

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be, registered under the United States Securities Act of 1933, as amended or any state securities laws and, subject to certain exceptions, may not be offered or sold within the United States except pursuant to an exemption therefrom. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of GENIVAR Income Fund, at 5858, Côte-des-Neiges Road, 4th Floor, Montreal, Quebec, Canada, H3S 1Z1, telephone: 514-340-0046, and are also available electronically at www.sedar.com. For the purpose of the Province of Quebec, this short form prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained without charge from the Secretary of GENIVAR Income Fund at the above-noted address and telephone number and is also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

September 6, 2007



GENIVAR INCOME FUND

\$39,000,000

1,902,439 units

This short form prospectus qualifies the distribution (the "Offering") of 1,902,439 Units of GENIVAR Income Fund (the "Fund") at a price of \$20.50 per Unit. See "Plan of Distribution". The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Quebec. The Fund indirectly holds a limited partnership interest in GENIVAR Limited Partnership ("GENIVAR LP"). The registered and head office of the Fund is located at 5858, Côte-des-Neiges Road, 4th Floor, Montreal, Quebec, H3S 1Z1. Concurrently with the closing of the Offering GENIVAR Inc., which currently holds a 41.9% interest in GENIVAR LP, will subscribe, directly and indirectly, on a non-brokered private placement basis for 536,585 Non-Subordinated Exchangeable LP Units of GENIVAR LP and 536,585 Special Voting Units of the Fund for a consideration of \$20.50 per Non-Subordinated Exchangeable LP Unit (the "Subscription"). Following completion of the Offering and the Subscription, GENIVAR Inc. will hold, directly and indirectly, a 39.6% interest and the Fund will own a 60.4% indirect interest in GENIVAR LP. See "Plan of Distribution".

The Toronto Stock Exchange (the "TSX") has conditionally approved the listing of the Units distributed under this short form prospectus. Listing is subject to the Fund fulfilling all of the listing requirements of the TSX on or before November 22, 2007. The issued and outstanding Units of the Fund are listed on the TSX under the symbol "GNV.UN". On August 23, 2007, the last trading day before the announcement of the Offering, the closing price of the Units on the TSX was \$21.30 per Unit. On September 5, 2007, the last trading day before the filing of this short form prospectus, the closing price of the Units on the TSX was \$20.67 per Unit.

National Bank Financial Inc., Raymond James Ltd., TD Securities Inc., BMO Nesbitt Burns Inc. and Cormark Securities Inc. (collectively, the "Underwriters") have agreed to purchase the Units from the Fund subject to the terms and conditions set forth in the Underwriting Agreement referred to under "Plan of Distribution". The price at which the Units are being offered hereunder was determined by negotiation between the Fund and the Underwriters. Subject to applicable laws and in connection with this Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Units at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

Price: \$20.50 per Unit

	<u>Price to GENIVAR</u>	<u>Underwriters' Fee</u>	<u>Net Proceeds to GENIVAR⁽¹⁾</u>
Per Unit.....	\$20.50	\$1.025	\$19.475
Total ⁽¹⁾	\$39,000,000	\$1,950,000	\$37,050,000

Notes:

(1) Before deducting the estimated expenses of the Offering of approximately \$500,000 which, together with the Underwriters' fee, will be paid by GENIVAR LP. The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Fund and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Fund by Stikeman Elliott LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP.

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Subscriptions will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. The Offering will be conducted under the book-based system. Upon a purchase of any Units, the owner will receive only the customary confirmation from the registered dealer from or through whom the Units are purchased and who is a participant in the depository service of Clearing and Depository Services (“CDS”). CDS will record the CDS participants who hold the Units on behalf of owners who have purchased or transferred the Units in accordance with the book-based system. Closing of the Offering is expected to occur on or about September 13, 2007, or such later date as the Fund and the Underwriters may agree, but in any event no later than September 20, 2007.

BMO Nesbitt Burns Inc. is a subsidiary of a Canadian chartered bank which is a member of a syndicate of financial institutions that have made Credit Facilities available to GENIVAR LP. Accordingly, under applicable securities laws, the Fund may be considered a “connected issuer” of such Underwriter. See “Plan of Distribution”.

All monetary amounts used herein are in Canadian dollars, unless otherwise indicated.

A return on your investment in GENIVAR is not comparable to the return on an investment in a fixed-income security. The recovery of your initial investment is at risk, and the anticipated return on your investment is based on many performance assumptions. Although the Fund intends to make distributions of its available cash to you, these cash distributions may be reduced or suspended. The actual amount distributed will depend on numerous factors including GENIVAR’s profitability, fluctuations in its working capital, its obligations under applicable credit facilities, sustainability of its margins and capital expenditures. In addition, the market value of the Units may decline if the Fund is unable to meet its cash distribution targets in the future, and that decline may be significant.

It is important for you to consider the particular risk factors that may affect the industry in which you are investing, and therefore the stability of the distributions that you receive. See “Risk Factors”.

The after-tax return from an investment in Units to Unitholders can be made up of both a return on and a return of capital. That composition may change over time, thus affecting a Unitholder’s after-tax return. Returns on capital are generally taxed as ordinary income in the hands of a Canadian-resident Unitholder. Returns of capital to a Canadian-resident Unitholder are generally tax-deferred (and reduce the Unitholder’s cost base in the Units for tax purposes). See “Certain Canadian Federal Income Tax Considerations”.

On June 22, 2007, Bill C-52 an Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007 received royal assent. Bill C-52 included legislative provisions previously released on December 21, 2006, providing for a tax on certain income earned by a “specified investment flow-through” trust, as well as generally taxing the taxable distributions received by investors from such entities as taxable dividends (the “SIFT Rules”). The SIFT Rules do not apply to an income trust, the units of which were publicly listed as of October 31, 2006, until 2011, subject to compliance with the Normal Growth Guidelines, as discussed further herein. See “Certain Canadian Federal Income Tax Considerations” and “Risk Factors — Income Tax Matters”.

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DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Fund, at 5858, Côte-des-Neiges Road, 4th Floor, Montreal, Quebec, Canada, H3S 1Z1, telephone: (514) 340-0046 and are also available electronically at www.sedar.com. For the purpose of the Province of Quebec, this short form prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained without charge from the Secretary of the Fund at the above-noted address and telephone number and is also available electronically at www.sedar.com.

The following documents of the Fund, filed by the Fund with the various securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this short form prospectus:

- (a) Initial Annual Information Form of the Fund dated April 2, 2007 (the "Initial Annual Information Form");
- (b) Management Proxy Circular of the Fund dated April 9, 2007 in connection with the Annual Meeting of Unitholders that was held on May 17, 2007;
- (c) Audited Consolidated Financial Statements of the Fund as at December 31, 2006 and for the period from May 25, to December 31, 2006, together with the notes thereto and the auditors' report thereon;
- (d) Management's Discussion and Analysis of the financial condition and results of operations of the Fund for the period from May 25, to December 31, 2006;
- (e) Interim Consolidated Financial Statements of the Fund as at June 30, 2007 and for the three-month and six-month periods ended June 30, 2007 together with notes thereto;
- (f) Management's Discussion and Analysis of the financial condition and results of operations of the Fund for the three-month and six-month periods ended June 30, 2007;
- (g) the Business Acquisition Report filed on August 8, 2006 (English version) and August 24, 2007 (French version); and
- (h) Material Change Report dated August 24, 2007 with respect to this Offering.

Any documents of the type referred to above as well as any business acquisition reports and any material change reports (excluding confidential material change reports), subsequently filed by the Fund, with the various securities commissions or similar authorities in Canada after the date of this short form prospectus and prior to the completion or withdrawal of any offering hereunder, shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for the purposes of this short form

prospectus, to the extent that a statement contained herein or in subsequently filed document is also or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded.

ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel to the Fund, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, provided that, on the date of issue, the Fund is a mutual fund trust under the Tax Act, the Units will be, on that date, qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans (the “Plans”).

NON-GAAP MEASURES

Certain of the documents incorporated by reference in this short form prospectus refer to “net revenues”, earnings before interest, tax, depreciation of property, plant and equipment and amortization of intangible assets (“EBITDA”), “distributable cash” and “payout ratio” which are not measures recognized by GAAP and do not have a standardized meaning prescribed by GAAP. “Net revenues”, “EBITDA”, “distributable cash” and “payout ratio” may not be comparable to similar measures presented by other issuers.

References to net revenues are to revenues adjusted for an item that the Fund believes facilitates the comparison of historical periods. In the course of providing services, GENIVAR Engineering Services Business incurs certain direct costs for subconsultants and other expenses that are recoverable directly from clients. The revenues associated with these direct costs are included in the revenues of the Fund. Since such direct costs and their associated revenues can vary significantly from contract to contract, changes in the revenues of the Fund may not be indicative of the GENIVAR business. Accordingly, the Fund also reports net revenues, which is revenues less subconsultants and other direct expenses, and analyzes its results in relation to net revenues rather than revenues. The Fund believes that net revenues is a supplemental measure in evaluating the performance of the Fund and in determining whether to invest in the Units. Net revenues is not a measure in accordance with GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, net revenues may not be comparable to similar measures presented by other issuers. Investors are cautioned that net revenues should not be construed as an alternative to revenues for the year (as determined in accordance with GAAP) as an indicator of the Fund’s performance.

References to EBITDA are to earnings before interest, tax, depreciation of property, plant and equipment and amortization of intangible assets. Since the Fund distributes its available cash on an ongoing basis (after providing for certain amounts), the Fund believes that in addition to net earnings for the year, EBITDA is a supplemental measure of cash available for distribution prior to debt service, changes in working capital, capital expenditures and income taxes. However, EBITDA is not a recognized measure and does not have a standardized meaning under GAAP. Investors are cautioned that EBITDA should not be construed as an alternative to net earnings for the year (as determined in accordance with GAAP) as an indicator of the Fund’s performance, or as an alternative to cash flows from operating, financing and investing activities as a measure of the Fund’s liquidity and cash flows. The Fund’s method of calculating EBITDA may differ from the methods used by other issuers and, accordingly, the Fund’s EBITDA may not be comparable to similar measures used by other issuers.

References to distributable cash is defined as cash flows from operating activities adjusted for change in non-cash working capital items, income taxes paid, capital expenditures paid (net of the proceeds from the disposal of capital assets), interest unpaid and purchase of units in the market under the long-term incentive plan. Distributable cash does not have standardized meaning prescribed by GAAP, but is a measure generally used by Canadian open-ended income funds as an indicator of financial performance. The Fund’s method of calculating distributable cash may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to distributable cash as reported by such entities. References to payout ratio are to aggregate distributions divided by distributable cash and is used by the Fund to analyze financial and operating performance.

FORWARD-LOOKING STATEMENTS

Certain statements in this short form prospectus, including the documents incorporated by reference herein, may constitute “forward-looking” statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Fund or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this short form prospectus, such statements use such words as “may”, “will”, “expect”, “believe”, “plan” and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this short form prospectus. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under “Risk Factors”. Although the forward-looking statements contained in this short form prospectus are based upon what management believes are reasonable assumptions, the Fund cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this short form prospectus, and except as required by applicable law, the Fund assumes no obligation to update or revise them to reflect new events or circumstances.

DESCRIPTION OF THE FUND

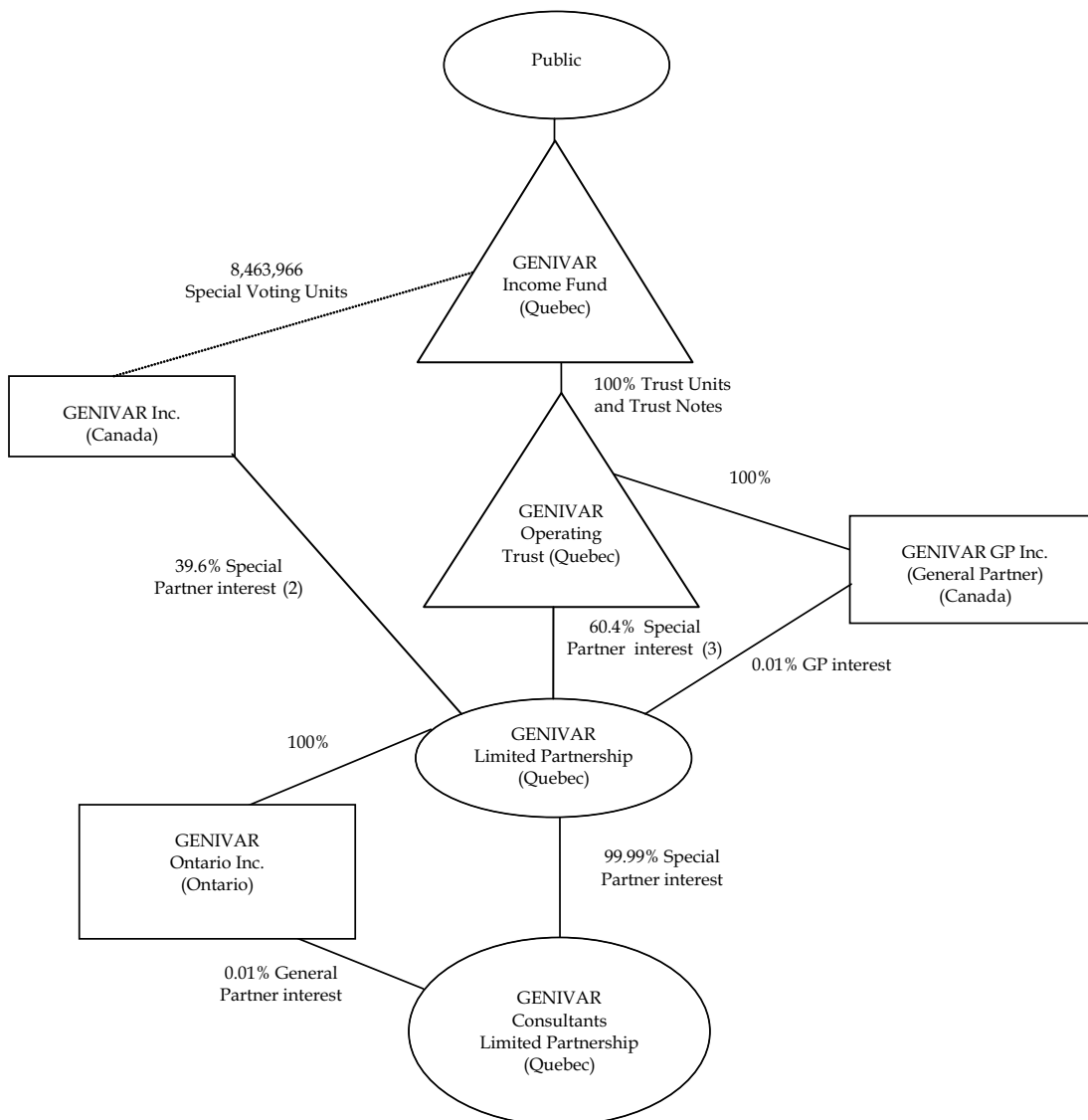
The Fund is an unincorporated, open-ended, limited purpose trust created pursuant to the Fund Declaration of Trust made as of March 31, 2006, as amended and restated on May 16, 2006, as the same may be amended, supplemented or restated from time to time, and is governed by the laws of the Province of Quebec. The Fund has been created to acquire and hold Trust Units and Trust Notes.

GENIVAR Operating Trust (the “Trust”) is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Quebec on March 31, 2006 by the Trust Declaration of Trust. GENIVAR Operating Trust has been created to acquire and hold: (i) the Class A LP Units, currently representing 58.1% of the outstanding GENIVAR LP Units; and (ii) all of the outstanding shares of GENIVAR GP.

GENIVAR LP is a limited partnership established under the laws of the Province of Quebec pursuant to a limited partnership agreement made on March 31, 2006, as amended and restated on May 16, 2006, between GENIVAR Inc., as initial special partner, and GENIVAR GP to own and operate the GENIVAR Engineering Services Business. In connection with the GENIVAR Engineering Services Business, GENIVAR LP can own, operate and lease assets and property, borrow money, make investments and hold other direct or indirect rights and engage in activities properly ancillary and incidental thereto.

GENIVAR GP is the general partner of GENIVAR LP and is authorized to carry on the business of GENIVAR LP and has full power and authority to exclusively administer, manage, control and operate the same.

The following chart illustrates, on a simplified basis the structure of GENIVAR and certain of its subsidiaries⁽¹⁾, (including jurisdiction of establishment/incorporation of the various entities) after giving effect to the Offering and the Subscription for Non-Subordinated Exchangeable LP Units and Special Voting Units by GENIVAR Inc.



1. Certain subsidiaries, each of which represents not more than 10% of the consolidated assets and not more than 10% of the consolidated revenues of GENIVAR, and all of which, in the aggregate, represent not more than 20% of the total consolidated assets and the total consolidated revenues of GENIVAR as at December 31, 2006 have been omitted.
2. Will hold directly and indirectly 3,732,121 Non-Subordinated Exchangeable LP Units and 4,731,845 Subordinated Exchangeable LP Units.
3. Will hold directly or indirectly 12,902,439 Class A LP Units (60.4% equity interest) including 46,142 Units held by the trustee under the GENIVAR LP LTIP for the benefit of certain officers and key employees of GENIVAR.

BUSINESS OF GENIVAR

Overview

GENIVAR is a leading Canadian engineering services firm providing private and public sector clients with a full range of professional consulting services through all execution phases of a project including planning, design, construction and maintenance. GENIVAR's clients, which are of varying sizes, fall into various market segments such as building, industrial and power, urban infrastructure, transportation and environment. GENIVAR is one of the largest engineering services firm in Canada in terms of number of employees with over 2,100 managers, professionals, technicians and technologists and support staff in 45 offices in Canada and abroad.

GENIVAR's business model is centered on maintaining a leadership position in the regions in which it operates by establishing a strong commitment to and recognizing the needs of surrounding local communities and clients. GENIVAR's business model translates into large regional offices with an established market share and a full-service offering throughout every project execution phase. GENIVAR has permanent offices in five Canadian provinces (Quebec, Ontario, Manitoba, Saskatchewan, British Columbia) and in the Caribbeans. Functionally, market segment leaders work together with regional leaders to develop and coordinate markets served, combining local knowledge relationships with nationally recognized expertise.

GENIVAR offers a broad diversity of professional consulting services in planning, engineering, architecture, environmental services, project management and a variety of project services throughout all project execution phase: from the initial development studies through the design, construction, commissioning and maintenance phases. GENIVAR has developed a multidisciplinary team approach where resources work closely with clients to develop optimized solutions on time and on budget. GENIVAR is a fee-for-service business and operates in five different market segments: Building, Urban Infrastructure, Industrial & Power, Transportation and Environment.

Growth Strategy

GENIVAR's growth strategy, both organic and from acquisitions, is focused around three main initiatives which have been instrumental in its past success. First, GENIVAR will continue its full-service offerings in order to satisfy clients seeking optimal and cost-effective solutions for their projects. Second, GENIVAR will enhance its relationships with existing clients by leveraging its cross-selling of services and GENIVAR will also continue to seek to attract new clients. Third, GENIVAR will pursue selective acquisitions in order to consolidate its solid position in Quebec, expand its business across Canada by adding to its Ontario and western platforms and expand its Caribbean operations.

By pursuing this growth strategy, GENIVAR believes to be better positioned to capture economies of scale, undertake large and diverse assignments across new and broader geographic areas, leverage its technical expertise, increase the scope of services provided to existing clients, and build durable relationships with clients to meet their various needs.

In evaluating a potential acquisition candidate, the following criteria are generally taken into account:

- the acquisition should be accretive;
- the acquisition candidate must complement our service offering and share our vision and culture;
- the acquisition candidate must be successful and respected in its field;
- the acquisition candidate must have a good portfolio of projects and a strong client base; and
- the acquisition candidate must be among the leaders in the market in which it operates.

RECENT DEVELOPMENTS

The Fund's acquisition strategy is to make acquisitions when feasible through GENIVAR Inc., the non-controlling unitholder of the Fund. Pursuant to this strategy, GENIVAR Inc. acquires all of the outstanding shares of a company and then sells the net assets of the acquired company to GENIVAR LP. The purchase price for GENIVAR LP is in almost all cases equal to the purchase price for the shares paid by GENIVAR Inc., taking into account certain assets or liabilities that are not or cannot be transferred, which has been concluded with unrelated parties. Generally, a balance of purchase price is payable by GENIVAR to the vendor to cover purchase price or other adjustments. The following summarizes the acquisitions that were completed by GENIVAR since January 1, 2007.

On December 20, 2006, GENIVAR entered into an agreement, effective on January 1, 2007, providing for the acquisition of certain assets of Cochrane Design Group (“CDG”), a Western Canada-based engineering consulting firm, for a total consideration (including transaction costs) of \$4,953,000.

On January 9, 2007, GENIVAR entered into an agreement effective on January 1, 2007 providing for the acquisition of certain assets of Kazmar Associates (“Kazmar”), an Ontario-based engineering consulting firm, for a total consideration (including transaction costs) of \$2,145,000.

On February 22, 2007, GENIVAR entered into an agreement, effective on February 24, 2007, providing for the acquisition of all assets and liabilities of Groupe G.L.D. (“GLD”), a Quebec-based engineering consulting firm previously owned by GENIVAR Inc. for a total consideration (including transaction costs) of \$4,027,000.

On April 28, 2007, GENIVAR acquired all the assets and liabilities, except for the building (valued at \$500,000), of NOVE Environnement (“NOVE”), a Quebec-based environment consulting firm previously owned by GENIVAR Inc., for a total consideration (including transaction costs) of \$1,225,000.

On July 3, 2007, GENIVAR acquired all the assets and liabilities of the transportation division of National Capital Engineering (“NCE”), an Ontario-based firm specializing in transportation planning and design engineering services for a total consideration (excluding transaction costs which have not yet been finalized) of \$2,600,000.

On July 10, 2007, GENIVAR acquired all the assets and liabilities of SEG Engineering (“SEG”), a Manitoba-based municipal infrastructure firm for a total consideration (excluding transaction costs which have not yet been finalized) of \$2,800,000.

On July 28, 2007, GENIVAR acquired all the assets and liabilities of Harmer Podolak Engineering Consultants (“Harmer”), an Ontario-based bridge and civil infrastructure design firm for a total consideration (excluding transaction costs which have not yet been finalized) of \$2,400,000.

During the second quarter of 2007, GENIVAR Inc. exited the general contracting business in Quebec by selling substantially all of the assets of GENIVAR Construction Inc. to Pomerleau Inc. GENIVAR Inc. is also currently considering selling its general contracting business in Ontario by way of a management buyout or a progressive winding down of GENIVAR Construction Limited. As a result of such transactions, GENIVAR intends to terminate the Preferred Business Relationship Agreement and to focus exclusively towards the professional consulting engineering, environmental and related services business carried out by the Fund. As a result, the Fund would then be free to participate with any Canadian or international contractors in the development of public-private partnerships, design-build or other alternative delivery mode proposals for project implementation.

As a result of its growth strategy, GENIVAR is continuously looking for acquisition opportunities and is continuously in discussions with a number of engineering firms. There is no assurance that such discussions may result into successful acquisitions. Management of the Fund believes that any potential acquisition under discussion, if consummated, would not be a significant acquisition and would not be material to the overall business of GENIVAR.

DESCRIPTION OF UNITS AND SPECIAL VOTING UNITS

An unlimited number of Units and an unlimited number of Special Voting Units may be issued pursuant to the Fund Declaration of Trust. Each Unit is transferable and represents an equal, undivided right to and interest in any distributions from the Fund, whether of net earnings, net realized capital gains (other than net realized capital gains distributed to redeeming Unitholders) or other amounts, and in the net assets of the Fund in the event of termination or winding-up of the Fund. All Units are of the same class with equal rights and privileges. The Units are not subject to future calls or assessments, and entitle the holders thereof to one vote for each whole Unit held at all meetings of voting Unitholders. Except as set out under section “Description of the Fund — Redemption Right at the Option of the Unitholders” in the Initial Annual Information Form, which is incorporated by reference in this short form prospectus, the Units have no conversion, retraction, redemption or pre-emptive rights.

The Special Voting Units are not entitled to any right, to nor interest in, any distribution from the Fund whether of net earnings, net realized capital gains or other amounts, or in the net assets of the Fund in the event of a termination or winding up of the Fund. Special Voting Units may, however, be redeemed by the Unitholder at any time for no consideration.

The Special Voting Units may be issued in series and will only be issued in connection with or in relation to Non-Subordinated Exchangeable LP Units, Subordinated LP Units or other securities that are, directly or indirectly,

exchangeable for Units, in each case for the sole purpose of providing voting rights at the Fund level to the holders of such securities. Special Voting Units will be issued in conjunction with, and will not be transferable separately from, the Non-Subordinated Exchangeable LP Units or Subordinated LP Units (or other exchangeable securities) to which they relate. Conversely, the Special Voting Units will automatically be transferred upon a transfer of the associated Non-Subordinated Exchangeable LP Units or Subordinated LP Units. Each Special Voting Unit entitles the Unitholder thereof to a number of votes at any meeting of Unitholders equal to the number of Units which may be obtained upon the exchange of the Non-Subordinated LP Units or Subordinated Exchangeable LP Units (or other exchangeable security) to which the Special Voting Unit relates.

Upon the exchange of the Non-Subordinated Exchangeable LP Units or Subordinated LP Units (or other exchangeable securities) for Units, the Special Voting Units attached to such securities will immediately be cancelled without any further action of the Trustees or the former Unitholder of such Special Voting Units, and the former Unitholder of such Special Voting Units will cease to have rights with respect thereto.

CONSOLIDATED CAPITALIZATION OF THE FUND

There have been no material changes in the Fund's Units or loan capital on a consolidated basis since June 30, 2007. Upon completion of the Offering, there will be an aggregate of 12,902,439 Units of the Fund issued and outstanding.

Concurrently with the closing of the Offering, GENIVAR Inc., which currently holds a 41.9% interest in GENIVAR LP, will subscribe, directly and indirectly, for 536,585 Non-Subordinated Exchangeable LP Units of GENIVAR LP and 536,585 Special Voting Units for a consideration of \$20.50 per LP Unit. Following completion of the Offering, GENIVAR Inc. will hold, directly and indirectly, a 39.6% interest and the Fund will own a 60.4% indirect interest in GENIVAR LP.

The table below sets out the consolidated capitalization of the Fund. The historical amounts were derived from the consolidated balance sheet of the Fund as at June 30, 2007. The *pro forma* amount as at June 30, 2007 gives effect to the Offering and the Subscription.

	As at June 30, 2007	Pro-Forma — As at June 30, 2007, after giving effect to this offering and the subscription
	(000's) (UNAUDITED)	(000's) (UNAUDITED)
Cash	\$ 3,066	\$ 18,748
Advances payable to the non-controlling unitholder	\$ 7,986 ⁽¹⁾	—
Bank advances	\$ 23,882 ⁽²⁾	—
Non-controlling interest	\$ 78,913	\$ 89,803 ⁽⁴⁾
Unitholders' Equity		
Fund units	\$ 109,175	\$ 145,835 ⁽⁴⁾
Contributed surplus	\$ 138	\$ 138
Deficit	<u>(\$501)</u>	<u>(\$501)</u>
Total Unitholders' Equity	<u>\$ 108,812</u>	<u>\$ 145,472</u>
Number of Units	11,000,000 ⁽³⁾	12,902,439 ⁽³⁾

- (1) Since June 30, 2007, advances payable to GENIVAR Inc. increased by approximately \$7,800,000 from acquisitions concluded after June 30, 2007. On the date hereof, the net increase, since June 30, 2007, in advances payable to GENIVAR Inc. amounts to approximately \$6,214,000 for a total of approximately \$14,200,000.
- (2) On the date hereof, the net increase, since June 30, 2007, in bank advances amounts to approximately \$1,918,000 for a total of approximately \$25,800,000.
- (3) Including 46,142 Units held by a trustee under the LTIP for the benefit of senior executives and key employees.
- (4) Taking into account the Underwriters' fee and the expenses of the Offering to be paid by GENIVAR LP.

DISTRIBUTABLE CASH

The Fund's primary source of cash for distributions is cash flow from operating activities. A reconciliation between cash flow from operating activities and distributable cash is provided below(1).

	FOR THE PERIOD FROM APRIL 1 TO JUNE 30 2007	FOR THE PERIOD FROM JANUARY 1 TO JUNE 30 2007	POST-IPO FOR THE 220 DAYS FROM MAY 25 TO DECEMBER 31 2006
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
Cash flows			
Cash flows from operating activities	\$ 4,012	\$ 5,666	\$ 13,332
Change in non-cash working capital items	\$ 5,014	\$ 11,149	\$ 3,887
Current income tax expense	\$ 188	\$ 263	\$ 121
Income taxes paid	(\$217)	(\$267)	(\$327)
Capital expenditures paid	(\$1,483)	(\$2,831)	(\$1,583)
Capital expenditures paid for non-recurring items ⁽³⁾	(\$906)	(\$1,714)	—
Interest unpaid	\$ 114	\$ 234	\$ 282
Purchase of units in the market under the long-term incentive plan	(\$825)	(\$825)	—
Distributable cash⁽²⁾	\$ 5,897	\$ 11,675	\$ 15,712
Distributable cash, per unit⁽²⁾	\$ 0.3116	\$ 0.6168	\$ 0.8301
Actual payout ratio	80.2%	81.0%	72.5%
Actual payout ratio adjusted for non-recurring items⁽³⁾	69.5%	70.7%	72.5%
Fund's units distributions	\$ 2,749	\$ 5,498	\$ 6,622
Class B Non-subordinated Exchangeable LP unit distributions	\$ 799	\$ 1,598	\$ 1,923
Class C Subordinated Exchangeable LP unit distributions	\$ 1,182	\$ 2,364	\$ 2,849
Aggregate distributions, all units⁽²⁾	\$ 4,730	\$ 9,460	\$ 11,394
Aggregate distributions, all units, per unit⁽²⁾	\$ 0.2500	\$ 0.5000	\$ 0.6022

(1) The following table provides amounts in thousands of dollars, except per Unit data.

(2) Distributable cash and distributable cash per unit amounts are calculated for the combined interest of the Fund's units and Non-Subordinated Exchangeable LP units and Subordinated LP units, which total 18,927,381. Number of units has not been adjusted to reflect units purchased in the market in connection with the long-term incentive plan since the distributions on these units continue to be declared and paid.

(3) Non-recurring capital expenditures pertain to a construction project which had for objective to expand square footage of the main office in Quebec City, net of the proceeds from the disposal of a second building of \$449.

	FOR THE PERIOD FROM APRIL 1 TO JUNE 30 2007	FOR THE PERIOD FROM JANUARY 1 TO JUNE 30 2007	POST-IPO FOR THE 220 DAYS FROM MAY 25 TO DECEMBER 31 2006
	(000's) (UNAUDITED)	(000's) (UNAUDITED)	(000's) (UNAUDITED)
Cash flows from operating activities	\$ 4,012	\$ 5,666	\$ 13,332
Net earnings	\$ 2,603	\$ 5,275	\$ 6,344
Non-controlling interest	\$ 1,877	\$ 3,802	\$ 4,571
Earnings before non-controlling interest	\$ 4,480	\$ 9,077	\$ 10,915
Actual cash distributions declared	(\$4,730)	(\$9,460)	(\$11,394)
Excess (shortfall) of cash flows from operating activities over cash distributions declared	(\$718)	(\$3,794)	\$ 1,938
Shortfall of earnings before non-controlling interest over cash distributions declared	(\$250)	(\$383)	(\$479)

Following the acquisition in January 2007 of certain assets of CDG and Kazmar (excluding receivables and costs and anticipated profits in excess of billings), cash flows from operating activities for the three-month and the six-month period ended June 30, 2007 were affected by the required investments in working capital. Bank advances were used to finance the

shortfall in accordance with the Credit Facilities. The investments in working capital concerning these acquisitions amounted to \$0.7 million for the three-month period ended June 30, 2007 and \$4.5 million for the six-month period ended June 30, 2007. If the impact of these non-recurring investments in working capital is excluded, cash flows from operating activities equaled distributions declared for the three-month period ended June 30, 2007 and exceeded cash distributions declared by \$0.7 million for the six-month period ended June 30, 2007. In addition, additional investments in working capital were required to fund organic growth of \$13.9 million in net revenues achieved in the six-month period from January 1, to June 30, 2007. Management believes that this shortfall is specifically attributable to these two acquisitions and organic growth. Consequently, Management does not anticipate any reduction in the level of distributions.

Cash distributions declared exceeded earnings before non-controlling interest for the three-month period ended June 30, 2007 by \$0.3 million and for the six-month period ended June 30, 2007 by \$0.4 million (\$0.5 million for the 220 day-period from May 25, 2006 to December 31, 2006). The Fund does not use net earnings as a basis to calculate cash distributions as net earnings, in accordance with GAAP, include expenses which do not affect cash such as amortization of intangible assets including non-compete agreements, customer relationships and contract backlogs. As a result of GENIVAR's acquisitions over the past several years, its net earnings have been impacted by significant intangible amortization. The costs of these intangible assets are included in the purchase price but there are no future cash outflows associated with these intangible assets. If the impact of intangible amortization is excluded, earnings before non-controlling interest exceeded cash distributions declared by \$2.0 million and \$4.2 million for the three-month and six-month periods ended June 30, 2007 respectively (\$4.6 million for the 220 day-period from May 25, 2006 to December 31, 2006).

USE OF PROCEEDS

The net proceeds from the sale of Units under this short form prospectus and from the Subscription are estimated to be approximately \$47,550,000 after deduction of the Underwriters' fee (\$1,950,000) and the estimated expenses of the Offering (\$500,000).

The gross proceeds of this Offering and the Subscription by GENIVAR Inc. will be used by GENIVAR LP (i) to pay the Underwriters fees and the expenses of the Offering and (ii) to repay respectively the bank advances and advances payable to GENIVAR Inc. which will be outstanding at Closing in an amount which is estimated to be approximately \$25,800,000 and \$14,200,000. Such indebtedness was incurred to support the Fund's acquisitions and working capital. The balance of the net proceeds of the Offering and the Subscription by GENIVAR Inc. will be used for general corporate purposes and to fund GENIVAR's growth strategy.

PLAN OF DISTRIBUTION

Pursuant to an Underwriting Agreement entered into on August 29, 2007 among the Fund, the Trust, GENIVAR LP, GENIVAR GP and the Underwriters, the Fund has agreed to sell an aggregate of 1,902,439 Units to the Underwriters, and the Underwriters have severally (and not jointly or solidarily) agreed to purchase from the Fund, such Units on the Closing Date. Delivery of the Units is conditional upon payment in cash on the Closing Date by the Underwriters to the Fund of \$20.50 per Unit, net of a fee of \$1.025 per Unit.

Concurrently with the closing of the Offering, and pursuant to its preemption rights under the Securityholders Agreement, GENIVAR Inc., which currently holds a 41.9% interest in GENIVAR LP, will subscribe, directly and indirectly, for 536,585 Non-Subordinated Exchangeable LP Units of GENIVAR LP and 536,585 Special Voting Units of the Fund on a non-brokered private placement basis for a consideration of \$20.50 per Non-Subordinated Exchangeable LP Unit. Following completion of the Offering, GENIVAR Inc. will hold, directly and indirectly, a 39.6% interest and the Fund will own a 60.4% indirect interest in GENIVAR LP.

The price at which the Units are being offered hereunder was determined by negotiation between the Fund and the Underwriters.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint or solidary) and may be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are obligated to take up and pay for all of the Units if any of such Units are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that the Fund will indemnify the Underwriters and their respective directors, officers, agents and employees against certain liabilities and expenses, including liabilities under Canadian securities legislation.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

The Fund has been advised by the Underwriters that, in connection with the Offering, the Underwriters may effect transactions which stabilize or maintain the market price of Units which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Units. The policy statements allow certain exceptions to the foregoing prohibitions. The Underwriters may only avail themselves of such exceptions on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Units. These exceptions include a bid or purchase permitted under the UMIR for Canadian marketplaces of Market Regulation Services Inc., relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Units at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

BMO Nesbitt Burns Inc. is a subsidiary or affiliate of lenders (the “Lenders”) that have made credit facilities available to GENIVAR LP. As of June 30, 2007, there was \$23,882,000 indebtedness outstanding under the Credit Facilities. Accordingly, the Fund may be considered a connected issuer to the Underwriters for purposes of securities laws in certain Canadian provinces. GENIVAR LP is not and has not been in default of its obligations to the Lenders under the Credit Facilities, which are secured by a first priority security interest and hypothec over the universality of moveable assets of the GENIVAR Engineering Services Business. The decision to distribute Units was made by the Fund and the terms and conditions of distribution were determined through negotiations between the Fund and the Underwriters. The Lenders have not had any involvement in such decision and will not have any involvement in such determination. None of the Underwriters will receive any benefit from the Offering other than its portion of the remuneration payable by the Fund on the principal amount of the Units sold through or to such Underwriters.

Certain of the Underwriters or their affiliates have in the past engaged, and may in the future engage, in transactions with and perform services, including commercial banking, financial advisory and investment banking services, for GENIVAR LP and its affiliates in the ordinary course of business for which they have received or may receive customary compensation.

The Units have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered within the United States except pursuant to a registration statement under the U.S. Securities Act or an exemption from the registration requirements thereof.

Pursuant to the Underwriting Agreement, the Fund shall not, directly or indirectly, without the prior written consent of National Bank Financial Inc., Raymond James Ltd. and TD Securities Inc. subject to customary exceptions, such consent not to be unreasonably withheld, issue, offer, sell, or enter into an agreement to issue, offer or sell (or announce any intention to do so) any Units or any other financial instruments or securities convertible into or exchangeable for Units, in each case, for a period ending on the date that is 90 days after the closing of the Offering. Moreover, GENIVAR Inc. and Trustees and officers of the Fund will agree not to sell, or agree to sell (or announce any intention to do so), any Units or securities exchangeable or convertible into Units of the Fund prior to Closing and for a period of 90 days from the Closing without the prior written consent of National Bank Financial Inc., Raymond James Ltd. and TD Securities Inc., such consent not to be unreasonably withheld.

The TSX has conditionally approved the listing of the Units distributed under this short form prospectus. Listing is subject to the Fund fulfilling all of the listing requirements of the TSX on or before November 22, 2007.

The Fund Declaration of Trust provides that at no time may Non-Residents be the beneficial owners of more than 49.9% of the Units. In the event that the Fund becomes aware that Non-Residents are the owners of more than 49.9% of the Units, the Fund may require certain of the Non-Residents to sell their Units. See “Risk Factors — Limitation on Non-Resident Ownership”.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Fund, and Fasken Martineau DuMoulin LLP, Counsel to the Underwriters, (together, “Counsel”), the following summary, as at the date hereof, describes the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a prospective purchaser of Units pursuant to this prospectus who, (i) for purposes of the Tax Act, at all relevant times, is resident or deemed to be resident in Canada, (ii) holds the Units as capital property and (iii) deals at arm’s length, and is not affiliated, with the Fund, the Trust, GENIVAR LP, GC LP, GENIVAR Ontario Inc., GENIVAR Inc. and GENIVAR GP. Generally, Units will be considered to be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the election permitted by subsection 39(4) of the Tax Act. Such Unitholders should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Unitholder that is either a “financial institution” (as defined for purposes of the mark-to-market rules in the Tax Act), a “specified financial institution”, or a Unitholder an interest in which is a “tax shelter investment” (all as defined in the Tax Act). In addition, this summary does not address the deductibility of interest by a Unitholder who has borrowed money to acquire Units. **Any such Unitholder should consult its own tax advisor with respect to an investment in Units.**

This summary is of a general nature only and is based upon the facts set out in the prospectus, the provisions of the Tax Act in force at the date of this prospectus, Counsel’s understanding of the current published administrative and assessing practices of the CRA, and certificates from the Fund, the Trust, GENIVAR LP and the Underwriters as to certain factual matters. This summary is also based on the assumption that the Fund will at all times comply with the Fund Declaration of Trust. This summary takes into account all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) (the “Proposed Amendments”) prior to the date of this short form prospectus. There can be no assurance that all the Proposed Amendments will be implemented in their current form or at all, nor can there be any assurance that CRA will not change its administrative or assessing practices. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law or in the administrative or assessing policies of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable herein. No advance income tax ruling has been obtained from CRA to confirm the tax consequences described herein. Furthermore, the income and other tax consequences will vary depending on the Unitholder’s particular circumstances, including the province or provinces in which the Unitholder resides or carries on a business. **Accordingly, this summary is of general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchasers of Units. Consequently, prospective purchasers of Units should consult their own tax advisors for advice with respect to the tax consequences to them, having regard to their particular circumstances.**

SIFT Rules

On October 31, 2006, the Minister of Finance (Canada) announced a “Tax Fairness Plan” which, in part, proposed changes to the manner in which certain flow-through entities and the distributions from such entities are taxed. Bill C-52 received Royal Assent on June 22, 2007 and contained the SIFT Rules, which are designed to implement these proposals, which generally operate to apply a tax at the level of a SIFT on distributions of certain income at rates of tax comparable to the combined federal and provincial corporate tax rate and to treat such distributions to Unitholders as dividends from a taxable Canadian corporation.

The Fund constitutes a SIFT trust and, as a result, the Fund and its Unitholders will be subject to the SIFT Rules. Generally, SIFT trusts, such as the Fund, the units of which were publicly traded as of October 31, 2006 will not be subject to the SIFT Rules until 2011, provided however, that the SIFT Rules will apply to the Fund prior to 2011 if the Fund does not comply with the “Normal Growth Guidelines” further discussed herein. However, starting on January 1, 2007, the SIFT Rules will apply to SIFTs formed after October 31, 2006. Although we do not consider that this was the intent of the Department of Finance (Canada) in enacting the SIFT Rules, there can be no assurance that the SIFT Rules may not be interpreted and applied such that the Trust, GENIVAR LP and GC LP be also considered SIFTs. Recent discussions with the Department of Finance (Canada) suggest however that the potential application of the SIFT Rules to the Trust,

GENIVAR LP and GC LP may be corrected as part of upcoming changes to the SIFT Rules. However, given the uncertainty regarding whether the Department of Finance (Canada) will make the amendments to the SIFT Rules required to clarify this issue, Management has advised Counsel that the Trust and GENIVAR LP will issue equity in connection with this Offering in compliance with the Normal Growth Guidelines such that, if they are considered SIFTs, the Trust and GENIVAR LP should continue to benefit from the deferred application of the SIFT Rules until 2011 (provided however the Trust and GENIVAR LP continue to comply at all times with the Normal Growth Guidelines until 2011). Further, since GC LP was created after October 31, 2006, if it is considered a SIFT, the SIFT Rules should apply to it starting on January 1, 2007. However, Management has indicated that the potential application of the SIFT Rules to GC LP should not result in material income taxes being payable by GC LP. **No assurance can be given that the SIFT Rules will not apply to the Fund, the Trust, GENIVAR LP and GC LP prior to 2011 and that Canadian Federal income tax law respecting SIFTs will not be further changed in a manner which adversely affects the Fund and its Unitholders.**

The Normal Growth Guidelines indicate that a SIFT will not lose the benefit of the deferred application of the SIFT Rules until 2011 if the equity capital of the SIFT does not grow as a result of issuances of new equity (which includes trust units, debt that is convertible into trust units, and potentially other substitutes for such equity) before 2011 by an amount that exceeds the greater of \$50 million and an objective “safe harbour” amount based on a percentage of the SIFT trust’s market capitalization as of the end of trading on October 31, 2006 (measured in terms of the value of the SIFT trust’s issued and outstanding publicly-traded units (not including debt, options or other interests that were convertible into units of the SIFT trust)) (the “October 31, 2006 Market Capitalization”). For the period from November 1, 2006 to the end of 2007, the Normal Growth Guidelines provide that a SIFT’s “safe harbour” amount will be equal to 40% of its October 31, 2006 Market Capitalization and, for each calendar year 2008, 2009, and 2010, to 20% of its October 31, 2006 Market Capitalization. Management has advised Counsel that the Fund’s October 31, 2006 Market Capitalization was approximately \$135 million and that the gross proceeds of the Offering and the Subscription for a total of \$50 million will not exceed the limit provided under the Normal Growth Guidelines for the Fund, the Trust and GENIVAR LP for the period from November 1, 2006 to December 31, 2007. The Normal Growth Guidelines also specify that (i) new non-convertible debt can also be issued without affecting the safe harbour of a SIFT, provided however that the replacement of that new debt with equity will be counted as growth and (ii) new equity that replaces debt that was outstanding as of October 31, 2006, or units issued in satisfaction of the exercise of a right in place on October 31, 2006 to exchange interests in a partnership into units of a SIFT (such as the conversion by GENIVAR Inc. of its exchangeable units of GENIVAR LP for Units) should not be considered growth for this purpose (provided however that it remains unclear whether, under the Normal Growth Guidelines, the Fund’s safe harbour for debt replacement includes debt of the Fund’s direct and indirect subsidiaries).

On June 26, 2007, the MFQ published Information Bulletin 2007-5 which confirms its previously announced intention to harmonize Quebec’s tax legislation with the SIFT Rules but that a separate Quebec tax regime relating to SIFT, such as the Fund, will be implemented. Specifically, the MFQ had announced that a SIFT having an establishment in Quebec at any time in a taxation year would be subject to a Quebec tax at a rate generally equal to the Quebec tax rate relating to corporations. In Information Bulletin 2007-5, the MFQ has confirmed that a business allocation formula based on the gross income of a SIFT and the wages and salaries it pays, similar to the one used for purposes of determining the tax payable by a corporation that has activities in Quebec and outside Quebec, will apply to determine the tax payable to Quebec by a SIFT that has, in a taxation year, an establishment both in Quebec and outside Quebec. Only this general business allocation formula will apply to SIFT regardless of the category of activities they carry out. The Minister of Finance (Canada) has not yet indicated how the SIFT Rules will be amended to take into account the proposed Quebec tax regime.

It is assumed, for the purposes of this summary, that the Fund, the Trust and GENIVAR LP will not be subject to the SIFT Rules until 2011. In the event that the Fund, the Trust and GENIVAR LP issue additional Units or convertible notes (or other equity substitutes) on or before 2011, the Fund, the Trust and GENIVAR LP may, however, become subject to the SIFT Rules prior to 2011, if any such issuances do not comply with the Normal Growth Guidelines.

Qualification as a Mutual Fund Trust

This summary is based on the assumption that the Fund will qualify as a “mutual fund trust” as defined in the Tax Act on completion of the Offering of Units and will thereafter continuously qualify as a mutual fund trust at all relevant times. If the Fund were not to qualify as a mutual fund trust, the income tax considerations described below and under the heading “Eligibility for Investment” would, in some respects, be materially different.

To qualify as a mutual fund trust, the Fund must also not have been established or maintained primarily for the benefit of non-residents of Canada. The Fund has adopted mechanism to ensure that this requirement is not breached. If draft amendments to the Tax Act released by the Minister of Finance (Canada) on September 16, 2004 are enacted as proposed, the Fund may 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 Units and Special Voting Units held by non-residents of Canada or partnerships other than “Canadian partnerships”, as defined in the Tax Act, is more than 50% of all issued and outstanding Units and Special Voting Units. On December 6, 2004, the Minister of Finance (Canada) tabled a Notice of Ways and Means Motion which did not include these proposed amendments. On the same date, the government announced that further discussions with the private sector would take place. The issue of ownership of units of mutual fund trusts by non-residents of Canada and partnerships other than Canadian partnerships was not addressed in the most recent Federal Budgets or Bill C-52.

Taxation of the Fund

Subject to the SIFT Rules, in each taxation year, the Fund will be liable to pay tax under Part I of the Tax Act on its taxable income in each taxation year from all sources. The taxation year of the Fund is the calendar year. Income for a taxation year will include income allocated to it by the Trust and net realized capital gains. The Fund may deduct in computing its income amounts paid or payable in the year to the Unitholders. An amount is considered payable in a taxation year if either it is paid in the year to the Unitholders or if the Unitholder is entitled to enforce payment of the amount in the year. The Fund will include in its income for each taxation year such amount of the Trust’s income for income tax purposes, including net Taxable Capital Gains, as is paid or becomes payable to the Fund in the year in respect of Trust Units held by the Fund and all interest on the Trust Notes that accrues to the Fund to the end of the year, or that becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding year. The Fund will not be subject to income tax either on any payments of principal on the Trust Notes or on any amount received as a distribution of capital (and not income) on the Trust Units to the extent such amount does not exceed the adjusted cost base of the Trust Units immediately prior to the payment.

If the Fund distributes any of its property to a Unitholder, the Fund will be deemed to have disposed of such property for proceeds equal to its fair market value and may realize either a capital gain or capital loss. The Fund is entitled to deduct in computing income reasonable administrative and other operating expenses (other than expenses on account of capital) incurred by it for the purposes of earning its income, provided that they are otherwise deductible under the terms of the Tax Act. The Fund will also be entitled to deduct costs incurred by it in connection with the issuance of Units on a five-year, straight-line basis, subject to proration for short taxation years.

Under the terms of the Fund Declaration of Trust, an amount equal to the annual income of the Fund (determined without reference paragraph 82(1)(b) and to subsection 104(6) of the Tax Act), together with the taxable and non-taxable portion of any capital gains realized by the Fund in the year (excluding capital gains which may be realized by, or attributed to, the Fund upon a distribution *in specie* of the assets of the Fund in connection with a redemption of Units), generally- will be payable in the year to the Unitholder by way of cash distributions, subject to the exceptions described below. Where the income of the Fund in a taxation year exceeds the cash distributions for that year, such excess will be distributed to Unitholders in the form of additional Units. Income of the Fund payable to Unitholders for a particular taxation year, whether in cash, additional Units or otherwise, will generally be deductible by the Fund in computing its income for such taxation year. For purposes of the Tax Act, the Fund intends to deduct in computing its income the full amount available for deduction in each year to the extent of its taxable income for the year otherwise determined. Counsel has been advised that the Fund intends to make sufficient distributions in each year of its net earnings for tax purposes and net realized capital gains so that the Fund will not be liable in that year for income tax under Part I of the Tax Act. Counsel can provide no opinion in this regard. Losses incurred by the Fund cannot be allocated to Unitholders, but can be deducted by the Fund in future years in computing taxable income, in accordance with the Tax Act.

The Fund may request redemption of Trust Notes and Trust Units upon a demand for redemption of Units. Such redemption will be at the fair market value and may create a capital gain (or a capital loss) on the disposition of the redeemed assets (including an exchange of assets) where such fair market value exceeds (or is exceeded by) the adjusted cost base of such assets and any reasonable costs of disposition. Any capital gains will be designated and will be payable to those Unitholders who have requested redemption who, therefore, will be taxable on such gain.

Under the SIFT Rules, on the basis that the Fund is a SIFT trust, once it becomes subject to the SIFT Rules (which is assumed to be, subject to the Normal Growth Guidelines, deferred until 2011), the Fund will no longer be able to deduct any part of the amounts payable to Unitholders in respect of its “non-portfolio earnings”, as defined in the Tax Act, which will include income from the units of the Trust and the Trust Notes. Income which the Fund is unable to deduct, pursuant

to the SIFT Rules, will be taxed in the Fund at a rate of tax comparable to the combined federal and provincial corporate rate tax. The SIFT Rules do not change the tax treatment of distributions that are paid as returns of capital.

Taxation of the Trust

The Trust will be taxable on its annual income as determined under the Tax Act for each taxation year (which will be the calendar year), which will include its allocated share of the income of GENIVAR LP for its fiscal period ending in or concurrently with the taxation year of the Trust. Subject to the SIFT Rules, income that is paid or payable or deemed to be paid or payable in such year to the Fund will be deducted by the Trust in computing its income for income tax purposes. The Trust generally will be entitled to deduct in computing income its expenses incurred to earn income provided such expenses are reasonable and otherwise deductible, subject to the relevant provisions of the Tax Act. Under the Trust Declaration of Trust, all of the income of the Trust for each year (determined without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act), together with the taxable and non-taxable portion of any capital gains realized by, or attributed to, the Trust in the year, will generally be payable in the year to the Fund. For purposes of the Tax Act, the Trust intends to deduct in computing its income the full amount available for deduction in each year to the extent of its taxable income for the year otherwise determined. Counsel has been advised by the Fund that the Trust intends to make sufficient distributions in each year of its net earnings for tax purposes and net realized capital gains so that the Trust will not be liable in that year for income tax under Part I of the Tax Act. Counsel can provide no opinion in this regard.

Taxation of GENIVAR LP

GENIVAR LP is not subject to tax under the Tax Act. Subject to the detailed provisions of the Tax Act, each partner of GENIVAR LP, is required to include in computing its income the partner's share of the income or loss, limited to its "at-risk amount", of GENIVAR LP for its fiscal period ending in, or coincidentally with, the partner's taxation year-end, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income or loss of GENIVAR LP will be computed for each fiscal year as if GENIVAR LP was a separate person resident in Canada and, subject to the SIFT Rules, will be allocated pursuant to the GENIVAR LP Agreement and in accordance with the rules of the Tax Act. Specifically, in computing the income or loss of GENIVAR LP for a fiscal year, deductions may be claimed in respect of reasonable administrative costs, interest and other expenses incurred by GENIVAR LP to earn income from its business or investments in the given fiscal year. If a partner's adjusted cost base of a Unit is negative at the end of a fiscal period of GENIVAR LP, the amount by which it is negative will be deemed to be a capital gain realized by the partner at that time and the partners' adjusted cost base of such Unit will be increased by the amount of the deemed gain.

Taxable Unitholders

Fund Distributions

Subject to the SIFT Rules, a Unitholder generally will be required to include in computing income for a particular taxation year its share of the income of the Fund for the year, including net Taxable Capital Gains, determined for purposes of the Tax Act, that is paid or payable to the Unitholder in the year and that is deducted by the Fund in computing its income whether paid in cash, Units or otherwise.

Once the Fund becomes subject to the SIFT Rules (which is not anticipated to be, subject to compliance with the Normal Growth Guidelines, prior to 2011), taxable distributions from the Fund received by Unitholders and paid from the Fund's after tax income will generally be deemed to be received as a taxable dividend from a taxable Canadian corporation. Such dividend will be subject to the gross-up and dividend tax credit provisions in respect of Unitholders that are individuals and will be an "eligible dividend" that should normally benefit from the enhanced gross-up and dividend tax credit rules under the Tax Act.

Provided that appropriate designations are made by the Trust and the Fund, such portions of their taxable dividends, if any, received (or deemed to be received) from taxable Canadian corporations, net Taxable Capital Gains and foreign source income as are paid or payable to a Unitholder and the amount of foreign taxes paid or deemed to be paid by the Fund and the Trust, if any, effectively will retain their character and be treated as such in the hands of the Unitholder for the purposes of the Tax Act. Accordingly, such amounts will be taken into account in determining, if necessary, a Unitholder's foreign tax credits and a Unitholder's capital gains.

Income (including income designated as Taxable Capital Gains) received or receivable by a Unitholder from the Fund will be investment income for the purposes of the additional refundable 6 $\frac{2}{3}$ % tax payable by Unitholders that are Canadian-controlled private corporations (as defined in the Tax Act) on certain investment income.

Any amount in excess of the income of the Fund that is paid or payable by the Fund to a Unitholder generally will not be included in the Unitholder's income for the year, including the non-taxable portion of a capital gain. However, where such an amount is paid or becomes payable to a Unitholder other than as proceeds of disposition or deemed disposition of Units or any part thereof, the amount generally will reduce the adjusted cost base of the Units of the Unitholder, except to the extent that the amount represents the Unitholder's share of the non-taxable portion of the net capital gains of the Fund for the year, where the taxable portion was designated by the Fund in respect of the Unitholder.

The adjusted cost base of a Unit to a Unitholder will include all amounts paid or payable by the Unitholder for the Unit, with certain adjustments. To the extent that the adjusted cost base of a Unit otherwise would become a negative amount in any taxation year of the Unitholder, the negative amount will be deemed to be a capital gain realized by the Unitholder in such a taxation year from a disposition of the Units and the Unitholder's adjusted cost base of the Units will be reset to nil.

The cost to a Unitholder of Units received in lieu of a cash distribution will be the amount of income received by the issuance of the Units. The adjusted cost base of each Unit held by a Unitholder will be the average of the adjusted cost base of all Units held by the Unitholder as capital property.

Disposition of Units

Upon the disposition or deemed disposition by a Unitholder of Units, whether on redemption or otherwise, the Unitholder will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (excluding any amount payable by the Fund which represents an amount that must otherwise be included in the Unitholder's income as described above) are greater (or less) than the aggregate of the Unitholder's adjusted cost base of the Units and any reasonable costs of disposition. Where Units are redeemed and any Trust Notes are distributed *in specie* to the Unitholder, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the Trust Notes so distributed. Excluded from the proceeds of disposition of Units will be any amounts paid or made payable in a year out of income or capital gains of the Fund for the year or any amount that is payable by the Fund which otherwise must be included in the Unitholder's income, including any capital gain realized by the Fund as a result of the redemption of Units which has been designated by the Fund of the Unitholder. The cost amount to a Unitholder, immediately after a redemption of Units of the Unitholder, of any assets of the Fund distributed to the Unitholder by the Fund upon such redemption or upon the termination of the Fund, will be equal to the fair market value of such assets of the Fund at such time of distribution less any accruing interest on Trust Notes that form part of the assets of the Fund. The redeeming Unitholder will be required to include in income interest on any Trust Note acquired (including interest that had accrued prior to the date of the acquisition of the Trust Note by the Unitholder) in accordance with the provisions of the Tax Act. To the extent that the Unitholder is required to include in income any interest that had accrued prior to the date of the acquisition of the Trust Notes by the Unitholder, an offsetting deduction may be available.

The consolidation of Units will not be considered to result in a disposition of Units by Unitholders. The aggregate adjusted cost base to a Unitholder of all the Unitholder's Units will not change as a result of a consolidation of Units; however, the adjusted cost base per Unit will increase. One-half of any capital gain ("Taxable Capital Gain") realized by a Unitholder and the amount of any net Taxable Capital Gains designated by the Fund in respect of a Unitholder generally will be included in the holder's income in the year of disposition. One-half of any capital loss ("Allowable Capital Loss") generally must be deducted from Taxable Capital Gains for the year of disposition. Any unused Allowable Capital Losses may be carried back up to three years and forward indefinitely and deducted against net Taxable Capital Gains realized in any such other year to the extent and under the circumstances described in the Tax Act.

A Unitholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % on its "aggregate investment income" for the year, which will include an amount in respect of Taxable Capital Gains.

Alternative Minimum Tax

In general terms, net earnings of the Fund paid or payable to Unitholders that are individuals or certain trusts that is designated by the Fund as Taxable Capital Gains and capital gains realized by such a Unitholder may give rise to alternative minimum tax under the Tax Act.

RISK FACTORS

Investors should consider carefully before purchasing the Units the risks described below as well as the other information in this short form prospectus and the documents incorporated by reference herein, in particular the risks described in the information that is incorporated by reference into this short form prospectus including, without limitation, the risk factors described in the Initial Annual Information Form under “Risk Factors”.

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 Unitholders. If the Fund ceases to qualify as a “mutual fund trust” under the Tax Act, the income tax considerations described under the headings “Certain Canadian Federal Income Tax Matters” and “Eligibility for Investments” would be materially and adversely different in certain respects.

Further, interest on the Trust Notes directly or indirectly accrues at the Fund level for income tax purposes whether or not actually paid. The Fund Declaration of Trust provides that the Fund intends that a sufficient amount of the Fund’s net earnings and net realized capital gains shall be distributed each year to Unitholders in order to eliminate the Fund’s liability for tax under Part I of the Tax Act. Where such amount of net earnings and net realized capital gains of the Fund in a taxation year exceeds the cash available for distribution in the year, such excess net earnings and net realized capital gains will be distributed to Unitholders in the form of additional Units. Unitholders are generally required to include an amount equal to the fair market value of those Units in their taxable income, in circumstances when they do not directly receive a cash distribution.

Income fund structures may involve a certain amount of inter-company or similar debt, generating an interest expense, which serves to reduce earnings and, therefore, income tax payable. Management believes that the interest expense payable by GENIVAR Ontario Inc. to GENIVAR LP is supportable and reasonable, in light of the terms of the indebtedness owing. 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 GENIVAR Ontario Inc., it could affect the amount of distributable cash available.

On October 31, 2003, the Department of Finance released, for public comment, proposed amendments to the Tax Act that relate to the deductibility of interest and other expenses for income tax purposes for taxation years commencing after 2004. In general, the proposed amendments may deny the realization of losses in respect of a business if there is no reasonable expectation that the business will produce a cumulative profit over the period that the business can reasonably be expected to be carried on. Management believes that it is reasonable to expect the property or business of GENIVAR LP to produce a cumulative profit over the expected period that the property will be held or the business will be carried on. After an extended period of public consultations that ended in August 2004, the proposals of the 2005 federal budget announced that the Department of Finance (Canada) has sought to respond to concerns about the proposal by developing “a more modest legislative initiative” that would respond to taxpayer’s concerns while still achieving the Government’s objective. It cannot yet be determined whether such further legislative proposals will have an effect on the Fund. Although we are of the view that all expenses to be deducted or amounts to be claimed in computing income by the Fund, the Trust, GENIVAR Ontario Inc. and GENIVAR LP respectively will be reasonable and deductible in computing income and that the cost amount of such entities’ depreciable properties and eligible capital properties will have been correctly determined, as well as the depreciation claimed on these properties, there can be no assurance that the tax authorities will agree or that the tax authorities will not seek to challenge the expenses to be deducted or amounts to be claimed. If the tax authorities successfully challenge the deductibility of any expenses or the correctness of any costs, cost amounts or depreciation claims, the return to Unitholders may be adversely affected.

There can be no assurance that the Fund will not reorganize or make acquisitions or dispositions in the future that could affect the tax treatment of the Canadian or foreign Unitholders.

On October 31, 2006, the Minister of Finance (Canada) announced a “Tax Fairness Plan” which, in part, proposed changes to the manner in which certain flow-through entities and the distributions from such entities are taxed. Bill C-52 received Royal Assent on June 22, 2007 and contained the SIFT Rules, which are designed to implement these proposals, which generally operate to apply a tax at the level of a SIFT on distributions of certain income at rates of tax comparable to the combined federal and provincial corporate tax rate and to treat such distributions to Unitholders as dividends from a taxable Canadian corporation. For a detailed discussion of the application of the SIFT Rules to this Offering as well as the risks associated therewith see “Certain Canadian Federal Income Tax Considerations — SIFT Rules”.

The Normal Growth Guidelines indicate that a SIFT will not lose the benefit of the deferred application of the SIFT Rules until 2011 if the equity capital of the SIFT does not grow as a result of issuances of new equity (which includes trust units, debt that is convertible into trust units, and potentially other substitutes for such equity) before 2011 by an amount that exceeds the greater of \$50 million and an objective “safe harbour” amount based on a percentage of the SIFT trust’s market capitalization as of the end of trading on October 31, 2006 (measured in terms of the value of the SIFT trust’s issued and outstanding publicly-traded units (not including debt, options or other interests that were convertible into units of the SIFT trust)) (the “October 31, 2006 Market Capitalization”). For the period from November 1, 2006 to the end of 2007, the Normal Growth Guidelines provide that a SIFT’s “safe harbour” amount will be equal to 40% of its October 31, 2006 Market Capitalization and, for each calendar year 2008, 2009, and 2010, to 20% of its October 31, 2006 Market Capitalization. Management has advised Counsel that the Fund’s October 31, 2006 Market Capitalization was approximately \$135 million and, on that basis, the gross proceeds of the Offering and the Subscription for a total of \$50 million will not exceed the limit provided under the Normal Growth Guidelines for the Fund, the Trust and GENIVAR LP for the period from November 1, 2006 to December 31, 2007. The Normal Growth Guidelines also specify that (i) new non-convertible debt can also be issued without affecting the safe harbour of a SIFT, provided however that the replacement of that new debt with equity will be counted as growth and (ii) new equity that replaces debt that was outstanding as of October 31, 2006, or units issued in satisfaction of the exercise of a right in place on October 31, 2006 to exchange interests in a partnership into units of a SIFT (such as the conversion by GENIVAR Inc. of its exchangeable units of GENIVAR LP for Units) should not be considered growth for this purpose (provided however that it remains unclear whether, under the Normal Growth Guidelines, the Fund’s safe harbour for debt replacement includes debt of the Fund’s direct and indirect subsidiaries).

The SIFT Rules may have an adverse impact on the Fund, its Unitholders and the value of the Units and on the ability of the Fund to undertake financings and acquisitions, and, at such time as the rules apply to the Fund, the distributable cash of the Fund may be materially reduced. The effect of the recently enacted SIFT Rules on the market for the Units is uncertain.

Investment Eligibility

There can be no assurance that the Units will continue to be qualified investments for Plans under the Tax Act. The Tax Act imposes penalties for the acquisition or holding of non-qualified or ineligible investments.

Limitation on Non-Resident Ownership

The Fund Declaration of Trust provides that at no time may Non-Residents be the beneficial owners of more than 49.9% of the Units. In the event that the Fund becomes aware that Non-Residents are the owners of more than 49.9% of the Units, the Fund may require certain of the Non-Residents to sell their Units. The limitation on ownership of Units by Non-Residents may have an adverse impact on the liquidity of the Units. In addition, the sale by Non-Residents of a significant number of Units at the Fund’s demand may have an adverse effect on the market price of the Units.

BOOK-BASED SYSTEM

Registration of interests in and transfers of the Units will only be made through the book-based system administered by CDS, the whole subject to applicable law. On or about the date of closing of the Offering, the Fund will deliver to CDS a certificate evidencing the aggregate number of Units subscribed for under this Offering. Units must be purchased, transferred and surrendered for redemption, exchange or retraction through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds Units. Upon a purchase of any Units, the owner will receive only the customary confirmation. References in this short form prospectus to a Unitholder of Units mean, unless the context otherwise requires, the owner of the beneficial interest in such shares.

The ability of a beneficial owner of Units to pledge such shares or otherwise take action with respect to such owner’s interest in such shares (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-based system, in which event certificates for Units in fully registered form will be issued to the beneficial owners of such units or their nominees.

EXPERTS

Certain legal matters in connection with the securities offered hereby will be passed upon by Stikeman Elliott LLP on behalf of the Fund and by Fasken Martineau DuMoulin LLP on behalf of the Underwriters. The partners and associates of Stikeman Elliott LLP, as a group, and Fasken Martineau DuMoulin LLP, as a group, each beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Fund or any associated party or affiliate of the Fund.

PROMOTER

GENIVAR Inc. has taken the initiative in founding and organizing the Fund and may therefore be considered to be a promoter of the Fund for the purposes of applicable securities legislation. Following completion of the Offering and the Subscription, GENIVAR Inc. will hold, directly and indirectly, a 39.6% interest and the Fund will own a 60.4% indirect interest in GENIVAR LP.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The independent auditors of the Fund are PricewaterhouseCoopers LLP, Chartered Accountants, at their offices in Quebec City, Quebec.

The transfer agent and registrar of the Units and the Special Voting Units is CIBC Mellon Trust Company at its principal transfer office in Montreal, Quebec.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces, securities legislation further provides the purchaser with remedies for rescission, price revision or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. A purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

GLOSSARY OF TERMS

“**Allowable Capital Loss**” has the meaning ascribed thereto under the heading “Certain Canadian Federal Income Tax Considerations — Disposition of Units”.

“**Bill C-52**” means an Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007, which received Royal Assent on June 22, 2007.

“**CDG**” has the meaning ascribed thereto under the heading “Recent Developments”.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**CDS Participant**” means a participant in CDS.

“**Closing Date**” means September 13, 2007 or such later date as GENIVAR and the Underwriters may agree but in any event no later than September 20, 2007.

“**Counsel**” means together Stikeman Elliott LLP and Fasken Martineau DuMoulin LLP.

“**CRA**” means Canada Revenue Agency.

“**Credit Facilities**” means GENIVAR LP’s credit facilities.

“**EBITDA**” has the meaning ascribed thereto under the heading “Non-GAAP Measures”.

“**Exchange Agreement**” has the meaning ascribed thereto in the Initial Annual Information Form.

“**Exchange Rights**” means the exchange right pursuant to the Exchange Agreement.

“**Fund**” means GENIVAR Income Fund.

“**Fund Declaration of Trust**” means the Trust Declaration of Trust made as of March 31, 2006, pursuant to which the Fund was established, as amended and restated on May 16, 2006, as the same may be amended, supplemented or restated from time to time.

“**GAAP**” means generally accepted accounting principles.

“**GC LP**” means GENIVAR Consultants Limited Partnership.

“**GENIVAR**” means GENIVAR Income Fund, the Trust, GENIVAR LP and GENIVAR GP, together with their respective subsidiaries and other entities controlled by them.

“**GENIVAR Engineering Services Business**” means the engineering services business currently carried on by GENIVAR LP.

“**GENIVAR GP**” means GENIVAR GP Inc.

“**GENIVAR LP**” means GENIVAR Limited Partnership.

“**GENIVAR LP Agreement**” means the limited partnership agreement made as of March 31, 2006 between GENIVAR Inc., as initial special partner, and GENIVAR GP, governed by the laws of the Province of Quebec, pursuant to which GENIVAR LP was established, as amended and restated on May 16, 2006, as the same may be amended, supplemented or restated from time to time.

“**GENIVAR LP Units**” means collectively, the Class A LP Units, the Non-Subordinated Exchangeable LP Units and the Subordinated LP Units.

“**GLD**” has the meaning ascribed thereto under the heading “Recent Developments”.

“**Harmer**” has the meaning ascribed thereto under the heading “Recent Developments”.

“**Kazmar**” has the meaning ascribed thereto under the heading “Recent Developments”.

“**Lender**” has the meaning ascribed thereto under the heading “Plan of Distribution”.

“**LTIP**” means the long-term incentive plan of GENIVAR LP.

“**MFQ**” means the Ministère des Finances (Quebec).

“**NCE**” has the meaning ascribed thereto under the heading “Recent Developments”.

“**Non-Residents**” means non-residents within the meaning of the Tax Act.

“**Non-Subordinated Exchangeable LP Units**” means the Class B Units of GENIVAR LP.

“**Normal Growth Guidelines**” means the press release issued by the Department of Finance (Canada) on December 15, 2006 entitled “Guidance Provided on Normal Growth for Income Trusts and other Flow Through Entities”.

“**NOVE**” has the meaning ascribed thereto under the heading “Recent Developments”.

“**October 31, 2006 Market Capitalization**” has the meaning ascribed thereto under the heading “Certain Canadian Federal Income Tax Considerations”.

“**Offering**” means the distribution of 1,902,439 Units of the Fund at a price of \$20.50 per Unit.

“**Plans**” has the meaning ascribed thereto under the heading “Eligibility for Investment”.

“**Preferred Business Relationship Agreement**” means the preferred business relationship agreement entered into on May 25, 2006 between GENIVAR Inc. and GENIVAR LP.

“**Proposed Amendment**” has the meaning ascribed thereto under the heading “Certain Canadian Federal Income Tax Considerations”.

“**Securityholders’ Agreement**” means the Securityholders’ Agreement entered into by the Fund, the Trust, GENIVAR LP and GENIVAR Inc. as of May 25, 2006.

“**SEG**” has the meaning ascribed thereto under the heading “Recent Developments”.

“**SIFT**” means a “SIFT trust” or a specified investment flow-through trust, as defined in the Tax Act.

“**SIFT Rules**” means, collectively, the “Tax Fairness Plan” released by the Minister of Finance (Canada) on October 31, 2006, the Normal Growth Guidelines and Bill C-52.

“**Special Voting Units**” means the units of the Fund issued to represent voting rights in the Fund that accompany the Non-Subordinated Exchangeable LP Units and the Subordinated LP Units.

“**Subordinated LP Units**” means the Class C Units of GENIVAR LP.

“**Subscription**” means the subscription by GENIVAR Inc. directly and indirectly for 536,585 Non-Subordinated Exchangeable LP Units of GENIVAR LP and 536,585 Special Voting Units of the Fund.

“**Taxable Capital Gain**” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations”.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended.

“**Trust**” has the meaning ascribed thereto under the heading “Description of the Fund”.

“**Trust Declaration of Trust**” means the Trust Declaration of Trust made as of March 31, 2006, pursuant to which the Trust was established, as the same may be amended, supplemented or restated from time to time.

“**Trustees**” means the trustees of the Fund.

“**Trust Notes**” means the Series 1 Trust Notes, Series 2 Trust Notes and Series 3 Trust Notes issued by the Trust from time to time in accordance with the Note Indenture.

“**Trust Units**” means the trust units of the Trust, each trust unit representing an equal undivided beneficial interest therein.

“**TSX**” means the Toronto Stock Exchange.

“**UMIR**” means the universal market integrity rules.

“**Underwriters**” means National Bank Financial Inc., Raymond James Ltd., TD Securities Inc., BMO Nesbitt Burns Inc. and Cormark Securities Inc.

“**Underwriting Agreement**” means the underwriting agreement entered into on August 29, 2007 among the Fund, the Trust, GENIVAR LP, GENIVAR GP and the Underwriters.

“**Unitholders**” means the holders from time to time of Units of the Fund.

“**Units**” means the Trust units of the Fund other than Special Voting Units.

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

“**Voting Unitholders**” means Unitholders and holders of Special Voting Units.

“**Voting Units**” means Units and Special Voting Units.

AUDITORS' CONSENT

We have read the short form prospectus of **GENIVAR Income Fund** (the "Fund") dated September 6, 2007 relating to the qualification of the distribution of units of the Fund. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of:

- Our report to the unitholders of the Fund on the consolidated balance sheet of the Fund as at December 31, 2006 and the consolidated statements of earnings, deficit and cash flows for the period from May 25, to December 31, 2006. Our report is dated March 12, 2007.

We consent also to the incorporation by reference of the following reports included in the Business Acquisition Report of the Fund dated August 8, 2006:

- Our report to the Directors of GENIVAR inc. on the combined balance sheets of the GENIVAR Engineering Services Business as of January 31, 2006 and 2005, and the combined statements of earnings, changes in owners' investments and cash flows for each of the years ended January 31, 2006, 2005 and 2004. Our report is dated March 17, 2006, except for note 22 which is dated May 16, 2006;
- Our report to the Directors of GENIVAR inc. and to the Trustees of the Fund on the unaudited pro forma consolidated balance sheet of the Fund as at January 31, 2006, and the unaudited pro forma consolidated statement of earnings for the year then ended. Our report is dated May 16, 2006; and
- Our report to the Trustees of the Fund on the consolidated balance sheet of the Fund as of March 31, 2006. Our report is dated May 16, 2006.

Quebec City, Quebec, Canada
September 6, 2007

(Signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants

AUDITORS' CONSENT

We have read the short form prospectus of **GENIVAR Income Fund** (the "Fund") dated September 6, 2007 relating to the qualification of the distribution of units. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our report to the shareholders of MacViro Holdings Inc. (the "Company") on the consolidated balance sheets of the Company as at December 31, 2005 and 2004, and the consolidated statements of earnings, retained earnings, and cash flows for the years then ended, which is included in the Business Acquisition Report of the Fund dated August 8, 2006. Our report is dated March 14, 2006.

Etobicoke, Ontario, Canada
September 6, 2007

(Signed) Jason Price Chartered Accountants Professional Corporation
JASON PRICE CHARTERED ACCOUNTANTS PROFESSIONAL CORPORATION
Authorized to practice public accounting by The Institute of Chartered Accountants of Ontario

CERTIFICATE OF GENIVAR INCOME FUND

Dated: September 6, 2007

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada. For the purpose of the Province of Quebec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

GENIVAR INCOME FUND by GENIVAR GP Inc., its attorney

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

By: (Signed) PIERRE SHOIRY
President and Chief Executive Officer

By: (Signed) MARCEL BOUCHER
Chief Financial Officer

On behalf of the Board of Trustees

By: (Signed) PIERRE SECCARECCIA
Trustee

By: (Signed) PIERRE SIMARD
Trustee

The Promoter
GENIVAR Inc.

By: (Signed) PIERRE SHOIRY
President

CERTIFICATE OF UNDERWRITERS

Dated: September 6, 2007

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada. For the purpose of the Province of Quebec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

NATIONAL BANK FINANCIAL INC.

RAYMOND JAMES LTD.

TD SECURITIES INC.

By: (Signed) RIKO GAUDREAU

By: (Signed) IAN G. MACKEY

By: (Signed) LUC OUELLET

BMO NESBITT BURNS INC.

By: (Signed) MATHIEU L'ALLIER

CORMARK SECURITIES INC.

By: (Signed) BORIS NOVANSKY