derived approximately 75% of its revenue from engineered solutions in 2009 and approximately ●% of revenue in 2008. Below is a description of the Business's significant product offerings:

- ***Bridges*** – Armtec's special expertise with bridges has resulted in participation in many larger scale projects. The Con-Force Business pioneered the use of pre-stressed precast concrete in bridge construction in Western Canada, and has manufactured the longest plant-cast bridge girder in North America.

- ***Parkades*** - The Con-Force Business provides its customers with innovative solutions and accelerated schedules for parkade construction. Components for parkades include precast and reinforced pre-stressed concrete columns, beams, walls, stairs and clear-span double-tees. Innovative solutions maximize parking efficiencies, increase the speed of construction, improve aesthetics, user safety and reduce maintenance costs.

- ***Marine*** - More than any other material, precast pre-stressed concrete provides a combination of durability and high load carrying capacity demanded by marine structures. It is the material of choice for deep-sea wharves and trestles (including piles, beams and slabs), due to low initial costs and minimum maintenance requirements. Producing most of the project off site in a quality controlled environment results in reduction of over-water construction, while compressing the overall construction schedule. Components are loaded onto a barge and shipped directly to site ready for installation.

- ***Noise Barriers*** – Through the acquisition of Tremca, the Con-Force Business has obtained a license to manufacture noise barriers. Made with a composite of cement and recycled tires, these walls are durable in various road conditions, including repeated freeze-thaw cycles and exposure to salt.

- ***Wall Panels*** – Through the acquisitions of Tremca and Pre-Con, the Fund has expanded its product offering with the addition in Central Canada of architectural and insulated precast panels. The wall systems are designed for rapid construction and energy efficient building. The panels can be tailored to the customer's requirements.

- ***Hollow-core*** – A product used for floor and roof systems, and relative to more traditional applications, it is believed to result in improved energy efficiency, reduced floor heights, improved fire safety, increased speed of construction and sound attenuation.

- ***Custom Solutions*** - Because precast concrete's applications provide significant design flexibility, The Con-Force Business often finds it has the capability to propose new and unique solutions to construction challenges. Precast and reinforced pre-stressed concrete solutions are used in structural applications for a wide variety of building types, including stadiums, arenas, schools, healthcare facilities, industrial buildings and warehouses, retail shopping centres, office buildings and multi-family residential buildings. Precast concrete applications represent customized and cost effective alternatives to the ever changing needs of customers.

Suppliers

The Con-Force Business is able to achieve significant economies of scale in production and is able to procure raw materials at favourable prices. The Con-Force Business has long term relationships with all of its suppliers. As a result, it is customary for the suppliers to provide the Con-Force Business with significant lead time prior to any material changes in the price of inputs. The Con-Force Business enters into purchase commitments for cement, aggregate, strand and rebar at the time it contracts with a customer for a project. Although the Con-Force Business has established relationships with its suppliers, it is able to access multiple suppliers for its key raw materials in the event its usual suppliers are unable to meet its demand.

Competition

The primary competition for engineered structural products is alternative materials, rather than other precast concrete companies. In bridges these alternate materials are steel, wood and cast-in-place concrete structures. For architectural panels, other competitive materials include wood, glass, brick, and other masonry and cast-in-place panels. In the parking, marine and traditional segments, steel, masonry and cast-in-place compete with precast concrete. The Fund believes that the reputation of the Con-Force Business among customers is enhanced by its in-house engineering group. The participation of the in-house engineering group in solving customer problems at an early stage of design may offer customers a low-cost solution. The in-house design group also focuses on design that maximizes the ease of manufacturing and construction.

Competition in the construction and infrastructure market is typically from small regional precast companies with local production and delivery capabilities. The fractured nature of the market regularly results in multiple competitors in each region. However, no one competitor provides the identical range of products offered by the group. It is the Fund's view that by retaining the local brands of each acquired company, leveraging its purchasing synergies as well as expanding its product capabilities, its relative competitive capabilities are improved.

Employees

As at December 31, 2009, the Con-Force Business employed approximately 1,125 full-time employees. Of this total, approximately 62 performed sales and marketing functions, 54 performed engineering functions, 113 were salaried operational employees, 85 performed non-sales related administrative functions, with the balance largely comprised of hourly paid operational workers.

On average during 2009, the Con-Force Business employed approximately 989 employees which were represented by unions. The collective bargaining agreements with these unions expire between May 1, 2010 and April 30, 2011. Management believes that The Fund's relationship with its employees is excellent.

Durisol Division

General Description

Prior to the Reorganization, the Fund's Durisol Business designs and manufactures highway noise barriers and related infrastructure products, such as retaining walls and acoustic enclosures (the "**Durisol Business**"). The development of the unique Durisol sound absorptive material was made possible through the creation of a treatment process that allows raw wood fibre to be bonded with cement.

Product Overview

The Durisol Business adds to the Fund's engineered solutions product offerings. The Durisol Business does not manufacture CIA products. Below are the key products offered by the Business:

- ***Noise Barriers*** – The Durisol Business has over 30 years of experience in the design and construction of absorptive noise barrier walls. These walls are durable in various road conditions, including repeated freeze-thaw cycles and exposure to salt. The Durisol Business has developed a wide range of attractive precast textures and other options, available for both its absorptive and reflective wall systems. Durisol's expertise in engineering, design and product development has also led to many product innovations such as integral traffic barriers, flood control panels and many unique custom patterns and textures.

- ***Transparent Noise Barriers*** – The Durisol Business offers transparent noise barrier systems which incorporate PARAGLAS SOUNDSTOP®, a recognized transparent noise barrier technology. The PARAGLAS SOUNDSTOP material offers a combination of high performance, longevity, and attractive aesthetics. The transparent barriers also employ a post and panel system, which allows the combination of transparent elements with other noise wall systems, including retaining walls, to maximize overall performance and aesthetics, while minimizing costs, along noise wall alignments.

- ***Retaining Walls*** – Durisol's retaining walls employ a modular post and panel system which can be employed stand-alone, or combined with the noise barriers utilizing one common set of footings. The combined noise and retaining wall systems are both economical and quick to engineer and construct. The Narrow Footprint Retaining Wall System requires no tieback straps and maximizes useable land for roadways and developments. The Durisol Business also offers the Durisol Anchored Retaining Walls System for higher retaining heights and larger loads.

- ***Acoustic Enclosures*** – Durisol's acoustic enclosures are used to shield a variety of industrial and other equipment, in order to control noise at the source, while reducing noise problems in adjacent residential neighbourhoods. The Durisol Business has designed and built innovative rail noise and retaining solutions. These solutions include rail silencers, tunnel liners, and acoustic shields, as well as precast noise and retaining walls, and transparent walls to address acoustic, aesthetic and safety concerns. The unique Durisol material also forms an acoustic facing either for new construction or to retrofit reflective surfaces. It is approximately three times lighter than concrete, is quick to install manually, and offers a full range of precast aesthetic possibilities.

Suppliers

The Durisol Business maintains close relationships with all its principal suppliers which contribute to its ability to maintain raw material consistency, ensuring high quality standards for its products. The Durisol Business enjoys an ability to meet tight delivery schedules on multiple simultaneous large construction products, and the responsiveness of its suppliers plays a key role in the ability to deliver on this objective.

Competition

The Durisol Business is a major supplier of noise barrier walls in Ontario, which has been the focus of sales efforts, and supported by its plant in Southern Ontario. Durisol's success has been related to its absorptive product line and significant engineering and design capability. Other local competitors offer noise reflective walls made of wood or regular concrete. The Fund intends to grow the noise barrier business across Canada, leveraging on its plants and sales relationships. Existing local competition in most other provinces in Canada similarly offer wood and concrete but have limited engineering and design capabilities.

Employees

As at December 31, 2009, the Durisol Business employed approximately 168 full time employees. Of this total, approximately 6 performed sales and marketing functions, 9 performed engineering functions, 13 were salaried operational employees, 11 performed non-sales related administrative functions, with the balance largely comprised of hourly paid operational workers. On average during 2009, the Durisol Business employed approximately 132 hourly non-union employees at its one manufacturing facility. Management believes that The Fund's relationship with its employees is excellent.

Sales & Marketing

Each division has a team of employees dedicated to the sales and marketing function across Canada. The technically-trained sales and engineering team provides engineering assistance to customers, including at the early stages of project design and development of product specifications. The close relationships between the Fund and its customers are important to the Fund's ability to secure ongoing business on complex projects. Management believes that the size and experience of the Fund's sales team and its customer relationships serve as barriers to entry to competitors, as it would be prohibitively expensive to re-create the national coverage of the Fund's sales and engineering team, and would take many years to establish the type of long standing relationships that the Fund has developed with its customers.

With its multi-material capability, the Fund employs a one-stop shopping marketing strategy to provide a broad range of product, material and solution options within a rapid and reliable delivery schedule. The Fund's marketing strategy focuses on educating the customer with respect to the value-engineered advantages of its products and materials relative to alternatives. The Fund's marketing staff maintains and updates a series of marketing materials for this purpose, including relevant product brochures, case studies, an interactive web site and specific software which assists customers with project design and the applications of products of the Fund.

Products are typically sold directly to general contractors and end users, but are also sold through distributors and retailers. Third party distribution is primarily used in the residential and building trades markets but distributors can be used for infrastructure products as well.

Intangible Assets

The Fund's most significant intangible assets are discussed below:

Trademarks and Trade Names

The Armtec, BIG 'O', Con-Force, and Durisol word and design marks, as well as the trademarks BOSS, BOSS 1000, BOSS 2000, POLY-TITE, Multi-Plate, Bridge-Plate, Super-Span, Flex-beam, HEL-COR, System Platon, BEBO, CONTECH Stormwater Solutions, PARAGLAS SOUNDSTOP, Flexwall, Clearspan, SOLIDE COMME DU BÉTON, TREMBASE, Castlestone, Yardstone and Silomix, and the rights related to the trademarks and trade names Bruce Tile, Brooklin, Boucher, AE Concrete, Oxford Plastics and TREMCA are the significant trademark and trade name assets owned by or licensed to the Fund.

Licences

Armtec sells an air-gap membrane product, referred to as Platon, into the residential drainage markets. While Armtec has been responsible for the development of the Platon market in Canada, the product itself was developed by a Norwegian company. Armtec manufactures Platon under an agreement with Isola AS of Norway, and has the rights to sell the product in both Canada (on an exclusive basis) and in the U.S..

In 2006, the Fund acquired the license to promote and sell BEBO Concrete Arch Bridges throughout Canada with the exception of the four Atlantic provinces (where a pre-existing licence agreement was in place with a regional supplier). The owner of the rights, patents, know-how and other intellectual property related to the BEBO Concrete Arch Bridges system is BEBO Arch of Canada.

In 2006, the Fund further broadened its product offering by entering into a sales and distribution agreement with CONTECH Stormwater Solutions, a leading supplier of storm water quality systems in the U.S.. Under the terms of this agreement, Armtec became a national distributor for CONTECH Stormwater Solutions products and now offers its Canadian customers the entire CONTECH Stormwater Solutions product line, which includes a full range of storm water quality management products.

In connection with the acquisition of the Durisol Business, ALP entered into a sublicense arrangement with Durisol Resource Inc. to use certain patents, know how and technology used in a manufacturing process (the "**Durisol Process**") for the manufacture of certain building products composed of cement bonded wood fibres, concrete and light weight concrete (and certain related trademarks) in North America, Central America and South America (the "**Territory**"). Durisol International Corporation is the owner of the patents, know how and technology used in the Durisol Process and has granted Durisol Resource Inc. exclusive right to use such patents, know how and technology in the Territory, and the right to grant sublicenses with respect to such rights.

In connection with the acquisition of Tremca in 2009, ALP has entered into three sublicense agreements. ALP has a five year exclusive license with Concrete Innovations Services Inc. in Quebec, Ontario and the Atlantic Provinces, to make, use and sell or otherwise deal in or dispose of the technology in reflective sound walls. ALP has a non-exclusive two year licence for B.C. Alberta, Manitoba and Saskatchewan. Both licences were renewed in October 2009.

In addition, under the Tremca acquisition, ALP acquired an exclusive right to the trademark "Pisa Stone" in association with the manufacture and marketing of certain concrete products for a term of 10 years pursuant to an agreement, with Jagna Limited and Rothbury International Inc., effective as of August 1, 2002.

Customer Lists

Through recent acquisitions, the Fund has expanded its market presence in various Canadian regions. The existing customers of the companies acquired provide value to the Fund through increased revenues in those regions. The business of the former Armtec division has a diverse customer base including various government agencies, commercial clients (including residential developments), agricultural and natural resource customers. The business of the former Con-Force division benefits from a diverse customer base that includes government agencies, commercial clients (such as developers of commercial, industrial and residential properties) and industrial clients (such as mining, pulp and paper and oil sand projects). Con-Force's largest customers include many of the country's leading construction companies as well as provincial governments. The business of the former Durisol division has a diverse customer based including various government agencies.

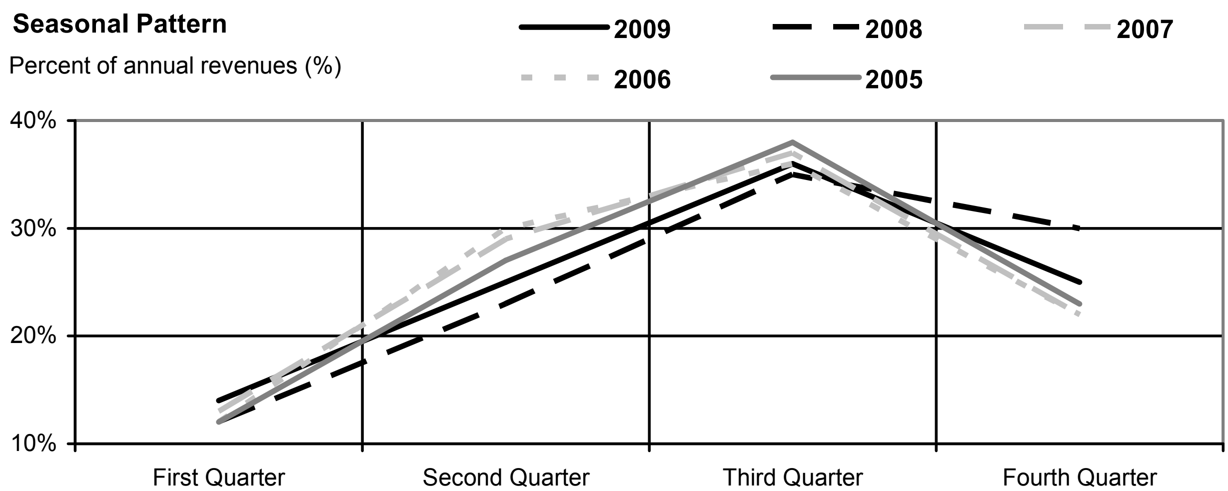
Economic Cycles

Various raw materials are used in the products manufactured by the Fund, and such raw materials may be subject to economic cyclicality and seasonality and wide price variations. In particular, the primary raw materials used in the Fund's plastic, steel, and precast concrete products are various types and grades of resins, steel and cement respectively. The Fund's raw materials are sourced and traded throughout the world and are subject to pricing volatility. Consistent with past and current practices within the industry, the Fund manages its exposure to raw material price volatility by passing through the price volatility to its customers when appropriate.

Seasonality

The Fund, in particular the business of the former Armtec division and the construction and infrastructure products of the business of the former Con-Force division, are seasonal, with sales ramping up in the spring months and generally reaching peak levels in the summer months. As such, potential losses in the first quarter are due to low volumes, with the Fund historically generating positive net earnings in the second and third quarters. Since almost all of the Fund's revenue is derived from products that require outdoor installation, early year shipments can be negatively affected when inclement weather renders installation sites inaccessible. A $50.0 million revolving credit facility is available to accommodate regular distributions during slower quarters and working capital requirements.

The engineered solutions business of Con-Force and the business of the former Durisol division are less affected by seasonality. The revenue generated through engineered solutions projects are significantly affected by the level of infrastructure spending in the markets the Fund serves, the competitive environment and the timing of construction. The following graph represents the seasonal revenue pattern over the last five years[1]:



1. The revenues for the fourth quarter of 2007 have been adjusted to remove the revenues from the Con-Force Business in the period. Con-Force was acquired on October 1, 2007.

Environmental

The Fund is subject to a wide range of federal, provincial and municipal environmental laws and regulations that govern the discharge of materials into the environment and the investigation and clean-up of environmental contamination. The Fund believes that the conduct of its operations is currently in material compliance with existing environmental laws and regulations. In conjunction with independent engineering firms, the Fund has examined its manufacturing facilities to identify potential clean-up obligations and other environmental issues. To date, the costs incurred in complying with environmental laws and regulations, including the cost of clean-up and remediation, have not had an adverse effect on the Fund's financial condition.

Facilities

The Fund’s head office is located at 370 Speedvale Avenue West, Guelph, Ontario. The Fund operates through a comprehensive network of 48 locations. The majority of the manufacturing plants are situated in close proximity to every major market in Canada. This network enables the Fund's sales team to work directly with regional contractors and local municipalities at the critical product specification stage, and is key to reducing transportation costs and providing a high level of customer service.

The flowing table sets forth information regarding the Fund's facilities as at December 31, 2009:

Region	Operational Segment	Total Facilities
Western Canada	Armtec, Con-Force	**16**
Central Canada	Armtec, Con-Force, Durisol	**21**
Eastern Canada	Armtec, Con-Force	**9**
International	Armtec	**2**
		48

DESCRIPTION OF THE FUND

Declaration of Trust

The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The following is a summary of the material attributes and characteristics of the Units and certain provisions of the Declaration of Trust, which does not purport to be complete. Reference is made to the Declaration of Trust for a complete description of the Units and the full text of its provisions. A copy of the Declaration of Trust is filed on SEDAR at www.sedar.com.

Activities of the Fund

The Declaration of Trust provides that the Fund is a limited purpose trust and its activities are restricted to:

(i) acquiring, investing in, holding, transferring, disposing of and otherwise dealing with investments in debt and/or equity securities and/or assets of AOT and/or the other Fund Entities, as well as other corporations, partnerships, trusts and other persons conducting the business of manufacturing and/or marketing of drainage products and/or engineered solutions for infrastructure applications, and such other investments as the Trustees may determine;

(ii) temporarily holding cash in interest-bearing accounts or short-term certificates of deposit, short-term government debt or investment grade corporate debt, or money market mutual funds for the purposes of the Fund's activities, including making investments or paying the expenses and liabilities of the Fund, paying amounts owing by the Fund in connection with the redemption of any Units or other securities of the Fund, and making distributions to Unitholders;

(iii) issuing Units and other securities of the Fund (including securities convertible into or exchangeable for Units or other securities of the Fund, or warrants, options or other rights to acquire Units or other securities of the Fund), including for the purposes of: (a) obtaining cash to conduct the activities described above, including raising funds for further acquisitions, (b) implementing Unitholder rights plans, distribution reinvestment plans and Unit purchase plans, incentive option plans or other compensation plans, if any, established by Armtec, (c) making non-cash distributions to Unitholders as contemplated by the Declaration of Trust, including pursuant to distribution reinvestment plans, if any, established by the Fund, or (d) satisfying any indebtedness or liability of or borrowing by the Fund;

(iv) issuing debt securities or otherwise borrowing and mortgaging, pledging, charging, granting a security interest in or otherwise encumbering any of its assets as security;

(v) guaranteeing (as guarantor, surety or co-principal obligor) the payment of any indebtedness, liability or obligation of the Fund Entities or the performance of any obligation of the Fund Entities, and mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of its assets, including debt or equity securities issued by the Fund Entities or any of the Fund's or their affiliates, as the case may be, as security for such guarantee, and subordinating its rights under the notes (the "**AOT Notes**") of AOT held by the Fund or other indebtedness owed to the Fund to other indebtedness;

(vi) issuing or redeeming rights and Units pursuant to any incentive plan or Unitholder rights plan adopted by the Fund;

(vii) disposing of all or any part of any of the Fund's assets;

(viii) repurchasing and redeeming securities issued by the Fund, subject to the provisions of the Declaration of Trust and applicable law;

(ix) satisfying the obligations, liabilities or indebtedness of the Fund; and

(x) undertaking such other activities, or taking such actions, as are related to or in connection with the foregoing or as are contemplated by the Declaration of Trust or as may be approved by the Trustees from time to time.

Trustees

The Fund is required to have a minimum of three and a maximum of ten Trustees. The Trustees are to supervise the activities and manage the affairs of the Fund. Pursuant to the terms of the Declaration of Trust, not less than two-thirds of the Trustees must be "resident in Canada" for purposes of the Tax Act. In the event that, at any time, less than two-thirds of the Trustees are "resident in Canada" for purposes of the Tax Act, the Trustees then in office will appoint such number of “resident in Canada” Trustees as may be necessary such that not less than two-thirds of the Trustees will be "resident in Canada" for purposes of the Tax Act.

The Declaration of Trust provides that, subject to its terms and conditions, the Trustees have full, absolute and exclusive power, control and authority over the assets of the Fund and over the affairs of the Fund to the same extent as if the Trustees were the sole and absolute legal and beneficial owners of the assets of the Fund and may, in respect of the assets of the Fund, exercise any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof. Subject to such terms and conditions, the Trustees are responsible for, among other things:

(i) supervising the activities and managing the investments and the affairs of the Fund;

(ii) maintaining records and providing reports to Unitholders;

(iii) effecting distributions from the Fund to Unitholders;

(iv) effecting the payment of the redemption or repurchase price for Units;

(v) acting for, voting on behalf of, and representing the Fund as a holder of AOT Units and a holder of AOT Notes; and

(vi) voting in favour of the Trustees to serve as trustees of AOT.

The Declaration of Trust provides that the Trustees must act honestly and in good faith with a view to the best interests of the Fund and in connection therewith must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Units

An unlimited number of Units are issuable pursuant to the Declaration of Trust. Each Unit entitles the holder or holders thereof to one vote on a ballot vote at any meeting of Unitholders. Each Unit is transferable and represents an equal undivided beneficial interest in the Fund, in any distributions from the Fund whether of net income, net realized capital gains or other amounts, and in the net assets of the Fund in the event of the termination or winding-up of the Fund. All Units are of the same class with equal rights and privileges.

No certificates are issued for fractional Units and fractional Units do not entitle the holders thereof to vote. The Units are not "deposits" within the meaning of the *Canada Deposit Insurance*

Corporation Act (Canada) and are not insured under the provisions of such act or any other legislation. Furthermore, the Fund is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Issuance of Units

The Declaration of Trust provides that Units or rights to acquire Units may be issued at the times, to the persons, for the consideration and on the terms and conditions that the Trustees determine, including pursuant to any Unitholder rights plan, or any incentive option or other compensation plan established by the Fund. Units may be issued in satisfaction of any non-cash distribution of the Fund to Unitholders on a pro rata basis. The Declaration of Trust also provides that immediately after any pro rata distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated such that each Unitholder will hold after the consolidation the same number of Units as the Unitholder held before the non-cash distribution (except where tax was required to be withheld in respect of the Unitholder's share of the distribution as described below). In this case, each certificate representing a number of Units prior to the non-cash distribution will be deemed to represent the same number of Units after the non-cash distribution and the consolidation. Where amounts so distributed represent income (or capital gains that arise on the disposition of taxable Canadian property), non-resident Unitholders will be subject to withholding tax and the consolidation will not result in such non-resident Unitholders holding the same number of Units.

Distributions

The Fund makes monthly cash distributions of its distributable cash as determined by the Trustees of the Fund. The amount of cash available for distribution will be equal to the interest and principal repayments on the AOT Notes owned by the Fund and the distributions (if any) on or in respect of the AOT Units owned by the Fund less: (i) administrative expenses and other obligations of the Fund; (ii) amounts that may be paid by the Fund in connection with any cash redemptions or repurchases of Units; (iii) satisfaction of its debt service obligations (principal and interest) on indebtedness, if any; and (iv) any amount that the Trustees may reasonably consider to be necessary to provide for the payment of any costs or expenses, including any tax liability of the Fund, that have been or are reasonably expected to be incurred in the activities and operations of the Fund (to the extent that such costs or expenses have not otherwise been taken into account in the calculation of the available distributable cash of the Fund) and for reasonable reserves.

The Fund may make additional distributions in excess of the aforementioned monthly distributions during the year, as the Trustees may determine. The distribution declared in respect of the month ending December 31 in each year will include such amount in respect of the taxable income and net realized capital gains, if any, of the Fund for such year as is necessary to ensure that the Fund will not be liable for income taxes under Part I of the Tax Act in such year. Any income of the Fund that is unavailable for cash distribution will, to the extent necessary to ensure that the Fund does not have any such income tax liability, be distributed to Unitholders in the form of additional Units. Such additional Units will be issued pursuant to applicable exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing.

The Fund makes monthly cash distributions to Unitholders of record on the last business day of each month, and the distributions are paid within 30 days following each month end. Distributions for the years ended December 31, 2007, December 31, 2008 and December 31, 2009 were as follows:

2007	Record Date	Payment Date	Per Unit	
January 2007	January 31, 2007	February 15, 2007	$	0.13
February 2007	February 28, 2007	March 15, 2007		0.13
March 2007	March 30, 2007	April 13, 2007		0.13
April 2007	April 30, 2007	May 15, 2007		0.13
May 2007	May 31, 2007	June 15, 2007		0.13
June 2007	June 29, 2007	July 13, 2007		0.13
July 2007	July 31, 2007	August 15, 2007		0.13
August 2007	August 31, 2007	September 14, 2007		0.13
September 2007	September 28, 2007	October 15, 2007		0.13
October 2007	October 31, 2007	November 15, 2007		0.14
November 2007	November 30, 2007	December 14, 2007		0.14
December 2007	December 31, 2007	January 15, 2008		0.14
Special Distribution	December 31, 2007	January 25, 2008		0.17
		Total:	$	1.76

2008	Record Date	Payment Date	Per Unit	
January 2008	January 31, 2008	February 15, 2008	$	0.15
February 2008	February 29, 2008	March 14, 2008		0.15
March 2008	March 31, 2008	April 15, 2008		0.15
April 2008	April 30, 2008	May 15, 2008		0.15
May 2008	May 31, 2008	June 15, 2008		0.17
June 2008	June 30, 2008	July 15, 2008		0.17
July 2008	July 31, 2008	August 15, 2008		0.17
August 2008	August 29, 2008	September 15, 2008		0.18
September 2008	September 30, 2008	October 15, 2008		0.18
October 2008	October 31, 2008	November 14, 2008		0.18
November 2008	November 28, 2008	December 15, 2008		0.18
December 2008	December 31, 2008	January 15, 2009		0.18
Special Distribution	December 31, 2008	January 30, 2009		0.05
		Total:	$	2.06

2009	Record Date	Payment Date	Per Unit	
January 2009	January 30, 2009	February 13, 2009	$	0.18
February 2009	February 27, 2009	March 13, 2009		0.18
March 2009	March 31, 2009	April 15, 2009		0.18
April 2009	April 30, 2009	May 15, 2009		0.18
May 2009	May 31, 2009	June 15, 2009		0.18
June 2009	June 30, 2009	July 15, 2009		0.18
July 2009	July 31, 2009	August 14, 2009		0.18
August 2009	August 31, 2009	September 15, 2009		0.18
September 2009	September 30, 2009	October 15, 2009		0.18
October 2009	October 30, 2009	November 13, 2009		0.18
November 2009	November 30, 2009	December 15, 2009		0.18
December 2009	December 31, 2009	January 15, 2010		0.18
Special Distribution	December 31, 2009	January 29, 2010		0.05
		Total:	$	2.21

Of the distributions declared in 2009, 100% was subject to income tax in the hands of the Unitholders.

The AEP Exchangeable Units entitle the holders thereof to receive distributions from AEP in the same amount and at the same time, on a unit for unit basis, as distributions made by the Fund to holders of Units of the Fund.

Material Debt

Pursuant to an amended and restated credit agreement dated as of May 11, 2009 between AOT and ALP, as borrowers, and The Bank of Nova Scotia, Bank of Montreal, The Toronto-Dominion Bank, National Bank of Canada and Alberta Treasury Branches, as lenders, the lenders provided a credit facility in an aggregate maximum principal amount of $273 million to AOT and ALP, comprised of a term loan facility in the maximum principal amount not to exceed $183 million in favour of AOT, a revolving loan facility in the maximum principal amount of $50 million in favour of ALP, and a bridge facility in the maximum principal amount of $40 million in favour of AOT (the "**Credit Facilities**"). The purpose of the revolving loan facility is for ALP's general business purposes. The purpose of the term loan facility was to fund the acquisition of Con-Force and certain acquisitions completed in 2008 and 2009 by AOT or other Fund Entities permitted pursuant to the Credit Facilities. These acquisitions included AE Concrete, Durisol, Clearford, Boucher, BURNCO Concrete, Tremca and Pre-Con (see “General Development of the Business” above). The purpose of the bridge facility was to fund the acquisition of Pre-Con.

The Credit Facilities bear interest at rates calculated with regard to a certain financial ratio of the Fund and vary in accordance with borrowing rates in Canada and the U.S.. The Credit Facilities are secured by a first charge on the assets of the Fund and its subsidiaries subject to certain exceptions. The terms of the Credit Facilities provide for restrictions on the operations and activities of the Fund. Generally, the most significant restrictions relate to permitted investments and distributions, as well as the occurrence and maintenance of certain financial ratios primarily linked by operating earnings before interest, taxes, depreciation and amortization.

The term loan and revolving loan facilities under the Credit Facilities will mature in October 2012 and the bridge facility will mature in March 2011, with full repayment of each of the Credit Facilities due on its applicable maturity date, at which time AOT and ALP will have to refinance such credit facilities.

The Fund is required to enter into a interest rate swap(s) having the effect of converting the interest rate on a minimum of 50% of the aggregate amount of the term loan facility under the Credit Facilities to a fixed rate of interest.

Redemption at the Option of Unitholders

Units are redeemable at any time on demand by the holders thereof upon delivery to the Fund of a duly completed and properly executed notice requesting redemption in a form approved by the Trustees specifying the number of Units to be redeemed. As the Units will be issued in book entry form, a Unitholder who wishes to exercise the redemption right will be required to obtain a redemption notice form from the Unitholder's investment dealer, who will be required to deliver the completed redemption notice form to the Fund at its head office and to the Canadian Depository for Securities Limited ("**CDS**"). As of the close of business on the date the Units are tendered for redemption, all rights to and under the Units tendered for redemption shall (subject to the following) be surrendered and the holder thereof shall be entitled to receive a price per Unit (the "**Redemption Price**") equal to the lesser of:

(i) 90% of the Market Price (defined below) of the Units on the principal stock exchange on which the Units are listed (or, if the Units are not listed on any stock exchange, on the principal market on which the Units are quoted for trading) during the period of the last 10 trading days on such stock exchange or market ending immediately prior to the date on which the Units were tendered for redemption; and

(ii) the Closing Market Price (defined below) of the Units on the date on which the Units were tendered for redemption on the principal stock exchange on which Units are listed (or, if Units are not listed on any stock exchange, on the principal market on which the Units are quoted for trading).

For the purposes of determining the Redemption Price, "**Market Price**" will be the amount equal to the weighted average of the trading prices of the Units on the applicable market or exchange for each of the trading days on which there was a trade of Units during the specified trading day period; provided that if there was trading of Units on the applicable exchange or market for fewer than five of the trading days during the specified trading day period, "Market Price" will be the average of the following prices established for each of the trading days during the specified trading day period: the average of the last bid and ask prices of Units for each trading day on which there was no trading of Units and the weighted average trading prices of the Units for each trading day on which there was trading of Units. For the purposes of determining the Redemption Price, "**Closing Market Price**" will be: (i) an amount equal to the closing price of the Units on the applicable market or exchange if there was a trade of Units on the specified date and the applicable market or exchange provides a closing price; (ii) an amount equal to the average of the highest and lowest prices of Units on the applicable market or exchange if there was trading of Units on the specified date and the applicable market or exchange provides only the highest and lowest trading prices of Units traded on a particular day; or (iii) the average of the last bid and ask prices on the applicable market or exchange if there was no trading of Units on the specified date.

The aggregate Redemption Price payable by the Fund in respect of any Units surrendered for redemption during any calendar month will be satisfied by way of a cash payment by the Fund no later than the last day of the calendar month following the calendar month in which the Units were tendered for redemption, provided that the entitlement of the Unitholders to receive cash upon the redemption of their Units is subject to the limitations that:

(i) the total amount payable in cash by the Fund in respect of such Units and all other Units tendered for redemption in the same calendar month may not exceed $50,000 (the "**Monthly Limit**"), provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Units tendered for redemption in any calendar month;

(ii) at the time such Units are tendered for redemption, the outstanding Units must be listed for trading on a stock exchange or traded or quoted on another market that, in the sole discretion of the Trustees, provides a representative fair market value price for the Units; and

(iii) the normal trading of Units must not be suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the date that the Units are tendered for redemption or for more than five trading days during the 10 trading day period prior to the date on which the Units are tendered for redemption.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the Monthly Limit, then the Redemption Price for each Unit tendered for redemption will, subject to any applicable regulatory approvals, be paid and satisfied by way of a distribution *in specie* of the assets of the Fund. If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the other specified limitations, then each redeeming Unitholder will be entitled to receive a price per Unit equal to the fair market value thereof as determined by the Trustees, which may be satisfied by way of a distribution *in specie* of the assets of the Fund.

Repurchase of Units

The Fund is allowed, from time to time, to purchase Units for cancellation in accordance with applicable securities laws and the rules prescribed under applicable stock exchange or regulatory policies.

Meetings of Unitholders

The Declaration of Trust provides that meetings of Unitholders will be required to be called and held annually, for the purpose of: (i) the appointment of Trustees, (ii) the appointment of auditors of the Fund for the ensuing year, (iii) generally, any other matter that requires a resolution of Unitholders, and (iv) transacting such other business as the Trustees may determine or as may be properly brought before the meeting. The Declaration of Trust provides that Unitholders will be entitled to pass resolutions that will bind the Fund with respect to:

(i) the election or removal of Trustees of the Fund;

(ii) any amalgamation, arrangement, other merger or capital reorganization of the Fund, or the Fund Entities with any other entity;

(iii) the appointment or removal of nominees of the Fund chosen by the Unitholders to serve as trustees of AOT (provided that casual vacancies may be filled by the remaining Trustees);

(iv) the appointment or removal of the auditors of the Fund;

(v) the appointment of an inspector to investigate the performance by the Trustees of their respective responsibilities and duties in respect of the Fund;

(vi) the approval of amendments to the Declaration of Trust (as described under “Amendments to the Declaration of Trust” below);

(vii) the sale, lease or exchange of all or substantially all of the assets of the Fund (other than in connection with an in specie redemption of Units by the Fund);

(viii) the exercise of certain voting rights attached to the securities of AOT or other Fund Entities held directly or indirectly by the Fund;

(ix) the ratification of any unitholder rights plan, distribution reinvestment plan and unit purchase plan, unit option plan or other compensation plan contemplated by the Declaration of Trust requiring Unitholder approval;

(x) the dissolution of the Fund prior to the end of its term; and

(xi) such other business as the Trustees may determine or as may properly be brought before a meeting of Unitholders, including, without limitation, any other matters required by securities law, stock exchange rules or other laws or regulations to be submitted to Unitholders for their approval.

No other action taken by Unitholders or any other resolution of the Unitholders will in any way bind the Trustees.

A meeting of Unitholders may be convened at any time and for any purpose by the Trustees and must be convened if requisitioned in writing by the holders of not less than 5% of the Units then outstanding. A requisition must state in reasonable detail the business proposed to be transacted at the meeting.

Unitholders may attend and vote at all meetings of the Unitholders either in person or by proxy and a proxy holder need not be a Unitholder. Two persons present in person and either holding personally or representing by proxy in the aggregate at least 10% of the votes attached to all outstanding Units will constitute a quorum for the transaction of business at all such meetings. At any meeting at which a quorum is not present within one-half hour after the time fixed for the holding of such meeting, the meeting, if convened upon the request of the Unitholders, will be terminated (not adjourned), but in any other case, the meeting will stand adjourned to a day not less than 14 days later and to a place and time as chosen by the chair of the meeting, and if at the resumption of such adjourned meeting a quorum is not present, the Unitholders present either in person or by proxy will be deemed to constitute a quorum.

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

Limitation on Non-Resident Ownership

In order for the Fund to maintain its status as a "mutual fund trust" under the Tax Act, the Fund must not be established or maintained primarily for the benefit of non-residents of Canada within the meaning of the Tax Act. Accordingly, the Declaration of Trust provides that at no time may non-residents of Canada be the beneficial owners of more than 49% of the Units then outstanding. This 49% limitation will be applied with respect to the issued and outstanding Units on both a non-diluted basis and a fully-diluted basis. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Trustees become aware that the beneficial owners of at least 49% of the Units then outstanding are, or may be, non-residents of Canada or that such a situation is imminent, the Trustees or the transfer agent and registrar shall make a public announcement thereof and thereafter the transfer agent and registrar shall not accept a subscription for Units from or issue or register a transfer of such Units to a person unless the person provides a declaration that he or she is not a non-resident of Canada within the meaning of the Tax Act. If, notwithstanding the foregoing, the Trustees determine that 49% or more of the Units are held by non-residents of Canada, the Trustees may direct the transfer agent and registrar to send a notice to non-resident holders of Units chosen (to the extent possible) in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the persons receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that they are not non-residents of Canada within the meaning of the Tax Act within such period, the Trustees may, on behalf of such persons, sell such Units and, in the interim, shall suspend the voting and distribution rights, if any, attached to such Units. Upon such sale, the affected holders shall cease to be holders of the Units so sold and their rights shall be limited to receiving the net proceeds of such sale.

Amendments to the Declaration of Trust

The Declaration of Trust may be amended or altered from time to time by resolution passed by the affirmative votes of the holders of more than 66⅔% of the Units represented at the meeting and voted upon such resolution, or a resolution in writing executed by Unitholders holding more than 66⅔% of the outstanding Units entitled to be voted on such resolution ("**Special Resolution**").

The Trustees may, at their discretion and without the approval of the Unitholders, make certain amendments to the Declaration of Trust, including amendments for the purpose of:

(i) ensuring continuing compliance and conformity of the Declaration of Trust with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or the Fund; or

(ii) providing additional protection or added benefits for Unitholders, in the opinion of counsel to the Trustees; or

(iii) removing any conflicts or inconsistencies in the Declaration of Trust or making minor changes or corrections that are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders; or

(iv) making amendments that, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation laws or policies of any governmental authority having jurisdiction over the Trustees or the Fund; or

(v) for purposes of ensuring that the Fund continues to qualify as a mutual fund trust under the Tax Act; or

(vi) as may be otherwise specifically contemplated in the Declaration of Trust.

The Trustees may not amend the Declaration of Trust in a manner, which would result in the Fund failing to qualify as a "mutual fund trust" under the Tax Act.

Exercise of Certain Voting Rights Attached to the Securities of the Fund Entities

The Declaration of Trust provides that the Trustees must not, without the approval of the Unitholders by Special Resolution vote, or permit the trustees of AOT (the “**AOT Trustees**”) to vote, or cause to be voted, securities of any of the Fund Entities to authorize, among other things:

(i) any matter that, under the AOT Declaration of Trust, requires or permits the approval of the holders of AOT Units by Special Resolution;

(ii) any material amendment to the note indenture pursuant to which the AOT Notes are issued (the “**AOT Note Indenture**”) other than in contemplation of a further issue of AOT Notes;

(iii) any sale, lease, exchange or other distribution of all or substantially all of the direct or indirect assets of any of the Fund Entities except: (a) in conjunction with an internal reorganization, (b) pursuant to a good faith charge, pledge, mortgage, lien, security interest or other encumbrance granted by the Fund Entities over any assets of the Fund Entities in the ordinary course of business, or (c) pursuant to any guarantee of any obligation of the Fund Entities, or any charge, mortgage, lien, security interest or other encumbrance, in each case, granted by the Fund Entities over any of the assets of the Fund Entities,

(iv) any amalgamation, arrangement, other merger, combination or capital reorganization of any of the Fund Entities with any other entity, except: (a) in conjunction with an internal reorganization; or (b) the acquisition by any of the Fund Entities of the securities or assets of another entity;

(v) the winding-up or dissolution of any of the Fund Entities prior to the end of the term of the Fund, except in connection with an internal reorganization; or

(vi) any material amendment to the limited partnership agreement of ALP, or the articles of incorporation of ALPC, or the articles of amalgamation of AHL in any manner that may be prejudicial to the Fund or the Unitholders.

The Trustees have the power to vote the units of AOT (the "**AOT Units**") held by the Fund to cause the election of the Trustees to serve as AOT trustees without the consent of the Unitholders.

Term of the Fund

The Fund has been established for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on June 15, 2004. On a date selected by the Trustees, which is not more than two years prior to the expiry of the term of the Fund, the Trustees are obligated to commence to wind up the affairs of the Fund so that it will terminate on the expiration of the term. In addition, at any time prior to the expiry of the term of the Fund, the Unitholders may by a Special Resolution require the Trustees to commence the termination, liquidation or wind up of the affairs of the Fund.

The Declaration of Trust provides that, upon being required to commence the termination, liquidation or winding up of the affairs of the Fund, the Trustees will give notice thereof to the Unitholders, which notice shall designate the time or times at which Unitholders may surrender their Units for cancellation and the date at which the register of Units will be closed. After the date the register is closed, the Trustees will proceed to wind up the affairs of the Fund as soon as may be reasonably practicable and for such purpose will, subject to any direction to the contrary in respect of a termination authorized by a resolution of the Unitholders, sell and convert into money the AOT Units, AOT Notes and all other assets comprising the Fund in one transaction or in a series of transactions at public or private sales and do all other acts appropriate to liquidate the Fund. After paying, retiring, discharging or making provision for payment, retirement or discharge of all known liabilities and obligations of the Fund and providing for indemnity against any other outstanding liabilities and obligations, the Trustees will distribute the remaining part of the proceeds of the sale of the AOT Units, AOT Notes and other assets comprising the Fund together with any cash forming part of the assets of the Fund among the Unitholders in accordance with their pro rata interests. If the Trustees are unable to sell all or any of AOT Units, AOT Notes or other assets which comprise part of the Fund by the date set for termination, the Trustees may distribute the remaining AOT Units, AOT Notes or other assets *in specie* directly to the Unitholders in accordance with their pro rata interests subject to obtaining all required regulatory approvals.

Take-over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made and not less than 90% of the Units, on a fully diluted basis, (other than Units held at the date of the takeover bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by holders who did not accept the take-over bid, on the same terms on which the offeror acquired Units pursuant to the take-over bid.

Unitholder Rights Plan

In December 2006, the Trustees adopted a Unitholder Rights Plan (the "**Rights Plan**") which was ratified and confirmed by the Fund's unitholders on May 17, 2007. The Rights Plan is designed to ensure the fair treatment of the Fund's Unitholders in any transaction involving a change of control of the Fund and provide the Trustees and the Unitholders with adequate time to evaluate and respond to any unsolicited take-over bid. The Rights Plan contains a standard "permitted bid" exclusion which makes it inapplicable to a take-over bid made to all Unitholders that is open for acceptance for at least 60 days and otherwise complies with customary "permitted bid" requirements. The rights issuable under the Rights Plan would become exercisable when a person, together with any parties related to it, acquires or announces its intention to acquire 20% or more of the Fund's outstanding Units without complying with the "permitted bid" provisions contained in the Rights Plan or without approval of the Board of Trustees. Should such an acquisition occur, rights-holders (other than the acquiring person and related persons) would be entitled to purchase Units at 50% of the prevailing market price at the time the rights become exercisable. In order to remain effective, the Rights Plan must be reconfirmed every three years at a meeting of the Fund's Unitholders. The amended and restated rights plan agreement made as of the 17th day of May, 2007 (the "**Rights Plan Agreement**") between the Fund and Computershare Investor Services, Inc., as rights agent, providing for the Rights Plan, is available on SEDAR at www.sedar.com.

Information and Reports

In accordance with and subject to applicable securities laws, the Fund will furnish to Unitholders such consolidated financial statements of the Fund (including quarterly and annual consolidated financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders' tax returns under the Tax Act and equivalent provincial legislation. Prior to each meeting of Unitholders, the Trustees will provide the Unitholders (along with notice of such meeting) all such information as is required by applicable law and the Declaration of Trust to be provided to such holders. ALP will undertake to provide the Fund with: (i) a report of any material change that occurs in the affairs of ALP in form and content that it would file with applicable regulatory authorities were it a reporting issuer (or equivalent); and (ii) all financial statements (and accompanying management's discussion and analysis) that it would be required to file with applicable regulatory authorities if it were a reporting issuer (or equivalent) under applicable securities laws. All such reports and statements will be provided to the Fund in a timely manner so as to permit the Fund to comply with the continuous disclosure requirements relating to reports of material changes in its affairs and the delivery of financial statements and other materials as required under applicable securities laws.

The Fund will compare financial information for the business carried on by AHL and its subsidiaries prior to the acquisition by the Fund with the business to be carried on by the Fund (through ALP) in future management's discussion and analysis as part of the Fund's continuous disclosure record.

Conflicts of Interest

The Declaration of Trust contains "conflict of interest" provisions that serve to protect Unitholders without creating undue limitations on the Fund. The Declaration of Trust provides that if a Trustee or an officer of the Fund is a party to a material contract or transaction or proposed material contract or transaction with the Fund, or is a director or officer or an individual acting in a similar capacity of, or has a material interest in, any person (other than an Armtec Entity) who is a party to a material contract or transaction or proposed material contract or transaction with the Fund, such Trustee or officer of the Fund shall disclose in writing to the Trustees or request to have entered in the minutes of meetings of Trustees the nature and extent of such interest. Except in certain specified circumstances, a Trustee who is a party to or so interested in such a material contract or transaction will be precluded from voting on such a material contract or transaction. These provisions in the Declaration of Trust are intended to be equivalent to the relevant provisions of the Ontario Business Corporations Act applicable to directors and officers of a corporation.

Book-Entry Only System

Registration of interests in and transfers of the Units will be made only through a book-entry system administered by CDS. Units must be purchased, transferred and surrendered for redemption through a participant in the CDS depository service (a "**CDS Participant**"). All rights of Unitholders must be exercised through, and all payments or other property to which the Unitholder is entitled will be made or delivered by CDS or the CDS Participant through which the

Unitholder holds the Units. Upon a purchase of any Units, the Unitholder will receive only a customer confirmation from the registered dealer, which is a CDS Participant, and from or through which the Units are purchased.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to the Unitholder's interest in those Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Fund has the option to terminate registration of the Units through the book-entry only system, in which case certificates for the Units in fully registered form would be issued to beneficial owners of those Units or their nominees.

ESCROWED SECURITIES

There are no escrowed securities of the Fund or securities of the Fund that are subject to contractual restriction on transfer. The following table sets forth information regarding the escrowed securities of AEP as at December 31, 2009:

Designation of Class	Number of AEP Exchangeable Units held in Escrow	Percentage of Outstanding AEP Exchangeable Units
AEP Exchangeable Units	204,385	52%

As at December 31, 2009, 445,321 AEP Exchangeable Units are issued and outstanding and 204,385 of such units are held in escrow by Fraser Milner Casgrain LLP, as agent ("**FMC**"). The AEP Exchangeable Units are exchangeable on a one-for-one basis for the Units of the Fund. The AEP Exchangeable Units entitle holders thereof to receive distributions from AEP in the same amount and at the same time, on a unit for unit basis, as distributions made by the Fund to the holders of the Units.

In connection with the acquisition by the Fund of the Durisol business on June 5, 2008, 208,855 AEP Exchangeable Units (the "**Durisol Escrowed Units**") were issued to Durisol Materials as partial payment of the purchase price. Under the terms of an escrow agreement dated June 5, 2008, between the Durisol Vendors, AHL, and FMC, as escrow agent, the Durisol Escrowed Units were required to be held in escrow for a period of two years from June 5, 2008, provided that 50% of the Durisol Escrowed Units would be released early in the event that certain EBITDA targets were achieved in 2008. Such EBITDA targets were achieved for 2008, and accordingly, 50% of the Durisol Escrowed Units, being 104,427 AEP Exchangeable Units, were released from escrow in May 2009. As at the date hereof, 104,428 of the Durisol Escrowed Units remain in escrow.

In connection with the acquisition by the Fund of certain assets of Bruce Tile on March 20, 2008, 87,834 AEP Exchangeable Units were issued to Bruce Tile Inc. and held in escrow. All of such units were released from escrow on March 20, 2010.

In connection with the acquisition by the ALP of the assets of the Brooklin Concrete division of Clearford Industries Inc., 117,371 AEP Exchangeable Units were issued to Clearford Industries Inc. and held in escrow. As at December 31, 2009, 12,123 of such units were held in escrow and all of such units were released from escrow on January 31, 2010.

TRUSTEES AND EXECUTIVE OFFICERS

Trustees of the Fund

The Fund is required to have a minimum of three and a maximum of 10 Trustees. The current number of Trustees has been fixed at five. The term of office for each of the Trustees will expire at the time of the next annual and special meeting of Unitholders scheduled to be held on June 24, 2010, or until a successor is appointed.

As at the date hereof, the name, province and country of residence, the principal occupation of each of the Trustees, the period during which each Trustee has served as a trustee of the Fund, and the number of Units beneficially owned, directly or indirectly, or over which control or direction is exercised by each Trustee are as set out below.

Name, Province and Country of Residence	**Principal Occupation**	**Trustee Since**	**Phantom Units Held**	**Fund Units Held (5)**
Robert J. Wright, C.M., Q.C (1) Ontario, Canada	President, Edinglen Holdings Inc.	July 2004	13,876	30,000
Ron V. Adams, B.ASc., P.Eng. British Columbia, Canada	Corporate Director	December 2009	114	103,412
Brian W. Jamieson, B.Com. A.C.A.N.Z. (2) Ontario, Canada	Chief Financial Officer and Secretary, Jannock Properties Limited	July 2004	13,815	2,000
John E. Richardson B.Comm., MBA, FCA (3) Ontario, Canada	Corporate Director	July 2004	10,406	7,500
Michael S. Skea, B.A. (4) Ontario, Canada	President and Chief Operating Officer, Blue Mountain Wallcoverings	July 2004	-	5,000

Notes:

(1) Mr. Wright is Chairman of the Trustees, a member of the Corporate Governance and Compensation Committee and a member of the Audit Committee (Mr. Wright became a member of the Audit Committee on February 22, 2010).
(2) Mr. Jamieson is Chair and a member of the Audit Committee.
(3) Mr. Richardson is a member of the Audit Committee.
(4) Mr. Skea is the Chair and a member of the Corporate Governance and Compensation Committee.
(5) Number of Units beneficially owned, or controlled or directed, directly or indirectly, has been provided by each Trustee.

Michael Lay was a Trustee and a member of the Audit Committee during 2009 until his resignation on December 8, 2009.

The following is a brief biography of each of the Trustees:

Robert J. Wright, C.M., Q.C. - Mr. Wright is currently the President of Edinglen Holdings Inc.(an investment company) and Honourary Director of Teck (formerly Teck Cominco Limited. He was the Deputy Chairman of Teck Cominco Limited (a major Canadian diversified mining company) from June 2000 until April 2008. He was Chairman of Teck Corporation from 1994 to June 2000. From 1989 to 1993, he was Chairman of the Ontario Securities Commission. Prior to 1989, he was a senior partner in the law firm of Lang Michener. Mr. Wright is Vice-Chair of the Arthritis & Autoimmunity Research Centre Foundation and Vice-Chair of Pathways to Education Canada. He is also a member of the Pension Fund Committee of Air Liquide Canada Inc. Mr. Wright was the 1961 Gold Medalist of the Osgoode Hall Law School and was appointed a Member of the Order of Canada in April 1997.

Ron V. Adams, B.ASc., P.Eng. - Mr. Adams retired from his position of Executive Vice President & President, Con-Force division of the Fund in August 2009. Prior to joining Armtec in October 2007, Mr. Adams was President and Chief Executive Officer of the Con-Force Corporations, positions he had held since 2000. Mr. Adams began his career with the Con-Force Corporations in 1973 and held successively senior roles in the company. Mr. Adams is a Governor of the Business Council of British Columbia and a member of the Cabinet of the United Way Campaign for the Lower Mainland of British Columbia. He is a Professional Engineer and holds a Bachelor of Applied Science degree from the University of British Columbia.

Brian W. Jamieson, B.Com., A.C.A.N.Z. - Mr. Jamieson is the Chief Financial Officer and Secretary of Jannock Properties Limited (a real estate development company), a position he has held since March 2000. Mr. Jamieson was Vice President, Finance and Chief Financial Officer of Jannock Limited from May 1986 to March 2000. Mr. Jamieson is an associate member of the Institute of Chartered Accountants of New Zealand and holds a Bachelor of Commerce degree from the University of Canterbury in New Zealand.

John E. Richardson, B.Com., MBA, FCA. - Mr. Richardson is a corporate director. He was formerly the chairman of the Ontario Pension Board (the administrator of the Public Service Pension Plan), a position he held from July 2004 to June 2007. Mr. Richardson was Deputy Chairman of London Insurance Group from 1986 to 1995 and then became Executive Vice President, Corporate Development. Prior to 1986, Mr. Richardson was a senior partner at Ernst & Young (chartered accountants). Mr. Richardson is the lead director and a member of both the nominating, and governance committee and the audit committee of Research in Motion Limited. During 2007, the directors and officers of Research in Motion Limited were subject to a cease trade order pending resolution of a stock option review by the Securities Commissions. The cease trade order was revoked in October 2007. Mr. Richardson is also the chairman and a director of Boiler Inspection and Insurance Company. Mr. Richardson is a Chartered Accountant, a Fellow of the Institute of Chartered Accountants, holds a Bachelor of Commerce degree from the University of Toronto and a Masters of Business Administration from Harvard Business School.

Michael S. Skea, B.A. - Mr. Skea is the President and Chief Operating Officer of Blue Mountain Wallcoverings (a manufacturer and distributor of wallcovering products), a position he has held since September 2008. On March 20, 2009, Blue Mountain Wallcoverings was granted creditor protection under the *Companies' Creditors Arrangement Act* (Canada). Mr. Skea was formerly an independent consultant providing strategic planning and marketing solutions, a position he had held since January 2005. Mr. Skea has held senior management positions with leading Canadian companies including the position of Vice President, Trade Marketing of Molson Canada (an international brewer), a position he held from November 2003 to January 2005. Prior to November 2003, Mr. Skea was employed by Mosaic Group Inc. (a marketing and communications company) from August 1998 to November 2003 where he held positions of increasing responsibility including President of the eForce division, President of Mosaic Marketing

Services, President of Mosaic Digital and Senior Vice President of Mosaic Performance Solutions (North America). Mr. Skea is a director of the St. Joseph's Health Centre Foundation. Mr. Skea holds a Bachelor of Arts degree from Queen's University.

The Trustees also act as trustees of AOT and, together with Charles M. Phillips and James R. Newell, act as directors of AHL. Mr. Wright is also the non-executive Chairman of AHL.

Executive Officers of the Fund

As at the date hereof, the name, province and country of residence, the position and office held with the Fund of each of the executive officers, and the number of Units beneficially owned, directly or indirectly, or over which control or direction is exercised by each executive officer are as follows:

Name, Province and Country of Residence	Position with the Fund (1) (2)	Units Held (3)
Charles M. Phillips Ontario, Canada	President & Chief Executive Officer	120,037
James R. Newell Ontario, Canada	Chief Financial Officer	2,948
Carrie Boutcher Ontario, Canada	Vice President, Investor Relations & Treasurer	1,984
Nicholas M. Dowd Ontario, Canada	Vice President, Finance	nil
Lisa Kissick Ontario, Canada	Vice President, Information Technology	1,000
Gregory Pinks Ontario, Canada	Vice President, Human Resources	669
Kevin C. Young Ontario, Canada	Vice President, Sales & Marketing	2,803
A.E. (Tony) Walton Ontario, Canada	Vice President, Operations	17,380
Éric F. Caron Quebec, Canada	Regional Vice President, Eastern	2,941
Douglas Carter British Columbia, Canada	Regional Vice President, Pacific	200
John A.C. Moody Alberta, Canada	Regional Vice President, Prairie	1,778
Peter R. Quail Ontario, Canada	Regional Vice President, Central	nil

Notes:

(1) The above chart reflects the executive officers of the Fund and their current positions as at the date of this AIF. Certain of these executive officers were appointed to their current positions upon the announcement by the Fund of the Reorganization on October 5, 2009. During a transitional period from October 5, 2009 to January 1, 2010 as the Fund was transforming from a divisional structure into one operating company (the "**Transitional Period**"), such executive officers maintained their former positions while transitioning into their new positions. The former positions (if any) held by such executive officers with the Fund prior to October 5, 2009 and during the Transitional Period are reflected in the biographies of these executive officers set out below.

(2) Hans J. Rerup, the Vice-President, Engineering of the Fund, ceased to be an executive officer of the Fund on January 27, 2010. Prior to the Reorganization, he was President of Durisol division.

(3) Number of Units beneficially owned or, controlled or directed, directly or indirectly, has been provided by each executive officer.

The following is a brief biography of each of the executive officers of the Fund.

Charles M. Phillips, President & Chief Executive Officer - Mr. Phillips has been President and Chief Executive Officer of the Fund since January 1999. Previously, he held progressively senior positions at Jannock Limited during his tenure with that company, which began in 1987. From 1998 to 1999, Mr. Phillips was President of the Big 'O' Division of Jannock Limited; from 1995 to 1998, he was Vice President, Finance of the Jenisys Engineered Products Division of Jannock Limited; and from 1990 to 1995, he was Director, Finance of the Jannock Steel Division. Mr. Phillips is a trustee of Strongco Income Fund and a director of Canadian Wireless Limited. Mr. Phillips is the Chair of Cambridge Memorial Hospital Board. He is a Chartered Accountant and holds a Bachelor of Commerce degree from the University of Toronto.

James R. Newell, Chief Financial Officer - Mr. Newell has been the Chief Financial Officer of the Fund since joining the Fund in 2008. Previously, he was the Chief Financial Officer of Grafikom Limited Partnership (a commercial printing company), a position he had held since 2005. Mr. Newell resigned from his position as the Chief Financial Officer of Grafikom Limited Partnership in January 2008. Following his resignation, Grafikom Limited Partnership became subject to the appointment of a receiver in November 2008, and became subject to a bankruptcy order in January 2009. From 2001 to 2005, Mr. Newell was the Chief Financial Officer of First Assets Management Inc., a position that he held until the company was acquired by Affiliated Managers Group Inc. of Boston, Massachusetts. From 1998 to 2001, Mr. Newell held senior vice president positions in business development and finance, and was Chief Financial Officer, at Star Data Systems. From 1993 to 1998, Mr. Newell held successively more senior positions at NetStar Communications, including Vice President, Finance and Chief Financial Officer, and Senior Vice President, Finance and Chief Financial Officer. From 1986 to 1993, Mr. Newell was the Vice President, Finance, Treasurer and Chief Financial Officer at Gandalf Technologies. Mr. Newell is a Chartered Accountant with a Bachelor of Commerce degree from Carleton University in Ottawa.

Carrie Boutcher, Vice President, Investor Relations & Treasurer - Ms. Boutcher is currently the Vice President, Investor Relations & Treasurer of the Fund. She held the former position of Vice President, Finance since 2006 upon joining the Fund. From July 2007 to March 2008, Ms. Boutcher acted as the Fund's Interim Chief Financial Officer. From 1996 to 2006, she was Director, Corporate Finance at Linamar Corporation (an automotive parts manufacturer). Prior to that, Ms. Boutcher was Controller for the Howden Fan Company, Cambridge Manufacturing Division. She is a Chartered Accountant with a Master of Accounting degree from the University of Waterloo.

Nicholas M. Dowd, Vice President, Finance - Mr. Dowd joined the Fund in October 2009 as Vice President, Finance. From 2001 to 2008, he held senior roles at Patheon Inc. (a pharmaceutical contract manufacturing company), including Vice President and Controller, and Director, Corporate Development. From 1998 to 2000, Mr. Dowd was Corporate Controller at Jannock Limited, and from 1992 to 1998 he held finance positions at Lawson Mardon Packaging.

He is a Chartered Accountant and holds a Bachelor of Arts (honours) degree in Economics from the University of Nottingham in England.

***Lisa Kissick, Vice President, Information Technology* -** Ms. Kissick joined the Fund in April 2008 as Vice President, Information Technology. Prior to that, she was IT Project Director (U.K. and Ireland) and European Director, IT (Paris) in the Gypsum division of building products producer Saint-Gobain (a construction products company). From 1990 up to her European assignments, she was the North American IT Director for BPB (later acquired by Saint-Gobain). Ms. Kissick holds a Bachelor of Commerce degree from the University of Saskatchewan.

***Gregory Pinks, Vice President, Human Resources* -** Mr. Pinks joined the Fund in 2007 in the newly created position of Vice President, Human Resources. In this role he has focused on the integration of businesses acquired by the Fund with that of the Armtec Entities, while ensuring organization design and structure are centered on customer needs. Previously, he was Vice President, Human Resources at Corporate Express Canada (a supplier of office products), a position he had held since 2000. Mr. Pinks helped Corporate Express create a highly engaging work environment for employees, which was recognized by the Globe & Mail as one of Canada's 50 Best Employers. Mr. Pinks holds a Master of Industrial Relations degree from Queen's University.

Kevin C. Young, Vice President, Sales & Marketing - Mr. Young is currently the Vice President, Sales & Marketing of the Fund. He held the former position of President of the Armtec division, since 2008 upon joining the Fund. From 2006 to 2008, Mr. Young was an independent management consultant. From 2004 to 2006, he was President of Unisync Group (a manufacturer and distributor of uniforms) and prior to that he held progressively senior roles at Indalex Aluminum Solutions Group. Mr. Young holds a Master of Business Administration degree from the Wharton School of the University of Pennsylvania and a Bachelor of Arts degree in Honors Business Administration from the University of Western Ontario.

***A.E. (Tony) Walton, Vice President, Operations* -** Mr. Walton is currently the Vice President, Operations of the Fund, a position he assumed in September 2009. He held the former position of Vice President, Concrete Products from February 2008. From 1979 to 2007, Mr. Walton held progressively senior positions with the Con-Force Corporations, and was Vice President and General Manager, Pacific Region, at the time that Armtec acquired the Con-Force Corporations. His many years of industry experience are supplemented with extensive management and organizational development qualifications.

***Éric F. Caron, Regional Vice President, Eastern* –** Mr. Caron is currently the Regional Vice President, Eastern. He held the former position of President, Groupe Tremca until 2009 when the Fund acquired Tremca. Mr. Caron led Tremca from 1995 to 2009. Previously, he worked for several years with the consulting firm of McKinsey & Company. Mr. Caron holds a Master in Business Administration degree from Harvard Business School and a Bachelor of Applied Science degree in Industrial Engineering from the University of Toronto.

***Douglas Carter, Regional Vice President, Pacific* -** Mr. Carter is currently the Regional Vice President, Pacific. He was formerly Vice President, Sales and Marketing of the Durisol division from the time the Fund acquired Durisol Inc. in 2008. He joined Durisol Inc. in 2004 as Vice President, Sales and Marketing. Previously, Mr. Carter held a variety of senior management positions with various companies, including the Jannock Group of Companies. He is a Past President of the Canadian Association of Supply Chain and Logistics Management. Mr. Carter holds a Master of Business Administration and a Bachelor of Arts (honours) degrees from the University of Toronto.

***John A. C. Moody, Regional Vice President, Prairie* -** Mr. Moody is currently the Regional Vice President, Pacific. He held the former position of General Manager, Prairie Region, of the

Con-Force division, a position he assumed in 2007 when the Fund acquired the Con-Force Corporations. From 2001 to 2007, Mr. Moody held various senior positions with the Con-Force Corporations. His experience on high-profile projects spans the globe and includes the period from 1992 to 2001, when he was technical director at Yongnam Engineering & Construction (PTE) Ltd. in Singapore and a director of Yongnam Holdings. Mr. Moody is a Fellow of the Institution of Structural Engineers (U.K.) and a Fellow of the Institute of Engineers Singapore.

***Peter R. Quail, Regional Vice President, Central* -** Mr. Quail is currently the Regional Vice President, Central. He held the former position of General Manager, Pre-Con of the Con-Force division, a position he assumed in June 2009 when the Fund acquired Pre-Con. From 1992 to June 2009, Mr. Quail held progressively senior positions at Pre-Con including that of President and General Manager as of 2003. From 1988 to 1992, he was Plant Engineer and Operations Manager at Canmar Precast Corporation. Previously, he practiced as an engineer for a number of firms throughout Canada and in Kuwait. He holds a Bachelor of Applied Science degree in Civil Engineering (specializing in structural design) from the University of Toronto.

Voting Securities

As at the date hereof, the Trustees and executive officers of the Fund as a group, beneficially own directly or indirectly, or exercise control over 299,652 Units, being approximately 1.5% of the outstanding Units.

Long-Term Incentive Plan

In July 2004, the Trustees established the Long-Term Incentive Plan (the "**LTIP**"). Under the LTIP the Fund provides, to the extent certain conditions are met (see below), for a pool of funds (an "**Incentive Amount**") to be set aside with Computershare Trust Company of Canada as the plan administrator of the LTIP (the "**Plan Administrator**") to purchase Units on the open market in the year following a fiscal period (a "**Performance Period**"). The Units so purchased are held by the Plan Administrator in trust until they vest, at which time the Units are transferred to the LTIP participants to hold personally.

Distributions received by the Plan Administrator on unvested Units and held by the Plan Administrator in trust are transferred as received to the respective LTIP participant in relation to that individual's sharing entitlement. Units held by the Plan Administrator vest as to one-third on the last day of each of the following three fiscal periods ending commencing with the year of the purchase of such Units by the Plan Administrator.

The Corporate Governance and Compensation Committee has the power to, among other things, determine (i) those individuals who participate in the LTIP, (ii) the level of participation of each participant, and (iii) the time or times when ownership of the Units vests for each participant.

The LTIP was amended in 2006 and 2009. Pursuant to the 2009 amendment, the Incentive Amount is based upon the level of achieved distributable cash as a ratio of the target distributable cash (the "**Target**") for the Performance Period (the "**Performance Factor**"). This Target was set by the Trustees, and was subsequently increased to take into account the effect of the Tremca and Pre-Con acquisitions in 2009 on distributable cash. A Performance Factor of less than 80%, results in no payout under the plan whereas a Performance Factor of 120% or better will provide for a maximum payout target of 1.5 times of target. The Trustees, on the recommendation of the President and Chief Executive Officer, set target award levels for each plan participant at the beginning of the Performance Period or as soon as possible thereafter.

Under the amended LTIP, the 2009 Incentive Amount will be $647,407, versus $673,483 in 2008 and $366,012 in 2007. The number of Units purchased by the LTIP Administrator in 2008 with the 2007 Incentive Amount was 15,786. The number of Units purchased by the LTIP

Administrator in 2009 with the 2008 Incentive Amount was 40,138. The 2009 Incentive Amount will be used by the LTIP Administrator to purchase Units in April 2010.

Trustees' Phantom Unit Plan

On June 14, 2006, Unitholders of the Fund approved the adoption of a Phantom Unit Plan, which provides the Trustees with the opportunity to receive authorized but unissued Phantom Units in lieu of cash consideration. Each Phantom Unit awarded is equivalent in value to a Unit of the Fund. The Phantom Units vest immediately and are reflected as a liability in the balance sheet and a compensation expense in the income statement of the Fund.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The responsibilities and duties of the Audit Committee of the Fund are set out in the Audit Committee's Charter, the full text of which is set forth in Appendix A to this AIF.

Composition of the Audit Committee

Each of the members of the Audit Committee has been determined by the Trustees to be "independent" and "financially literate" as such terms are defined under Canadian securities laws. Each member of the Audit Committee has the ability to perform his responsibilities as an Audit Committee member based on his education and/or experience as summarized under "Trustees of the Fund" above. The Audit Committee is currently composed of Mr. Jamieson (Chair), Mr. Wright and Mr. Richardson.

Pre-approval of Non-audit Services

The Audit Committee Charter grants the Audit Committee the authority to review and recommend any non-audit engagements with the Fund's external auditors to the Trustees.

External Auditor Service Fees

The following table sets forth the aggregate fees billed by PricewaterhouseCoopers LLP, the Fund's external auditors, for services rendered in each of the financial years 2009 and 2008:

Description of Fees	2009	2008
Audit Fees(1)	$398,422	$358,695
Audit-related Fees(2)	-	-
Tax Fees(3)	153,502	145,503
All Other Fees(4)	285,295	346,262
TOTAL	$837,219	850,460

Notes:

(1) "Audit Fees" include the aggregate fees billed for the audit of the annual consolidated financial statements and other regulatory audits and filings.

(2) "Audit-related Fees" include the aggregate fees billed for the provision of technical, accounting and financial reporting advice and review services.

(3) "Tax Fees" include the aggregate fees billed for the provision of corporate tax compliance, and related tax services.

(4) "All Other Fees" include the aggregate fees billed for the provision of assistance with regulatory filings including compliance with legislative and regulatory initiatives and the provision of tax and other services in the investigation of alternative corporate structures, assistance with structuring, and investigating potential and completed business opportunities. For 2009, the majority of these costs related to acquisition transaction services.

Disclosure Committee

In November 2005, the Audit Committee and Trustees of the Fund approved the formation of a Disclosure Committee (the "**Committee**"). The purpose of this Committee is to ensure that information presented (both financial and non-financial) in all disclosure documents is materially complete and accurate and to ensure that these documents are filed in a timely fashion in accordance with securities regulations. The Committee also reviews all other material information disclosed to the public in order to ensure compliance with the Fund's corporate policies and practices. The Chair of the Committee reports to the Audit Committee on a quarterly basis.

During 2009, the Committee consisted of six members: the Vice President, Finance (Chair); President, Con-Force Division; President, Armtec Division; President, Durisol Division; Vice President of Operations and the Manager of Treasury and Administration or their designates. With the Reorganization effective January 1, 2010, the Committee now consists of seven members: the Vice President, Investor Relations & Treasurer (Chair); Regional Vice President, Pacific; Regional Vice President, Prairie; Regional Vice President, Central; Regional Vice President, Eastern; Vice President, Sales & Marketing; and Vice President, Operations.

MARKET FOR SECURITIES

The total number of issued and outstanding Units as at the date hereof is 19,822,185 and the total number of issued and outstanding AEP Exchangeable Units (which are exchangeable on a one-for-one basis for Units) is 393,889. The monthly price ranges and total monthly trading volumes for the Units traded on the Toronto Stock Exchange during 2009 were as follows:

Unit Price ($'s per Unit)	High	Low	Total Trading Volume
January	19.50	17.01	1,621,954
February	19.25	14.24	1,303,595
March	17.17	14.01	1,315,138
April	17.26	15.71	1,649,933
May	18.70	16.25	2,075,577
June	19.37	16.60	1,483,077
July	18.70	16.90	1,361,410
August	19.70	17.83	1,238,559
September	20.39	18.50	1,546,450
October	23.20	19.05	1,904,910
November	23.80	21.76	1,424,485
December	26.00	22.93	1,412,430

The Fund is subject to certain risks and uncertainties that could have a material adverse effect on the Fund's results of operations, business prospects, financial condition, cash distributions to unitholders and the trading price of the Fund's Units.

Risks Related to the Business and the Industry

Industry Cyclicality

The demand for pipe, engineered solutions, precast and pre-stressed concrete, highway noise barriers, as well as related infrastructure products, is cyclical and is driven by public infrastructure spending, commercial development, natural resources activity, residential construction and agricultural drainage requirements. The diverse factors driving infrastructure investment activity in these end-markets result in relative stability of demand for suppliers such as the Fund. To the extent that these investments decline or these markets experience a downturn, it is likely that a negative impact will be felt on the infrastructure industry and the Fund's financial condition.

Competition

Management believes that the Fund is a market leader in the corrugated HDPE pipe, CSP and related engineered products markets in Canada. There are several large companies based in the US that offer similar products in comparable markets. Certain of these companies currently compete in Canada in the same regional markets but currently lack the network of facilities in Canada close to the Fund's customers to compete on a broader scale. However, a rising Canadian dollar exchange rate or a change in regulations may make the Canadian market more attractive to these companies.

The Fund has been providing structures and concrete products to customers for many years and is a respected, proven quality supplier. With its proximity to customers and established supplier and customer relationships, the Fund believes that it can continue to compete successfully. To the extent that alternatives to precast and pre-stressed concrete are developed by competitors that offer similar construction qualities, the business of the Fund could be materially affected.

The Fund believes that the success of its business depends on its ability to continue to anticipate and respond to changing customer demands and market conditions by offering a constantly evolving array of solutions with an emphasis on quality and value-added products and services. However, there can be no assurance that superior competing products will not be developed by the Fund's competitors.

Acquisition and Expansion Risk

The Fund may expand its operations, depending on certain conditions, by acquiring additional businesses, products or technologies. There can be no assurance that the Fund will be able to identify, acquire or profitably manage additional businesses, or successfully integrate any acquired business, products or technologies into the business without substantial expenses, delays or other operational or financial difficulties. There can be no assurance that acquired businesses, products or technologies, if any, will achieve anticipated revenues and income.

In connection with acquisitions completed by the Fund, there may be liabilities and contingencies that the Fund failed to discover or was unable to quantify during due diligence which it conducted prior to the completion of the acquisition, and the Fund may not be indemnified for some or all of such liabilities and contingencies. The existence of any material liabilities or contingencies could have a material adverse effect on the Fund's business, financial condition and results of operations. Furthermore, acquisitions may involve a number of special risks including diversion of management's attention, failure to retain key personnel and unanticipated events or circumstances, some or all of which could have a material adverse effect on the Fund's performance.

The failure of the Fund to manage its acquisition or expansion strategy successfully could have a material adverse effect on the Fund's results of operations and financial condition.

On October 31, 2006, the Minister of Finance announced restrictions to the growth of income trusts. These restrictions, which are set out in the Normal Growth Guidelines issued by the Department of Finance on December 15, 2006, and which were enacted as part of Bill C-52, received Royal Assent on June 22, 2007, as amended on December 4, 2008 and February 25, 2009. These restrictions, which are discussed in more detail under the heading "Risks Related to the Structure of the Fund – Income Tax Matters" below, could have an adverse effect on the ability of the Fund to raise further equity or re-finance existing Credit Facilities in support of further growth.

Capital and Liquidity Risk

The amount of financial resources available to invest in the Fund's growth is dependent upon the ability to utilize debt and issue additional units. As the Fund operates it will likely require access to debt and equity markets. There is no assurance that the Fund will be able to obtain additional financial resources that may be required to successfully compete in its markets on favourable commercial terms. Failure to obtain such financing could result in the delay or abandonment of certain strategic plans.

On October 31, 2006, the Canadian federal government introduced restrictions to the growth of income funds. These restrictions, which are set out in the Normal Growth Guidelines issued by the Department of Finance on December 15, 2006 and which were enacted as part of Bill C-52, received Royal Assent on June 22, 2007, as amended on December 4, 2008 and February 25, 2009. These restrictions could impact the Fund's ability to raise funds required to execute on all potential opportunities or repay debt. Please see below under the heading "Risks Related to the Structure of the Fund – Income Tax Matters" for a more detailed discussion of the issue.

The Fund's current Credit Facilities require it to comply with certain financial covenants. Additionally, certain of the Fund's Credit Facilities become due for renewal from time to time. There can be no assurance of the Fund's ability to continue to comply with the financial covenants, to appropriately service its debt or obtain continued commitments from debt providers given unforeseen events.

Current Global Financial Conditions

Current challenging global financial conditions have been characterized by increased volatility in the capital markets. Numerous financial institutions have gone into bankruptcy or have had to be rescued by governmental authorities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. These factors may impact the ability of the Fund to obtain equity or debt financing on terms favourable to the Fund. As such, continued increased levels of volatility and market turmoil may impact the Fund's operations and adversely affect the price of the Fund units.

Reduction in Demand for Products

The Fund derives revenue from customers in a diverse cross-section of industries, including the public infrastructure markets and private sector markets in Canada such as natural resources, commercial development, residential construction, and agricultural drainage. The Fund's sales to the public infrastructure markets could be adversely affected by changes in government, reductions in government spending or changes in governmental policies, regulations or standards, including changes made by the Canadian Standards Association. With respect to the private sector markets, there is a risk that the Fund will not continue to receive the level of order volumes from customers in such markets in the future due to a general economic downturn, delays in government infrastructure spending, increased competition or other factors. In addition, demand for the Fund's products in a particular period may be adversely affected if the weather conditions experienced in the period are not conducive to the installation of such products.

Information Management

The integrity, reliability and security of information in all its forms are critical to the Fund's daily and strategic operations. Inaccurate, incomplete or unavailable information and/or inappropriate access to information could lead to incorrect financial and/or operational reporting, poor decisions, privacy breaches, inappropriate disclosure and/or leaks of sensitive information.

Credit Risk

The Fund's financial assets that are exposed to credit risk consist primarily of cash, cash equivalents and accounts receivable. The Fund's credit risk for cash and cash equivalents is reduced as balances are held with major financial institutions. The Fund is also exposed to credit risk from potential default by any of its counterparties on its foreign exchange forward contracts and interest rate swaps. The Fund manages this credit risk by dealing with counterparties that are major financial institutions and which the Fund anticipates will satisfy its obligations under the contracts.

The Fund is dependent in part on the viability of its customers for collections of trade accounts receivable. Exposure to credit risk with respect to its accounts receivables is minimized by the Fund's large customer base, which covers a diverse range of business sectors primarily in Canada. The Fund follows a program of credit evaluations of customers and limits the amount of credit extended when deemed necessary. The Fund maintains provisions for potential credit losses, and any such losses to date have been within management's expectations. The Fund cannot ensure that its customers will not experience financial difficulties in the future and the Fund may not collect all of its accounts receivable.

Relationships with Suppliers

The Fund currently relies on a limited number of suppliers for its raw materials. The Fund has maintained long-term relationships with key suppliers of raw materials, which have resulted in a competitive advantage in procurement and reliability of supply.

There is no assurance that the Fund's raw material suppliers will be able to continue supplying it with the same quantity or quality of materials, or on the same terms, under existing arrangements. There can be no assurance that, in the event the Fund is required to change its current suppliers (whether as a result of a significant deterioration in the suppliers' financial position or otherwise), alternative sources of supply will be available on terms comparable to existing arrangements.

Lack of Long-Term Agreements

Historically, the Fund has typically not entered into long-term written agreements with customers or suppliers. As a result, customers or suppliers may, with little or no notice or penalty, terminate their relationship with the Fund at any time. In addition, even if customers or suppliers should decide to continue their relationship with the Fund, there can be no guarantee that customers will purchase or suppliers will supply the same amount of product as in the past, or that the purchase or supply, as the case may be, will be on similar terms.

Expiration of Rights under Licence and Distribution Arrangements

A portion of the Fund's revenue is generated from the sale of products which are subject to licence arrangements or which are distributed by the Fund pursuant to distribution arrangements. The Fund will need to take steps to either negotiate the renewal or extension of its current licence and distribution arrangements when they expire or to otherwise compensate for the lost revenue from the sale of such products.

There can be no assurance that the Fund will be able to successfully negotiate extensions or renewals of the relevant licence or distribution arrangements or develop alternate sources of revenue under any licence or distribution arrangements, which may be terminated or not renewed.

Availability and Price Volatility of Raw Materials

Raw material supply factors such as allocations, economic cyclicality, seasonality, pricing, quality, timeliness of delivery, transportation and warehousing costs may affect the raw material sourcing decisions made by the Fund. In the event of significant unanticipated increase in demand for the Fund's products, the Fund may in the future be unable to manufacture certain products in a quantity sufficient to meet customer demand in any particular period without an adequate supply of raw materials.

Various raw materials are used in the products manufactured by the Fund. In particular, the primary raw materials used in the Fund's products are various types and grades of resins and steel as well as cement, aggregates, rebar and steel strand. These raw materials are sourced and traded throughout the world and are subject to pricing volatility. Consistent with past and current practices within the industry, the Fund manages its exposure to raw material price volatility by considering this impact in its pricing strategy. However, there can be no assurance that the industry dynamics will allow the Fund to continue to reduce its exposure by passing on raw material price increases to its customers.

Product Liability

Defects in product design, manufacture, performance and reliability could result in lost revenue or lawsuits and could be detrimental to the Fund's market reputation. The Fund's products and the products incorporated from third parties may not be defect-free. Undetected defects or performance problems may be discovered in the future. The Fund may not be able to successfully complete the development of planned or future products in a timely manner or to adequately address product defects, which could harm the Fund's business and prospects. In addition, product defects may expose the Fund to product liability claims, for which it may not have sufficient product liability insurance.

Intellectual Property

The Fund uses various manufacturing processes to produce drainage products, precast and pre-stressed concrete products, highway noise barriers, as well as other engineered solutions for infrastructure applications. There can be no assurances that such processes and products do not violate any third-party intellectual property rights. If they do, the Fund may be liable for potentially substantial damages relating to a patent or other intellectual property infringement action against it or may be prohibited from using the affected processes and producing the affected products unless it obtains an appropriate licence from the relevant party. The Fund cannot be assured of obtaining any such licence on commercially favourable terms, or at all.

The Fund relies on a combination of patent and trademark laws, trade secrets, confidentiality procedures, licences and agreements to protect its proprietary rights and certain proprietary rights licensed to the Fund (collectively, the "Proprietary Technologies"). Despite efforts to protect the Proprietary Technologies by the Fund or the licensor of any of the Proprietary Technologies (the "Licensor"), unauthorized parties may attempt to copy aspects of the Fund's products or obtain information that the Fund regards as proprietary. Policing unauthorized use of the Proprietary Technologies may be difficult, time-consuming and costly. There can be no assurance that the Fund's or the Licensor's means of protecting the Proprietary Technologies will be adequate. Furthermore, the Proprietary Technologies may be challenged, invalidated or circumvented and may not provide proprietary protection or a competitive advantage to the Fund.

Reliance on Key Personnel

The Fund's operations are dependent on the abilities, experience and efforts of its senior management and key sales and support personnel. While the Fund has entered into employment agreements and/or confidentiality and non-compete agreements with some of its key employees, should any of its key employees be unable or unwilling to continue his or her employment with the Fund, the financial performance of the Fund could be significantly adversely affected until a suitable replacement is retained. The Fund may be unable to attract, assimilate, retrain or train other necessary qualified employees, which may restrict growth potential and disrupt operations.

Labour Markets

The success of the Fund is dependent on retaining qualified experienced people to operate its manufacturing facilities. Competition for labour in Canada and within the industry as a whole may limit the ability of the Fund to retain the required people which may limit the ability of the Fund to take advantage of opportunities otherwise available or alternatively may affect the profitability of such endeavors going forward.

Environmental

The Fund is subject to a wide range of federal, provincial and municipal environmental laws and regulations that govern the discharge of materials into the environment and the investigation and clean up of environmental contamination. The Fund believes that the conduct of its operations is currently in material compliance with existing environmental laws and regulations. In conjunction with independent engineering firms, the Fund has examined its manufacturing facilities to identify potential clean-up obligations and other environmental issues. To date, the costs incurred in complying with environmental laws and regulations, including the cost of clean up and remediation, have not had an adverse effect on the Fund's financial condition.

Management believes that the Fund has appropriately provided for expected environmental obligations that it may incur. However, estimating environmental liabilities at any site is complex and is dependent on the nature and extent of the information that is available about the site, the complexity and nature of any contamination and other matters. The Fund cannot predict with certainty the future costs that may be incurred to satisfy its environmental obligations. Changes in laws and regulations are ongoing and may make environmental compliance, such as emission control and clean-up obligations, increasingly expensive.

Collective Bargaining

On average during the year, 1,119 employees at 21 manufacturing plants are subject to collective bargaining agreements. While management believes that the Fund's relations with its employees are in good standing, there are no assurances that a strike or other disruption by its unionized employees will not occur and adversely affect the results of operations of the Fund.

Pension Plans

The Fund has funding obligations for various pension and other post-employment benefit arrangements that are affected by factors outside the Fund’s control. The Fund's obligation under such plans is determined annually by independent actuaries using management's assumptions and the attribution method. Assumptions used in determining defined benefit pension costs, accrued pension benefit obligations and pension plan assets include, but are not limited to: discount rates, long-term rates of return for plan assets, rates of future compensation and health care cost trends. The Fund reviews data provided by actuaries when developing assumptions used in the determination of defined benefit pension costs and accrued pension benefit obligations. While management believes that these assumptions are appropriate given current economic conditions, significant differences in results or significant changes in assumptions may materially affect pension plan and post-retirement benefit obligations and related future expenses.

Currency Fluctuations

The Fund is exposed to currency risk primarily of cash, cash equivalents, accounts receivable, accounts payable and accrued liabilities. There is a risk to the Fund's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Fund's financial results are reported in Canadian dollars. The Fund's exposure to foreign currency risk is primarily related to fluctuations in the value of the Canadian dollar relative to that of the US dollar as a portion of the Fund's transactions occur with customers and suppliers in US dollars.

Interest Rates

The Fund's Credit Facilities, a portion of which are not hedged by a floating to fixed interest rate swap, are subject to fluctuations in interest rates. Interest rate fluctuations are beyond the Fund's control and there can be no assurance that interest rate fluctuations will not have a significant adverse effect on the Fund's financial performance. The Fund is subject to interest rate risk on the portion of the outstanding balance of the Credit Facilities.

Uninsured and Underinsured Losses

The Fund maintains insurance policies with insurers in amounts and with coverages and deductibles that management of the Fund believes are reasonable and prudent. The Fund maintains comprehensive property, casualty and liability insurance with coverages and amounts that it believes are sufficient to repair or replace any assets that are physically damaged or destroyed, or cover resultant business interruption losses or extra expenses sustained, and to cover claims with respect to bodily injury or property damage arising from assets or operations. However, not all risks are covered by insurance and no assurance can be given that insurance will be consistently available or will be consistently available on an economically feasible basis or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving the assets or operations of the Fund.

Operating Hazards

The Fund's revenue is dependent on the continued operation of its facilities. The operation of facilities involves risks, including the failure or substandard performance of equipment, natural disasters, suspension of operations and new governmental statutes, regulations, guidelines and policies. The operations of the Fund are also subject to various hazards incidental to the production, use, handling, processing, storage and transportation of certain hazardous materials, including industrial chemicals. These hazards can cause death or injury, severe damage to and destruction of property and equipment and environmental damage. There can be no assurance that as a result of past or future operations, there will not be claims of injury by employees or members of the public due to exposure, or alleged exposure, to these materials. There can be no assurance as to the actual amount of these liabilities or the timing of them.

Risk of Future Legal Proceedings

The Fund may be threatened from time to time in the ordinary course of conducting its business with, or may be named as a defendant in, various legal proceedings, including lawsuits based upon product liability, personal injury, breach of contract and lost profits or other consequential damages claims. A significant judgment against the Fund, or the imposition of a significant fine or penalty, as a result of a finding that the Fund has failed to comply with laws or regulations could have a material adverse effect on the Fund.

Securities Laws Compliance and Corporate Governance Standards

The securities laws in Canada may be subject to change at any time. The impact on the Fund of any such changes cannot be predicted.

Geographical Risk

As a result of recent acquisitions, the Fund has expanded its presence across Canada. It is likely that the economic activity across the country will slow down and due to the nature of Fund's products and the associated freight costs; it is unlikely that a significant national slowdown in activity could be offset by exporting product outside the traditional service areas.

Seasonality and Adverse Weather

Construction projects are susceptible to delays as a result of extended periods of poor weather, which can have an adverse effect on profitability arising from either late completion penalties imposed by certain contracts or from the incremental costs arising from loss of productivity, compressed schedules, or overtime work used to offset the time lost due to adverse weather.

Geopolitical

Changes in the domestic and international political environment could affect the Fund's strategic and operational capabilities. The Fund's ability to source products and services could be compromised. These risks can arise from domestic and foreign trade agreements, policies, laws and regulations and other political events and could result in significant material losses or damage to our reputation. The Fund also monitors political changes that could affect the ability to remain competitive.

Risks Related to the Structure of the Fund

Dependence on the Fund's Subsidiaries

The Fund is an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario by a declaration of trust dated June 15, 2004, as amended and restated on July 27, 2004, which is entirely dependent on the operations and assets currently owned by AOT through its direct and indirect ownership interests in AHL, ALP and other Fund subsidiaries. Cash distributions to holders of Fund units are dependent on the ability of ALP to make distributions, which are ultimately paid to the Fund. There can be no assurance regarding the amounts of income to be generated by ALP and amounts paid to the Fund. The actual amount distributed in respect of the Fund units depends upon numerous factors, including profitability, fluctuations in working capital, capital expenditures and compliance with covenants under the Credit Facility.

Income Tax Matters

There can be no assurance that Canadian federal income tax laws and administrative policies respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the holders of Fund units. If the Fund ceases to qualify as a "mutual fund trust" under the Tax Act, the income tax considerations of the Fund would be materially and adversely different in certain respects. If the Fund ceases to qualify as a "mutual fund trust" under the Tax Act or if the Fund units cease to be listed on a "designated stock exchange" (as defined in the Tax Act) in Canada, the Fund units will cease to be qualified investments for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (collectively, "Deferred Income Plans"). The Fund will endeavour to ensure that the Fund units continue to be qualified investments for Deferred Income Plans. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments in such Deferred Income Plans and there is no assurance that the conditions prescribed for such qualified investments will be adhered to at any particular time. Finally, if the Fund ceases to qualify as a mutual fund trust for purposes of the Tax Act, the Fund will be required to pay tax under Part XII.2 of the Tax Act. The payment of Part XII.2 tax by the Fund will affect the amount of cash available for distribution by the Fund and may have adverse consequences for holders of Fund units. There can also be no assurance that taxation authorities will accept other tax positions adopted by the Fund, including its determination of the amounts of federal and provincial income and capital taxes and interest expense, which could adversely affect the amount of distributable cash.

Income fund structures generally involve significant amounts of inter-company or similar debt, generating substantial interest expense, which serves to reduce earnings and therefore income tax payable. There can be no assurance that taxation authorities will not seek to challenge the amount of interest expense deducted. If such a challenge were to succeed against one or more of the subsidiaries of the Fund, it could materially adversely affect the amount of distributable cash available. The Fund believes that the interest expense inherent in the structure of the Fund is supportable and reasonable in light of the terms of the indebtedness.

Further, there can be no assurance that tax authorities will not seek to challenge the allocation of income or loss from ALP and AEP to their partners or the value of the Class B limited participation partnership units of ALP. If such a challenge were to succeed, it could adversely affect the distributable cash available or the allocation of income by the Fund. The Fund believes that the provisions regarding allocation of income or loss of ALP and AEP and the value of the Class B limited participation partnership units of ALP are supportable and reasonable in light of the attributes of the partnership interests and the other circumstances.

Interest on notes of AOT held by the Fund (the “AOT Notes”) accrues at the Armtec Infrastructure Income Fund level for Canadian federal income tax purposes whether or not actually paid. The Declaration of Trust provides that an amount equal to the taxable income of the Fund will be distributed each year to holders of Fund units in order to reduce the Fund’s net income tax liability to zero. Where interest payments on the AOT Notes are due but not paid in whole or in part, the Declaration of Trust provides that additional units must be distributed to unitholders in lieu of cash distributions. Unitholders will generally be required to include an amount equal to the fair market value of those units in their income in circumstances when they do not directly receive a cash distribution.

Currently, a trust will not be considered to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents unless all or substantially all of its property is property other than “taxable Canadian property” as defined in the Tax Act. If the proposed amendments to the Tax Act released by the Minister of Finance (Canada) on September 16, 2004 (the “Proposed Amendments”) are enacted as proposed, the Fund would cease to qualify as a mutual fund trust for purposes of the Tax Act if, at any time after 2004, the fair market value of all Fund units held by non-residents of Canada or partnerships which are not “Canadian partnerships” for purposes of the Tax Act is more than 50% of the fair market value of all issued and outstanding Fund units - unless no more than 10% (based on fair market value) of the Fund’s property is at any time taxable Canadian property within the meaning of the Tax Act and certain other types of specified property. A partnership will only qualify as a Canadian partnership at a particular time if all of its members at that time are resident in Canada. The Proposed Amendments do not currently provide any means of rectifying a loss of mutual fund status. On December 6, 2004, the Minister of Finance (Canada) tabled a Notice of Ways and Means Motion which did not include these proposed amendments, and it is the Fund's understanding that further discussions will take place with the private sector before a decision is made concerning whether the Proposed Amendments will be enacted. Bill C-52, which received Royal Assent on June 22, 2007 amended the relevant provisions of the Tax Act such that a trust is deemed not to be a mutual fund trust after any time when it can be reasonably considered that the trust was established or maintained primarily for the benefit of non-resident persons, unless at that time all or substantially all of its property is property other than taxable Canadian property. It is not clear whether this amendment supersedes the Proposed Amendments. It should be noted that the restrictions on non-resident holders of Fund units may limit the demand for Fund units and therefore adversely affect the value of the Fund units.

On October 31, 2006, the Minister of Finance (Canada) announced the "Tax Fairness Plan" which, in part, proposed to significantly change the taxation of certain trusts and partnerships, including publicly traded trusts such as the Fund, and the taxation of distributions and allocations from these entities to their investors. Legislation to implement the proposed changes received Royal Assent on June 22, 2007 and these entities are referred to in the Tax Act as specified investment flow-through ("SIFT") trusts and SIFT partnerships. The legislation applies a tax approximately equal to corporate income tax on certain income (other than taxable dividends) earned by a SIFT trust or a SIFT partnership, and the legislation treats the taxable distributions of such income received by unitholders of a SIFT trust and a SIFT partnership as dividends. The Fund will constitute a SIFT trust and, as a result, the Fund and its unitholders will be subject to legislation relating to SIFT trusts and SIFT partnerships. It should be noted that the SIFT legislation generally does not apply until the 2011 taxation year for trusts and partnerships, the units of which were publicly traded prior to November 1, 2006, such as the Fund. However, the SIFT legislation will apply immediately in any taxation year ending after 2006 if the SIFT trust or a SIFT partnership does not comply with the Normal Growth Guidelines issued by the Department of Finance on December 15, 2006, as subsequently amended, unless the excess growth arose as a result of a prescribed transaction.

There can be no assurance that the Fund or its subsidiary partnerships will be able to retain the benefit of the deferred application of the SIFT legislation until 2011. Loss of the benefit of the deferred application of the SIFT legislation before 2011 could have a material and adverse affect on the value of the units. If the SIFT legislation applies to the Fund or its subsidiary partnerships, the return to unitholders may be adversely affected.

In 2009, the Tax Act was amended by adding provisions to facilitate the conversion of SIFT trusts and SIFT partnerships to corporations without adverse tax consequences to holders of units of such entities and without adverse tax consequences to the SIFT trust and the SIFT partnership. The new provisions generally apply automatically if the requirements of the provisions are met and permit a tax deferred "rollover" of the Fund unit's adjusted cost base for unitholders of SIFT trusts and SIFT partnerships who exchange their units of such entities for shares of a corporation without the need to file any tax elections. However, the "automatic" rollover will not be available after December 31, 2012.

It should be noted that if the Fund does not "convert" to a corporation before January 1, 2011 it will be subject to tax as a SIFT trust as described above. It should also be noted that if the Fund coverts to a corporation, the corporation will be subject to corporate income tax. In either event, the amount of cash available for distribution will be affected and this could adversely affect the return to unitholders.

No assurance can be given that Canadian federal or provincial income tax law respecting the taxation of income trusts and other flow-through entities will not be further changed in a manner that adversely affects the Fund and its unitholders.

Unitholder Limited Liability

The Declaration of Trust provides that no unitholder will incur or be subject to any liability, direct or indirect, absolute or contingent, in connection with the Fund or its assets or obligations and, in the event that unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of, the unitholders' share of the Fund's assets.

The Declaration of Trust further provides that the Trustees and the Fund shall make all reasonable efforts where practicable to cause to be inserted in any written agreement, undertaking or obligation made or issued on behalf of the Fund an appropriate statement of the disavowal and limitation of liability of the unitholders and Trustees. Personal liability may also arise in respect of claims against the Fund that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities. The possibility of any personal liability of this nature arising is considered unlikely.

On December 16, 2004, the Government of Ontario passed the *Trust Beneficiaries' Liability Act,* 2004 which limits the liability of holders of trust units, in a manner similar to that afforded to holders of shares of Ontario incorporated limited liability corporations. The legislation provides that the beneficiaries of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust or any of its trustees that arises after the Act became law if, when the act or default occurs or the obligation or liability arise: (a) the trust is a reporting issuer under the *Securities Act* (Ontario); and (b) the trust is governed by the laws of Ontario. The Fund is a reporting issuer under the *Securities Act* (Ontario) and is governed by the laws of Ontario. However, the courts have not yet had an opportunity to consider this legislation.

The operations of the Fund will be conducted, upon the advice of counsel, in such a way and in such jurisdictions as to avoid as far as possible any material risk of liability on the unitholders for claims against the Fund.

Leverage and Restrictive Covenants

The ability of the Fund to make distributions or make other payments or advances will be subject to applicable laws and contractual restrictions contained in the instruments governing any indebtedness of those entities. The degree to which the Fund is leveraged could have important consequences to the holders of the units, including: (1) the fact that the Fund's ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; (2) a significant portion of the Fund's' cash flow from operations may be dedicated to the payment of the principal of and interest on its indebtedness, thereby reducing funds available for future operations and to pay distributions; (3) certain of the Fund's borrowings will be at variable rates of interest, which exposes the Fund to the risk of increased interest rates; and (4) the Fund may be more vulnerable to economic downturns and be limited in their ability to withstand competitive pressures. These factors may increase the sensitivity of distributable cash to interest rate variations. The Credit Facility contains numerous restrictive covenants that limit the discretion of the Fund's management with respect to certain business matters. These covenants place significant restrictions on, among other things, the ability of the Fund to incur additional indebtedness, to create liens or other encumbrances, to pay distributions on its shares or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the Credit Facility contains a number of financial covenants that require the Fund to meet certain financial ratios and financial condition tests. A failure to comply with the obligations in the Credit Facility could result in a default which, if not cured or waived, could result in a termination of distributions by the Fund and permit acceleration of the relevant indebtedness. If the indebtedness under the Credit Facilities, including any hedge contracts with the lenders, were to be accelerated, there can be no assurance that the assets of the Fund would be sufficient to repay in full that indebtedness.

Credit Facilities

In May of 2009, the Fund entered into an amended and restated Credit Facility in the aggregate maximum principal amount of $273.0 million with a syndicate of lenders, which includes The Bank of Nova Scotia, Bank of Montreal, The Toronto-Dominion Bank, Alberta Treasury Branches and National Bank of Canada.

The term loan and revolving loan facilities under the Credit Facilities will mature in October, 2012 and the bridge facility under the Credit Facilities will mature in March, 2011, with full repayment of each of the Credit Facilities due on its applicable maturity date, at which time AOT and ALP will have to refinance such Credit Facilities. The Fund will have to refinance or repay the Credit Facilities when such Credit Facilities mature. If the Credit Facilities are replaced by new debt that has less favourable terms or if the Fund cannot refinance its debt, funds available for cash distributions to unitholders may be adversely impacted.

In addition, any failure by the Fund to comply with its obligations under the Credit Facilities (including the failure to meet certain covenants and financial ratios) may restrict the ability of the Fund to pay interest or dividends or make distributions, each of which could adversely impact cash distributions on the units.

The implementation of IFRS will affect the manner in which financial covenants under the Credit Facility are calculated, which may affect the ability of the Fund to comply with such covenants.

Nature of Units

Securities like the Fund's units are hybrids in that they share certain attributes common to both equity securities and debt instruments. The Fund units do not represent a direct investment in Armtec's business and should not be viewed by investors as equity or debt in the Fund.

The Fund units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporations Act* (Canada) and are not insured under the provisions of that act or any other legislation. Furthermore, the Fund is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Distribution of Securities on Redemption or Termination of the Fund

Upon redemption of Fund units or termination of the Fund, the Trustees may distribute notes of an affiliate of the Fund directly to the unitholders, subject to obtaining all required regulatory approvals. There is currently no market for such notes. In addition, such notes are not expected to be freely tradable or listed on any stock exchange. Such notes or other securities so distributed may not be qualified investments for Deferred Income Plans.

Restrictions on Potential Growth

The payout by ALP of substantially all of its operating cash flow will make additional capital and operating expenditures dependent on increased cash flow or additional financing in the future. Lack of those funds could limit the future growth of ALP and the related cash flow to the Fund.

Effect of Market Interest Rates on Price of Units

One of the factors that may influence the price of the Fund units in public trading will be the annual return from distributions by the Fund on the Fund units as compared to returns on other financial instruments. An increase in market interest rates will result in higher returns on other financial instruments, which could adversely affect the market price of the Fund units.

Undiversified and Illiquid Holdings in AOT

The Fund's holding of units of AOT and the AOT Notes is undiversified, and such securities are illiquid, as they are not expected to be listed or quoted on any stock exchange or other market.

Potential Dilution

The Declaration of Trust authorizes the Fund to issue an unlimited number of units for such consideration and on such terms and conditions as shall be established by the Trustees without the approval of unitholders.

MATERIAL CONTRACTS

The following are the only material contracts, other than contracts entered into in the ordinary course of business, which have been entered into by the Fund, or any of the Fund Entities or their predecessors within the most recently completed financial year or before the most recently completed financial year but are still in effect.

The following material contracts are referred to in the section of this AIF titled “Structure”:

- the Declaration of Trust
- the AOT Declaration of Trust
- the ALP Limited Partnership Agreement
- the Amended and Restated Administration Agreement

The following material contracts are referred to in the section of this AIF titled “General Development of the Business”:

- the Con-Force Purchase Agreement
- the 2007 Underwriting Agreement
- the Durisol Purchase Agreement
- the AE Concrete Purchase Agreement
- the 2008 Underwriting Agreement
- the Brooklin Purchase Agreement
- the Boucher Purchase Agreement
- the Boucher Assignment Agreement
- the BURNCO Concrete Purchase Agreement
- the 2009 Underwriting Agreement
- the Tremca Purchase Agreement
- the Pre-Con Purchase Agreement

The following material contracts are referred to in the section of this AIF titled “Description of the Fund”:

- the Credit Facilities
- AOT Note Indenture
- the Rights Plan Agreement

The following material contract is referred to in the section of this AIF titled “Trustees and Executive Officers”:

- the Long-Term Incentive Plan

Each of the above-noted documents (except for the Long-Term Incentive) has been filed on SEDAR at www.sedar.com.

INTEREST OF EXPERTS

PricewaterhouseCoopers LLP, chartered accountants, have reported on the Fund’s financial statements for the year ended December 31, 2009. PricewaterhouseCoopers LLP have no registered or beneficial interests, direct or indirect, in the Fund’s securities.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Units is Computershare Investor Services Inc. at its principal office in Toronto.

ADDITIONAL INFORMATION

Additional information relating to the Fund may be found on SEDAR at www.sedar.com.

Additional information including trustees' and officers' remuneration and indebtedness, principal holders of the Fund's securities and securities authorized for issuance under equity compensation plans, if applicable, will be contained in the Fund's information circular for its annual and special meeting of Unitholders to be held on June 24, 2010 once filed on SEDAR. Additional financial information is provided in the Fund's financial statements and management's discussion and analysis for the financial year ended December 31, 2009.

APPENDIX A: AUDIT COMMITTEE CHARTER

ARMTEC INFRASTRUCTURE INCOME FUND

Audit Committee Charter

PURPOSE

The trustees (the "**Trustees**") of Armtec Infrastructure Income Fund (the "**Fund**") have established an audit committee (the "**Audit Committee**") to assist them in fulfilling their responsibility for overseeing the Fund's financial reporting process. This Charter sets out the mandate and responsibilities of the Audit Committee. For the purpose of this Charter, any reference to "management" shall include officers and senior employees of Armtec Limited Partnership ("**ALP**") and Armtec Holdings Limited.

COMPOSITION

The Audit Committee shall be comprised of not fewer than three Trustees, each of whom is an independent Trustee, and a majority of whom must be resident Canadians. For purposes of this Charter, an "independent" Trustee is one who has no direct or indirect material relationship with the Fund. A "material relationship" is a relationship which could, in the view of the Trustees, reasonably interfere with the exercise of a Trustee's independent judgement. Examples of individuals with a material relationship to the Fund may include:

(i) an individual who is, or who has been, or whose immediate family member is, or has been, an employee or executive officer of the Fund;

(ii) an individual who is, or has been, or whose immediate family member is, or has been, an affiliated entity of, a partner of, or employed by, a current or former internal or external auditor of the Fund;

(iii) an individual who is, or has been, or whose immediate family member is or has been, an executive officer of an entity if any of the Fund's current executive officers serve on the entity's compensation committee;

(iv) an individual who has a relationship with the Fund pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Fund or any subsidiary entity of the Fund, other than as remuneration for acting in his or her capacity as a Trustee or a member of any committee of the Trustees, or as a part-time chair or vice-chair of the Trustees or any committee of the Trustees;

(v) an individual who receives, or whose immediate family member receives, more than $75,000 per year in direct compensation from the Fund, other than as remuneration for acting in his or her capacity as a Trustee or a member of any committee of Trustees, or as a part-time chair or vice-chair of the Trustees or any committee of Trustees; and

(vi) an individual who is an affiliated entity of the Fund or any of the Fund's subsidiary entities.

This list is not meant to be exhaustive. For further guidance on the issue of independence, Trustees should consult section 1.4 of Multilateral Instrument 52-110 - Audit Committees.

All members of the Audit Committee shall be financially literate. "Financial literacy" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Fund's financial statements.

AUTHORITY

In recognition of the fact that the external auditors are ultimately accountable to the Trustees and the Audit Committee as representatives of the Unitholders, the Audit Committee shall have the primary responsibility to select, evaluate and recommend to the Trustees the appointment or reappointment and where appropriate, replacement of, the external auditors and shall review and recommend all audit engagement fees and terms and all non-audit engagements with the external auditors. The Audit Committee will also discuss the rotation of the engagement of the audit partners when required. The Audit Committee shall consult with management but shall not delegate its responsibilities.

RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Audit Committee shall:

(i) Review the accounting principles, policies and practices followed by the Fund and its subsidiaries and controlled entities in accounting for and reporting its financial results of operations and satisfy themselves as to the appropriateness thereof.

(ii) Review the Fund's audited annual consolidated financial statements and the unaudited quarterly financial statements.

(iii) Review and recommend to the Trustees for approval any accompanying report to Unitholders and related documents such as the Management's Discussion and Analysis and related press releases.

(iv) Make recommendations to the Trustees with respect to the selection of the external auditors to be put forward to the Unitholders at the annual meeting.

(v) Obtain annually a formal written statement from the external auditors delineating all relationships between the audit firm and the Fund, and review and discuss with the external auditors such relationships to determine the "independence" of the auditors.

(vi) Review any management letter prepared by the external auditors concerning the Fund's internal financial controls, record keeping and other matters and management's response thereto.

(vii) Discuss with the external auditors their views about the quality of the implementation of Canadian generally accepted accounting principles, with a particular focus on the accounting estimates and judgments made by management and management's selection of accounting principles and meet in private with appropriate members of management and separately with the external auditors to share perceptions on these matters, discuss any potential concerns and agree upon appropriate action plans.

(viii) Approve the scope of the annual audit, the audit plan, the access granted to the Fund's records and the co-operation of management in any audit and review function and pre-approve the scope and cost of any non-audit services to be undertaken by the Fund's external auditors.

(ix) Review the effectiveness of the independent audit effort, including approval of the fees charged in connection with the annual audit, any quarterly reviews and any non-audit services being provided.

(x) Assess the effectiveness of the working relationship of the external auditors with management and resolve any disagreements between management and external auditors regarding financial reporting.

(xi) Review key regulatory developments and their implications for the Fund.

(xii) Review the risk management policies followed by the Fund in operating its business activities and the completeness and fairness of any disclosure thereof.

(xiii) Review annually this Charter for adequacy and recommend any changes to this Charter to the Trustees.

(xiv) Report to the Trustees on the major items covered at each Audit Committee meeting and make recommendations to the Trustees and management concerning these matters.

(xv) Ensure that the appropriate internal controls over financial reporting are in place, and that the Fund's public disclosure of financial information is timely and accurate, so as to permit the Chief Executive Officer and the Chief Financial Officer to provide the required certification of the Fund's annual and interim filings.

(xvi) Review and approve the Fund's hiring policies regarding partners, employees and former partners and employees of present and former external auditors of the Fund.

(xvii) Ensure that the financial information required by the various committees of the Trustees is available to them so as to permit them to fulfil their mandates.

(xviii) Perform any other activities consistent with this Charter, the Fund's Declaration of Trust and governing law as the Audit Committee or the Trustees deem necessary or appropriate.

RELATIONSHIP TO INTERNAL AUDIT

The Audit Committee will:

(i) Review and approve management's decisions relating to any potential need for internal auditing, including whether this function should be outsourced and if such function is outsourced, approve the supplier of such service.

(ii) Ensure that an effective system of internal control over financial reporting has been designed and is being implemented.

(iii) Approve the mandate for the internal audit function.

(iv) Review annually the internal audit department's objectives, goals, staffing and financial budget.

(v) Ensure that the Chief Financial Officer has direct and open communication with the Audit Committee with respect to planned audits, findings, recommendations and management response thereto, and that he or she meets with the Audit Committee without other management personnel present.

(vi) Ensure that, taken together, the work of the internal and external auditors provide an appropriate level of audit coverage and are effectively coordinated.

AUDIT COMMITTEE MEETINGS

The Audit Committee will meet on a regular basis, at least quarterly, and will hold special meetings as circumstances require. The timing of the meetings, and the calling of and procedure at meetings, shall be determined by the Chairman of the Audit Committee. A majority of the members of the Audit Committee present in person or participating by conference telephone shall constitute a quorum of the Audit Committee (provided that a majority of the members comprising such quorum shall not be non-residents of Canada).

The acts of the Audit Committee at a duly constituted meeting shall require no more than the vote of a majority of the members present. A resolution or other instrument in writing signed by all members of the Audit Committee shall constitute an act of the Audit Committee.

RESOURCES

The Audit Committee shall have the authority to retain independent legal, accounting and other consultants to advise it. The Audit Committee may request that any member of management or outside consultant attend a meeting of the Audit Committee or meet with any members of, or consultants to, the Audit Committee.

The Audit Committee shall advise the Trustees on the extent of funding, if any, that may be necessary for payment of compensation to any consultants retained to advise the Audit Committee.

Approved by the Trustees on September 29, 2004

Reviewed by the Trustees on November 11, 2009