



Richmond Hill Christian Academy

MEMBER OF THE ASSOCIATION OF CHRISTIAN SCHOOLS INTERNATIONAL

Bayview Campus

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Richmond Hill, Ont. L4C 9X7
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www.rhcaweb.ca

Hillside Campus

R.H. (Chinese) Baptist Church
136 Hillside Drive
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(905) 737-9055

Administration

96 Antioch Drive
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Information Circular

February 21, 2010

Promissory Notes 2010

Summary

Richmond Hill Christian Academy (the "Academy") is constituted under the Corporations Act (Ontario) as a corporation without share capital, and is registered as a charity with the Canada Revenue Agency (Registration No. 85802 5273 RR001).

The Academy intends to issue promissory notes ("Notes") at a price to be negotiated, of between \$5,000 and \$500,000. The interest rate is also negotiable and shall be between 0% and 4% per annum. The offering described herein shall be made only to investors in Ontario. Interest payments will be made each year. In the case of parent investors, repayment of principal will be made two years from the date on which the youngest child in the family graduates or is no longer enrolled at the Academy, or sooner in the discretion of the Academy. Corporate investors or investors who have no relatives attending the Academy may negotiate a maturity year. In order to conform to the restrictions set out in its Letters Patent, the Academy will provide security for the promissory notes which will be nominal, limited, and postponed.

The foregoing is a summary of the material attributes and characteristics of the Notes and is qualified in its entirety by the detailed provisions of the form of subscription agreement attached hereto as Appendix "A" and the form of promissory notes attached hereto as Appendix "B".

Statutory Exemptions

The Notes are offered and will be sold pursuant to the specific exemption contained in Section 2.38 of National Instrument 45-106 — *Prospectus and Registration Exemptions* which extends to securities issued by an issuer organized exclusively for educational, benevolent, fraternal, charitable, religious or recreational purposes and not for profit, where no commission or other remuneration is paid in connection with the sale thereof. This exemption relieves the Academy from various provisions of securities legislation that require a prospectus to be filed and, therefore, a subscriber for the Notes will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including, without limiting the generality of the foregoing, the review of the material by the Ontario Securities Commission.

No person, firm or corporation has undertaken to underwrite the sale of these securities. Persons are advised to read this information circular carefully prior to making any decision to purchase the Notes.

This information circular is for the confidential use of only those persons to whom it is transmitted in connection with the issuance of Notes. By their acceptance of this information circular, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this information circular or any information contained herein. The information contained herein is intended solely for use by prospective purchasers of the securities.

No person has been authorized to give any information or to make any representation not contained in or incorporated by reference into this information circular. Any such information or representation which is given or received must not be relied upon. No securities commission or similar regulatory authority has reviewed or in any way passed upon this document or the merits of the securities offered hereby, and any representation to the contrary is an offence. Persons who acquire securities pursuant to this information circular will not have the benefit of the review of this material by any securities commission or similar authority. There is no market through which the Notes may be sold and none is expected to develop. The Notes will not constitute eligible investments for the purposes of registered plans, including without limitation RRSPs and RESPs.

Prospective investors are not to construe the contents of this information circular as legal, business or tax advice. Each prospective purchaser should consult its own legal counsel, accountants and other advisors as to legal, tax, economic and related matters concerning the securities described herein. A prospective investor should undertake and rely on its own independent verification of the information contained herein.

The Academy

The Academy's mandate, in dependence upon God, is to build an institution, honouring the Lord Jesus Christ, with excellence in academics, in facilities, in extra-curricular activities, and especially in its relationships with students, parents and the community.

The school was started in 1996 as Richmond Hill Christian School, owned by its founders. In 2004, operations were assumed by Richmond Hill Christian Academy, a non-profit, board-governed corporation, registered as a charity. The school now has 360 students and a staff of 43.

The school spent its first 10 years renting space in church basements, and moved several times as it grew. In 2006, the Richmond Hill Christian Community Church secured a five-year lease at 9711 Bayview Ave., Richmond Hill, Ontario (the "Property") (with the Academy as sub-tenants) from Great Lands Corporation ("Great Lands"), which had purchased the property from United Synagogue Day School with the intent to re-develop it.

Over the years, Great Lands met some opposition to its re-development plans, but persisted; the Academy, in turn, made three unsuccessful offers to purchase of the property. Recently, Great Lands proposed purchase terms that could be more affordable, at least for the next 10 years.

In order to seize this wonderful opportunity that the Lord has opened up, the Academy needs to raise significant funds to supplement its savings for the down-payment and other up-front costs. The proposed closing date for the purchase of the Property is June 22, 2010. The Academy hopes that a considerable portion of the needed funds will come in by way of donation. In addition, the Academy is offering this opportunity for parents and friends to invest in the Academy's future.

Description of the Notes

The following contains the material attributes and characteristics of the Notes and is qualified in its entirety by the detailed provisions of the form of subscription agreement attached hereto as Appendix "A" and the form of promissory notes attached hereto as Appendix "B".

THE NOTES WILL BE DIRECT, SECURED DEBT OBLIGATIONS OF THE ACADEMY, THE ENFORCEABILITY OF WHICH SHALL BE POSTPONED. THE NOTES WILL RANK PARI PASU AMONG THEMSELVES AND WILL BE SUBORDINATE TO ALL OTHER SECURED INDEBTEDNESS AND LIABILITIES OF THE ACADEMY, BOTH CURRENT AND FUTURE. THE ACADEMY IS NOT RESTRICTED FROM INCURRING OTHER INDEBTEDNESS OF ANY KIND, OR FROM MORTGAGING, PLEDGING OR CHARGING ITS PROPERTIES TO SECURE ANY INDEBTEDNESS.

Price

The price for each Note is negotiable and shall be between \$5,000 and \$500,000. Each Note shall have a value equal to its cost and shall be redeemable subject to its terms, for its total value.

Interest and Repayment

The interest rate is negotiable and shall be between 0% and 4% per annum. Simple interest shall be paid annually by cheque dated June 30 to each registered owner of the Notes. Interest shall begin to accrue on the first day of the month following the closing of a subscription agreement. In the case of parent investors, repayment of principal will be made two years from the date on which the youngest child in the family graduates or is no longer enrolled at the Academy, or sooner in the discretion of the Academy. Corporate investors or investors who have no relatives attending the Academy may negotiate a maturity year.

Security

In order for the Academy to conform with the provisions of its Letters Patent, the Notes will be secured against the equipment of the Academy, and against the proceeds derived therefrom. Equipment includes, but is not limited to, machinery, not including vehicles, fixtures, tools, furniture, all spare parts, and accessories. The security interest created in favour of the holders of the Notes will be nominal, limited and postponed such that other secured creditors of the Academy will have priority in the case of a dissolution, winding-up, liquidation, insolvency or bankruptcy of the Academy.

Example

Andrew Franklin is in Grade 2. His parents have subscribed for a \$5,000 Note on April 1, 2010, and chose a simple interest rate of 3% per annum. On June 30, 2010, Mr. and Mrs. Franklin will receive a cheque of \$37.50 for 3 months interest. On June 30, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018, Mr. and Mrs. Franklin will receive cheques for \$150 for the interest payable on the Note.

Assuming that Andrew Franklin is no longer enrolled at the Academy after June 30, 2016, the principal will become payable two years from that date and Mr. and Mrs. Franklin will receive a principal payment of \$5,000 along with their interest payment of \$150 on June 30, 2018.

Date	Principal Amount	Principal Repayment	Interest Payment
June 30, 2010	\$5,000	-	\$ 37.50
June 30, 2011	\$5,000	-	\$150.00
June 30, 2012	\$5,000	-	\$150.00
June 30, 2013	\$5,000	-	\$150.00
June 30, 2014	\$5,000	-	\$150.00
June 30, 2015	\$5,000	-	\$150.00
June 30, 2016	\$5,000	-	\$150.00
June 30, 2017	\$5,000	-	\$150.00
June 30, 2018	\$0	\$5,000	\$150.00

A T5 will be issued in each year for the interest paid to Mr. and Mrs. Franklin. If Mr. and Mrs. Franklin forgive the interest and/or the principal, a donation receipt will be issued.

Use of Proceeds

The net proceeds derived from the issuance of Notes will be used to finance and fund the purchase of the Property.

Transferability of Notes

No transfer of Notes shall be valid unless made on one of the registers of the Academy at the request of the holder or his representatives appointed in writing. Such Note must be surrendered with a written request of transfer. The Academy shall not be required to exchange or register the transfer of any Note for a period of fifteen (15) business days immediately preceding any prepayment by the Academy, interest payment or principal payment, as applicable.

Upon the surrender for registration of transfer of any such Note, the Academy shall register in the name of the transferee a new Note of the same aggregate principal amount, maturity and interest rate as the surrendered Note. After the appropriate form of transfer is received by the Academy and upon compliance with all other conditions in that regard, the transferee of a Note shall be entered on the register as the holder of such Note.

Prepayment

The Academy shall have the right, at its option, to prepay in whole or in part at any time, from time to time, prior to maturity, the Notes, including accrued interest, under any or all of the outstanding Notes by providing thirty (30) days notice to the holders of such Notes. Prepayment by the Academy will be without any bonus or penalty being paid to the holders of such Notes. Provided such notice is given, the Academy shall not be liable for interest accruing after the prepayment date set forth in the notice.

To properly receive any future prepayment notice, each holder of a Note should keep the Academy informed, at all times, of their current mailing address. Notes are not redeemable by the holder before their maturity.

Payment at Maturity

Interest and principal will be paid to the holders of Notes at the agreed maturity date, or sooner in the discretion of the Academy and a receipt of the interest and/or principal payment will be collected by the Academy.

Certain Transactions

There are no pending material legal proceedings to which the Academy is a party or of which any of its property is the subject. Moreover, there are no such proceedings known to be threatened or contemplated against the Academy.

Events of Default

The occurrence of any one or more of the following shall constitute an “**Event of Default**” under the Notes: (a) the Academy shall fail to pay any of the principal, interest, or other amounts due under the Notes within ten (10) business days after the same becomes due and payable; (b) the Academy files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing; or (c) an involuntary petition is filed against the Academy unless such petition is dismissed or discharged within sixty (60) days under any bankruptcy statute now or hereafter in effect, or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of the Academy.

Upon the occurrence of an Event of Default, the security interest granted by the Academy shall become enforceable and all unpaid principal, accrued interest and other amounts owing under the Notes shall, at the option of the holder of each Note and upon written notice to the Academy, and, in the case of an Event of Default pursuant to (b) or (c) above, automatically, be immediately due and payable.

Risk Factors

The issuance of Notes by the Academy is not being underwritten, but is being sold by the Academy. There is no ready market for the sale of these Notes, nor is the Academy guaranteeing the resale of these Notes. The purchaser must find a buyer if the Note is sold prior to its maturity. A loss is possible on a private sale.

The Academy has an option of redemption prior to maturity date of a Note. The Academy's income is dependent upon operating surplus, contributions, offerings and gifts. The interest income derived from these Notes is not exempt from income taxes. These Notes are secured, but the security given is nominal and, in an Event of Default, there is no guarantee that the facilities and property of the Academy secured by these Notes could be sold for an amount equal to the total principal and interest owing on the Notes.

The Notes will be direct, secured debt obligations of the Academy, the security of which shall be postponed such that the Notes will be subordinate to all other secured indebtedness and liabilities of the Academy, both current and future. The Academy is not restricted from incurring other indebtedness of any kind, or from mortgaging, pledging or charging its properties to secure any indebtedness.

The securities being offered hereby are highly speculative in nature and involve a high degree of investment risk. Before making an investment in the Academy, each prospective investor should give careful consideration to the following risk factors inherent in and affecting the business of the Academy. Although the Academy believes the following to be comprehensive, it may not include all the risks that may be encountered by the Academy.

In addition to the other information contained in this information circular, the following factors should be considered carefully by potential purchasers when evaluating an investment in the securities offered hereby.

Forward-looking Statements

Contained in, or incorporated by reference into, this information circular are forward-looking statements concerning the Academy's future operations, economic performance and financing plans. These statements are based on certain assumptions and analyses made by management of the Academy. Whether actual results and developments will conform with the Academy's expectations and predictions is subject to a number of risks and uncertainties, including, among other things, the risk factors discussed herein.

Continued Operations of Academy

The funding of the Academy is dependent upon the tuition paid by students, donations made by supporters of the Academy and the fund-raising activities of the Academy. There can be no assurance that these sources of funding will be sufficient to maintain the operations of the Academy and to repay the Notes, or to redeem or repay any other debt obligations of the Academy, when obligated to do so. As a result, investors could lose all or part of their investment. An investment in the Notes is highly speculative and investors should not invest in the Notes unless they can absorb the loss of their entire investment.

Funding of the Purchase

There can be no assurances that the Academy will be able to raise sufficient funds from the sale of the Notes and by other means to complete the contemplated purchase of capital property. The inability of the Academy to complete this purchase could have a negative impact on the ability of the Academy to continue operations and to repay the Notes, or to redeem or repay any other debt obligations of the Academy, when obligated to do so. As a result, investors could lose all or part of their investment. The purchase agreement for the Property may include a vendor take-back mortgage of up to \$8.5 million with an interest rate of 4% and a term of 10 years. There is no guarantee that the Academy will be able to service the monthly payments or pay down the principal at the end of the 10 year term.

Not a Reporting Issuer

The Academy is not a reporting issuer in any jurisdiction in Canada and the Notes may be subject to indefinite statutory resale restrictions under applicable securities laws and, in such event, such securities may only be resold in accordance with appropriate statutory exemptions from the prospectus requirements of such securities laws or if appropriate discretionary orders have been obtained. There can be no assurances that a purchaser will be able to trade their Notes.

Potential Shortfall of Funds at Maturity

The ability of the Academy to repay the Notes on maturity is dependent upon its cash flow. The funding of the Academy is dependent upon the tuition paid in respect of students, donations made by supporters of the Academy and the fund-raising activities of the Academy. There can be no assurance that these sources of funding will be sufficient to enable the Academy to repay the Notes, or to redeem or repay any other debt obligations of the Academy, when obligated to do so.

Notes Not Guaranteed

The Notes are not obligations of or guaranteed by any affiliates of the Academy or by any other entity. Holders of Notes will have no claim against any entity other than the Academy for amounts owing under the Notes.

Security and Postponement

The security provided is nominal, limited, and cannot be enforced as against third parties unless and until there is an Event of Default. There is no assurance, in the case of default, that the security provided will be sufficient to allow recovery of the full principal amount of the Note or any interest owed thereon.

Unlimited Authorization to Issue Notes

The board of directors of the Academy will have the authority to issue further promissory notes or other indebtedness without the prior consent of the subscribers of the Notes. The issuance of additional promissory notes or other indebtedness may have the effect of diluting the proportionate interests that a holder of a Note may have in the pool of assets available to such holder of a Note upon an Event of Default, winding-up or dissolution of the Academy. There is no market through which the Notes may be sold and none is expected to develop.

Form and Denomination of Notes

The form of the Notes shall be substantially the same as the form of promissory notes attached hereto as Schedule "B". Notes will be issued in fully registered form and in amounts of not less than \$5,000 and thereafter in multiples of \$5,000, to a maximum of \$500,000.

Transfer Agent, Registrar and Accountant

The Academy is the transfer agent and registrar for the Notes and the register for the Notes will be kept at its administration office. The accountant of the Academy is Williams and Partners Chartered Accountants.

Purchasers' Contractual and Statutory Rights of Action

The following contractual rights of action for damages or rescission shall apply to a purchase of Notes offered hereunder.

If this information circular, together with any amendments delivered to a purchaser of Notes before the issue of Notes to such purchaser, contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statement in it not misleading in light of the circumstances in which it was made (a "Misrepresentation") and it was a Misrepresentation at the time of the purchase of the Notes, the purchaser will be deemed to have relied on the Misrepresentation and will, as provided below, have a right of action against the Academy for damages, or, while still the owner of the Notes purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Academy, provided that:

- the right of action for rescission or damages will be exercisable only if an action is commenced to enforce such right (i) in the case of an action for rescission not more than 180 days after the date of purchase, or (ii) in the case of an action for damages not more than the earlier of: (a) 180 days following the date the purchaser first had knowledge of the Misrepresentation; or (b) three years after the date of purchase;
- the Academy will not be liable if it proves that the purchaser purchased the Notes with knowledge of the Misrepresentation;
- in the case of an action for damages, the Academy will not be liable for all or any portion of those damages that it proves does not represent the depreciation in value of the Notes as a result of the Misrepresentation relied upon; and
- in no case will the amount recoverable in any action exceed the price at which the Notes were sold to the purchaser plus accrued interest.

The rights of action described in this information circular are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

Procedure for Subscription

To purchase Notes, please fill out one copy of the form of subscription agreement "Appendix A", attach payment (a cheque, certified cheque or bank draft, payable to Richmond Hill Christian Academy), and deliver same to the Academy office, between the hours of 8:30 a.m. and 4:30 p.m.

The Academy has the unconditional right to accept or reject in whole or in part any subscription for Notes. If the Academy rejects any subscription, it will return to the intended subscriber the subscription agreements provided by such subscriber, together with all subscription proceeds, without interest or deduction.

All subscription monies will be held in trust pending closing of each subscription agreement, which is expected to take place fifteen (15) business days after the Academy accepts such subscription for Notes or on such other date that the Academy may elect in its sole discretion.

The subscription agreement referred to above contains representations and warranties of the subscriber which the Academy will be relying upon in order to determine the eligibility of the prospective purchaser under the issuance of the Notes. Prospective purchasers must read the subscription agreement in full prior to execution and are advised to obtain independent legal advice.

Certificate of the Academy

February 21, 2010

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

Brian R. Hayes

Name: Brian Hayes

Title: Administrator

APPENDIX "B"

FORM OF PROMISSORY NOTES

Appendix begins on the following page.

Richmond Hill Christian Academy

Ontario Corporation 1614544

Promissory Note 2010

FOR VALUE RECEIVED,
Richmond Hill Christian Academy
promises to pay to or to the order of the registered holder
the principal sum of

SAMPLE

\$15,000.00

in lawful money of Canada
(the "Principal");

and

interest in like money on the unpaid portion of the Principal
annually on or about June 30
until the Principal is repaid in full
at the rate of
2% per annum,
calculated on a simple basis, not in advance,
as well after as before maturity.

The Principal outstanding and such interest thereon
shall become due and payable
in accordance with the subscription and purchase agreement.

Registered To:

Sidney J. Lee
93 Avenue Road
Richmond Hill, ON
L4C 9X7

Signature of Academy Administrator _____

Brian R. Hayes

Issue date: April 1, 2010

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2. Transfer of this Promissory Note

No transfer of this Promissory Note shall be valid unless made on one of the registers of the Academy at the request of the Purchaser or his executors, administrators or other legal representatives or by his attorney duly appointed by an instrument in writing in form and execution satisfactory to the Academy, upon surrender of this Promissory Note together with a written instrument of transfer satisfactory to the Academy or its counsel duly executed, and upon compliance with other reasonable requirements of the Academy. The Academy shall not be required to exchange or register the transfer of this Promissory Note for a period of fifteen (15) business days immediately preceding any prepayment by the Academy, interest payment or Principal payment, as applicable.

Upon the surrender for registration of transfer of this Promissory Note, the Academy shall execute a new promissory note, registered in the name of the transferee, of the same aggregate principal amount, series, maturity and interest rate as the surrendered promissory note. After the appropriate form of transfer is lodged with the Academy and upon compliance with all other conditions in that regard, the transferee of this Promissory Note shall be entered on the register as the Purchaser of this Promissory Note.

3. Prepayment

The Academy shall have the right, at its option, to prepay in whole or in part at any time, from time to time, prior to the Maturity Date, the indebtedness, including accrued interest, under this Promissory Note by providing thirty (30) days notice to the Purchaser hereof. Prepayment by the Academy will be without any bonus or penalty being paid to the Purchaser. Provided such notice is given, the Academy shall not be liable for interest accruing after the prepayment date set forth in the notice.

4. Redemption

The Purchaser may request payment of the Principal prior to the Maturity Date in the event that such Purchaser does not have or no longer has any children (by blood or adoption) enrolled as students at the Academy, provided that such Purchaser notifies the Academy ninety (90) days prior to June 30 of the year in which the request is made.

5. Notices and Demands

All notices and demands provided for herein shall be in writing and shall be personally delivered or mailed by ordinary mail to the Academy at 9711 Bayview Avenue, Richmond Hill, Ontario L4C 9X7, or to the Purchaser at the most current address for the Purchaser which is recorded in the Academy's register or to such other address as either party may from time to time designate to the other party by notice in the aforesaid manner. Any notice or demand so personally delivered shall be deemed to have been validly and effectively given and received on the date of such delivery. Any notice or demand so mailed shall be deemed to have been validly and effectively given and received on the 3rd day following the date of mailing.

6. Waiver of Benefits

The Academy hereby waives the benefits of division and discussion, demand and presentment for payment, notice of non-payment, protest and notice of protest of this Promissory Note.

7. Negotiability

This Promissory Note may not be negotiated, assigned, transferred, discounted, pledged or hypothecated by the Purchaser (except by will and the laws of succession or as provided herein). This Promissory Note is not intended by the parties to be, and is not, a negotiable instrument.

8. Creation of Security Interest

The Academy hereby mortgages, charges, transfers, assigns and grants to and in favour of the Purchaser a security interest in the following:

- (a) all present and future equipment of the Academy, of whatever kind and wherever situate, excluding all vehicles of any type, but including all machinery, fixtures, tools, furniture, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto (collectively, "**Equipment**"); and
- (b) all personal property in any form derived directly or indirectly from any dealing with Equipment or the proceeds therefrom, including insurance proceeds and any other payment representing indemnity or compensation for loss of or damage thereto or the proceeds therefrom (collectively, "**Proceeds**").

The Equipment and Proceeds are collectively called the "**Collateral**". Any reference in this agreement to Collateral shall mean Collateral or any part thereof, unless the context otherwise requires. The grants, mortgages, charges, transfers, assignments and security interests herein created are collectively called the "**Security Interest**".

9. Obligations Secured

The Security Interest is granted to the Purchaser by the Academy as continuing security for the payment of the indebtedness resulting from this Promissory Note, including without limitation interest thereon, and for the payment and performance of all other present and future obligations of the Academy to the Purchaser resulting from this Promissory Note.

10. Attachment

The parties acknowledge that: (a) value has been given; (b) the Purchaser has rights in the Collateral or the power to transfer rights in the Collateral (other than after-acquired collateral); and (c) the parties have agreed to postpone the time for attachment of the Security Interest until an Event of Default (as hereinafter defined). In respect of Collateral in which the Academy obtains an interest after the execution of this Promissory Note, attachment of the Security Interest shall be postponed until an Event of Default under this Promissory Note.

11. Postponement and Priority

The Purchaser hereby postpones the Security Interest in favour of, and subordinates the Security Interest to all claims of, any and all secured creditors of the Academy, both present and future, that did not become secured creditors as a result of, or in connection with, an offering or issuance of promissory notes by the Academy, with the intent that all such secured creditors shall in the event of a dissolution, winding-up, liquidation, insolvency or bankruptcy of the Academy be paid their then existing claims in full in priority to and before the Purchaser shall have any claim upon any property, assets, rights or benefits of the Academy.

Notwithstanding the aforementioned, the Purchaser's Security Interest, whether or not perfected by registration or possession, shall for all purposes rank *pari pasu* with all other security interests granted to other purchasers in connection with an offering or issuance of promissory notes by the Academy.

12. Default, Enforcement and Remedy

The occurrence of any one or more of the following shall constitute an "Event of Default" hereunder:

- (a) the Academy shall fail to pay any of the principal, interest, or other amounts due under this Promissory Note within ten (10) business days after the same becomes due and payable;
- (b) the Academy files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing; or
- (c) an involuntary petition is filed against the Academy unless such petition is dismissed or discharged within sixty (60) days) under any bankruptcy statute now or hereafter in effect, or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of the Academy.

Upon the occurrence of an Event of Default hereunder, the Security Interest shall be and become enforceable against the Academy and all unpaid principal, accrued interest and other amounts owing hereunder shall, at the option of the Purchaser and upon written notice to the Academy, and, in the case of an Event of Default pursuant to (b) or (c) above, automatically, be immediately due, payable and collectible by the Purchaser pursuant to applicable law. Whenever the Security Interest becomes enforceable, and so long as it remains enforceable, the Purchaser may enforce its rights by any action, suit, remedy or proceeding authorized or permitted hereby or by law.

13. Entire Agreement and Headings

The terms, provisions and conditions of the Subscription and Purchase Agreement for Promissory Notes pursuant to which this Promissory Note was purchased and subscribed for (the "Subscription Agreement"), with appropriate modification, are incorporated in their entirety into this Promissory Note and shall have the same force and effect as if stated herein.

APPENDIX "A"

Richmond Hill Christian Academy

SUBSCRIPTION AND PURCHASE AGREEMENT FOR PROMISSORY NOTES

TO: Richmond Hill Christian Academy (the "Academy")

The undersigned (the "**Purchaser**") hereby irrevocably subscribes for and agrees to purchase from the Academy, pursuant to the terms and conditions of this agreement ("**Subscription Agreement**"), a promissory note ("**Note**") as set out below. Notes will be sold at a price of between \$5,000 and \$500,000 each. For more information see "Promissory Note Description" in the Academy's information circular dated February 21, 2010.

The Academy is not a reporting issuer in any jurisdiction in Canada and the Notes may be subject to indefinite statutory resale restrictions under applicable securities laws and, in such event, such securities may be resold only in accordance with appropriate statutory exemptions from the prospectus requirements of such securities laws or if appropriate discretionary orders have been obtained. Purchasers are advised to consult their own legal advisors in this regard.

1. Delivery and Payment

The Purchaser shall cause the following to be delivered to 9711 Bayview Avenue, Richmond Hill, Ontario L4C 9X7, to the attention of the administrator:

- (a) one completed originally signed copies of this Subscription Agreement; and
- (b) a personal cheque, certified cheque or bank draft made payable to "Richmond Hill Christian Academy", representing the aggregate purchase price payable by the Purchaser for the Notes.

2. Closing

The Purchaser acknowledges that certificates for the Notes will be available for delivery to it fifteen (15) business days after the Academy accepts the Purchaser's subscription for Notes, or on such other date as determined by the Academy in its sole discretion, provided that the Purchaser has satisfied the requirements of Section 1 (Delivery and Payment) hereof (the "**Closing**"). It is a condition of Closing that all documents required to be completed and signed in accordance with Section 1 hereof be received by the Academy.

3. Purchaser's Acknowledgements

The Purchaser acknowledges and agrees with the Academy (which acknowledgements and agreements shall survive the Closing) that:

- (a) the sale and delivery of the Notes is conditional upon such sale being exempt from the registration requirements and prospectus filing requirements in connection with the distribution of the Notes under applicable securities laws;
- (b) the Purchaser has been advised to obtain and is solely responsible for obtaining such legal advice and tax advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement and the transactions contemplated hereunder;
- (c) in accepting this Subscription Agreement, the Academy is relying upon the

representations and warranties and acknowledgements of the Purchaser set out herein including, without limitation, in connection with determining the eligibility of the Purchaser to purchase Notes. The Purchaser hereby agrees to notify the Academy immediately of any change in any representation, warranty, covenant or other information relating to the Purchaser contained in this Subscription Agreement which takes place prior to Closing;

- (d) the Purchaser has received or been provided with no materials or information about the Academy other than the information circular of the Academy, dated February 21, 2010, and its decision to purchase the Notes was not based on and it has not relied upon any verbal or written representations made by the Academy or any other person other than as contained in the information circular;
- (e) the Purchaser is aware that no securities commission or similar regulatory authority has reviewed or passed on the merits of the Notes; that there is no government or other insurance covering the Notes; that there are risks associated with the purchase of the Notes; that there are restrictions on the Purchaser's ability to resell the Notes and it is the responsibility of the Purchaser to find out what those restrictions are and to comply with them before selling the Notes;
- (f) none of the funds the Purchaser is using to purchase the Notes are, to the knowledge of the Purchaser, proceeds obtained or derived, directly or indirectly, as a result of illegal activities;
- (g) the Purchaser's purchase of the Notes has not been made through or as a result of, and the distribution of the Notes is not being accompanied by, an advertisement or general solicitation; and
- (h) no person has made any written or oral representations that any person will resell or repurchase the Notes, that any person will refund the purchase price of the Notes, as to the future price or value of the Notes or that the Notes will be listed and posted for trading on any stock exchange or that application has been made therefor.

4. Acceptance of Offer to Purchase

The acceptance by the Academy of the Purchaser's irrevocable offer to purchase the Notes shall constitute an agreement by the Academy with the Purchaser that the Purchaser shall have, in respect of such Notes, the benefit of the representations, warranties and covenants of the Academy made by the Academy and the conditions of Closing not waived by the Academy. In the event that the purchase of the Notes pursuant to the provisions of this Subscription Agreement does not occur, the Subscription Agreement will be returned to the Purchaser, together with any payment that has been made in respect of the Notes, and the obligations of the parties hereto shall thereupon terminate.

5. Representations, Warranties and Covenants

The Purchaser hereby represents, warrants and covenants on its own behalf to the Academy (which representations, warranties and covenants shall survive the Closing) that:

- (a) this Subscription Agreement has been authorized, executed and delivered by, and constitutes a legal, valid and binding agreement of the undersigned;
- (b) if the Purchaser is an individual, the Purchaser has attained the age of majority and is legally competent to execute this Subscription Agreement and to take all actions required pursuant hereto, and, if a corporation, the Purchaser has been duly

incorporated and validly existing under the laws of its jurisdiction of incorporation and all necessary approvals by its board of directors and shareholders have been obtained for the execution and delivery of this Subscription Agreement;

- (c) the Purchaser, whether acting as principal, trustee or agent, is resident in the Province of Ontario;
- (d) the Purchaser agrees to keep confidential all information which is not available to the public provided to the Purchaser relating to the business and affairs of the Academy and not to distribute or otherwise make available such information to any other person or otherwise exploit any such information except to the extent required by law or to representatives of the Purchaser; and
- (e) upon acceptance by the Academy, this Subscription Agreement will constitute a valid and legally binding contract between the Purchaser and the Academy, and will be enforceable against the Purchaser in accordance with its terms.

The Purchaser acknowledges and agrees that the foregoing representations and warranties are made by it with the intention that they may be relied upon by the Academy and its counsel in determining its eligibility to purchase the Notes under relevant securities legislation. The Purchaser further agrees that by accepting delivery of the Notes on or after the Closing Date, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the Closing Date with the same force and effect as if they had been made by the Purchaser at the time of Closing and that they shall survive the purchase by the Purchaser of the Notes and still continue in full force and effect notwithstanding any subsequent disposition by the Purchaser of the Notes. The Academy and its counsel shall be entitled to rely on the representations and warranties of the undersigned contained in this paragraph, and the Purchaser shall indemnify and hold harmless each of the Academy and its counsel for any loss, costs or damages any of them may suffer as a result of any misrepresentations of the undersigned.

6. Anti-Money Laundering Legislation

In order to comply with Canadian legislation aimed at the prevention of money laundering, the Academy may require additional information concerning investors from time to time, and the Purchaser agrees to provide all such information. The Purchaser acknowledges that if, as a result of any information or other matter which comes to the Academy's attention, any director, officer or employee of the Academy, or its professional advisors, knows or suspects that an investor is engaged in money laundering, such person is required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by Canadian law or otherwise.

7. Costs

The Academy represents and warrants that no commission or other remuneration is payable in connection with the sale of the Notes, and the Academy and the Purchaser acknowledge and agree that all costs and expenses incurred by the Purchaser relating to the sale of the Notes to the Purchaser shall be borne by the Purchaser.

8. Survival

This Subscription Agreement shall survive and continue in full force and effect and be binding upon the Purchaser notwithstanding the completion of the purchase of the Notes by the Purchaser pursuant hereto and the completion of the issuance of the Notes by the Academy.

9. Facsimile and Counterpart Subscriptions

The Academy shall be entitled to rely on delivery by facsimile machine or an electronic copy (*e.g.*, PDF) of an executed copy of this Subscription Agreement and acceptance by the Academy of such facsimile or digital copy shall be legally effective to create a valid and binding agreement between the Purchaser and the Academy in accordance with the terms hereof. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document.

10. Governing Law

This Subscription Agreement and all Notes subscribed for hereunder shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Purchaser hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Subscription Agreement.

11. Assignment

The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Purchaser and the Academy and their respective heirs, executors, administrators, successors and assigns provided that, except for the assignment by a Purchaser who is acting as nominee or agent to the beneficial owner and as otherwise herein provided, this Subscription Agreement shall not, except to the extent that the Academy in its sole discretion consents, be assignable without prior written consent of the Academy. The benefits and the obligations of this Subscription Agreement, insofar as they apply to the Purchaser, shall pass with any assignment or transfer of the Notes.

12. Entire Agreement and Headings

The terms, provisions and conditions of the Note purchased pursuant to this Subscription Agreement, with appropriate modification, are incorporated in their entirety into this Subscription Agreement and shall have the same force and effect as if stated herein. In the case of a conflict between the terms, provisions and conditions of the above mentioned Note and the terms, provisions and conditions of this Subscription Agreement, the terms, provisions and conditions of the Note shall prevail. This Subscription Agreement constitutes the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, warranties, covenants, understandings or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified in any respect by written instrument only. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

13. Time of Essence

Time shall be of the essence in respect of this Subscription Agreement.

14. Effective Date

This Subscription Agreement shall take effect upon the date of execution hereof by the Academy.

15. Subscription Particulars (please print)

This Box Must Be Completed by All Purchasers

The total principal amount of the Notes being subscribed for is \$ _____,
(Subscriptions must be made in increments of \$5,000.)

which shall bear an interest rate of (Please circle one of the following):

0% 1% 2% 3% 4% per annum.

Name of Student Designated by the Purchaser: _____.

Current Grade of Student _____

Name of Purchaser: _____

Address of Purchaser: _____

Social Insurance Number
or CRA Corporation
Number _____

Telephone/ Fax/e-mail: _____

Requested year of maturity June 30, _____
for a non-parent purchaser

Requested year of maturity June 30, _____
for a corporate purchaser

The Notes are to be made payable to the following name at the following address:

Name: _____

Address: _____

Dated this _____ day of _____, 2010.

Signature of purchaser _____

ACCEPTANCE BY RICHMOND HILL CHRISTIAN ACADEMY

The Academy hereby accepts the above-mentioned offer to purchase Notes this _____

day of _____, 2010.

Per: _____

Brian R. Hayes
Authorized Signing Officer