

The information contained in this Offering Memorandum is intended only for the persons to whom it is transmitted for the purposes of evaluating the securities offered hereby. Prospective investors should only rely on the information in this Offering Memorandum. No persons are authorized to give any information or make any representations in respect of the Issuers or the securities offered herein and any such information or representation must not be relied upon.

AMENDED OFFERING MEMORANDUM

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP

No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. The information disclosed on this page is a summary only. Purchasers should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. See “*Item 8 - Risk Factors*”.

Date: April 30, 2023 **Initially issued February 16, 2022, amended and updated April 30, 2023**
Update of financials and Financial Overview

Issuers: **Cynterra Real Estate Trust (the “Trust”)**
Goldstream Residences Limited Partnership (the “Partnership” or “LP”)
(each an “Issuer” and collectively the “Issuers”)

Head Office: Suite 1201, 750 West Pender Street, Vancouver BC V6C 2T8
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Currently Listed or Quoted: **No. These securities do not trade on any exchange or market.**

Reporting Issuer: No

SEDAR Filer: No

THE OFFERINGS:

Securities Offered: **Trust Class A Series 1 Sub 2 Units (Trust Unit) and/or LP Class A Series 2 Units (LP Unit)** at a price of \$1.00 per Unit for up to \$8,450,000 (each, a “Unit” and together, the “Units”) having the attributes and characteristics as set out in “*Item 5 – Securities Offered*”. The Units bear 15% annual interest. Capital and interest payable on sale of the Property. The General Partner may elect to increase the offering by 2,000,000 units at \$1.00 per Unit. By previous offerings the issuers have raised \$4,504,498 of the projected securities offered. Pursuant to this offering a total of \$3,945,502 (plus a discretionary \$2,000,000 over allotment) are being offered.

Price Per Security: **\$1.00 per Trust Unit or LP Unit.**

Minimum/Maximum Offering: **You could be the only purchaser in the current Offering. Funds available under this Offering may not be sufficient to accomplish our proposed objectives.** There is a minimum subscription amount of \$25,000. However, the Issuers may decide to accept subscriptions under such minimum amount as they may determine from time to time for strategic purposes

Minimum Subscription Amount: There is no minimum subscription amount. However, the Issuers may decide not to accept subscriptions under certain minimum amounts as they may determine from time to time, to minimize administrative costs.

Payment Terms: Personal cheque, certified cheque, bank draft, wire transfer or electronic funds transfer. **All dollar amounts in this Offering Memorandum are in Canadian dollars unless otherwise indicated.** See “*Item 5 Subscription Procedure*”.

Closing Date(s): The Offerings shall be completed in multiple tranches, and the closings (the “**Closings**”) of such tranches may occur from time to time and at any time on such dates as each of the Trustee and General Partner determines.

Purpose: On September 7, 2021, the Partnership contracted to acquire and develop property located at 528 and 532 Goldstream Avenue, Langford, BC (described herein as the “Property”). See **Item 2.2** The purpose of the Partnership is to fund the development and the purpose of the Trust Units is limited to investing in LP Units of the Partnership. Investors who desire to invest through an RRSP, RESP, RDSP, RRIF, TFSA or other Deferred Plans will be required to invest in the Trust (which will in turn invest in the Partnership through the LP Units), whereas investors that do not need to invest through Deferred Plans may prefer to invest directly into the Partnership. See “*Item 6 – Income Tax Consequences and RRSP Eligibility*”.

Tax Consequences: There are important tax consequences relating to the ownership of these securities. All investors will be responsible to seek their own tax advice and for the preparation and filing of their own tax returns in respect of this investment. See “*Item 6 – Income Tax Consequences and RRSP Eligibility*”.

Selling Agents: Charterhouse Prime Investments Ltd., an exempt market dealer, has been engaged by the Issuers as non-exclusive agents to assist with the Offerings. The General Partner will also market the sale of Units. See “*Item 7 - Compensation Paid to Sellers and Finders*”.

Resale Restrictions: **You will be restricted from selling your Trust Units and LP Units for an indefinite period.** There will be no market for the Units. See “*Item 10 - Resale Restrictions*”.

Purchasers' Rights: **You have two Business Days to cancel your agreement to purchase the Units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel your agreement.** See “*Item 11 - Purchasers' Rights*”.

Capitalized terms used but not otherwise defined above have the meanings ascribed to them under “Glossary of Terms” in this confidential Offering Memorandum. All dollar amounts in this Offering Memorandum are in Canadian dollars unless otherwise indicated. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8.

In compliance with Schedule I “Additional Disclosure Requirements For an Issuer Engaged in Real Estate Activities”, of Form 45-106F2, Notice is given to disclosures within Schedule 1 of this Offering Memorandum.

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FORWARD-LOOKING STATEMENTS

Certain information regarding the Issuers set forth in this Offering Memorandum, including the Issuers' future plans and business, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "anticipate", "believe", "continue", "estimate", "expect", "intend", "plan", "potential", "predict", "project", "seek" or other similar words, or statements that certain events or conditions "may", "might", "could", "should" or "will" occur are intended to identify forward looking statements. Such statements represent the Issuers' internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, business opportunities, future expenditures, plans for and results of business prospects and opportunities. These statements are only predictions and actual events, or results may differ materially. Although that the expectations reflected in the forward-looking statements are reasonable, future results, levels of activity, performance or achievement cannot be guaranteed since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Issuers' actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Issuers. See ***"Item 8 - Risk Factors"***.

Forward-looking statements included in this Offering Memorandum include, but are not limited to, statements with respect to: use of proceeds of the Offering; the business to be conducted by the Issuers; the ability to make and the timing and payment of distributions; payment of fees; the Issuers' business objectives; treatment under governmental regulatory regimes and tax laws; financial and business prospects and financial outlook; and timing of dissolution of the Issuers; possibility of extension of the dissolution date of the Issuers; results of operations, the timing thereof and the methods of funding.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to the risks discussed under ***"Item 8 - Risk Factors"*** and other factors, many of which are beyond the control of the Issuers. Readers are cautioned that the foregoing list of factors is not exhaustive.

The forward-looking statements contained in this Offering Memorandum are based on a number of assumptions, including those relating to: the Issuers' business strategy and operations; the ability of the Issuers to achieve or continue to achieve their business objectives; the Issuers' expected financial performance, condition and ability to generate distributions; the Partnership, including its business strategy, operations, financial performance, condition and ability to generate distributions; factors and outcomes associated with the real estate sector in Langford, British Columbia, including competition and competitive conditions; concentration in a single industry (being real estate development of the Project in Langford, British Columbia); taxation of the Issuers; the impact on the Issuers of future changes in applicable legislation; application of legislation and regulations applicable to the Issuers; and availability of and dependence upon certain key employees of the General Partner.

Although the forward-looking statements contained in this Offering Memorandum are based upon assumptions believed to be reasonable, the Issuers cannot assure investors that actual results will be consistent with these forward-looking statements.

The Issuers have included the above summary of risks related to forward-looking information provided in this Offering Memorandum in order to provide investors with a more complete perspective on the Issuers' current and future operations and such information may not be appropriate for other purposes. The Issuers' actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Issuers will derive therefrom. These forward-looking statements are made as of the date of this Offering Memorandum and the Issuers disclaim any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable laws.

DOCUMENTS INCORPORATED BY REFERENCE

Any documents of the type referred to in National Instrument 45-106 – *Prospectus Exemptions* to be incorporated by reference in an Offering Memorandum, including any marketing materials that are effective after the date of this Offering Memorandum and before the termination of the Offerings, are deemed to be incorporated by reference in this Offering Memorandum. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Issuers at their business office at Suite 1201, 750 West Pender Street, Vancouver, BC V6C 2T8.

Any statement contained in this Offering Memorandum or in a document incorporated or deemed to be incorporated by reference herein is deemed to be modified or superseded for the purposes of this Offering Memorandum to the extent that a statement contained herein or in any other subsequently filed document which also is, 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 is not 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 is not deemed, except as so modified or superseded, to constitute a part of this Offering Memorandum.

Information contained or otherwise accessed through the Issuers' website or any website does not form part of this Offering Memorandum or the Offerings.

GLOSSARY OF TERMS

The following terms have the following meaning throughout this Offering Memorandum:

“Acting Parties” means the General Partner, any Affiliates and subcontractors of the General Partner, the Issuer, and any directors, officers, employees and individual shareholders of the foregoing, and **“Acting Party”** means any one of them;

“Affiliate” has the meaning ascribed to it in Section 1 of the *Business Corporations Act* (British Columbia);

“Aggregate Contributed Capital” means, with respect to the Partnership, the sum of the Capital Contributions of all of the Limited Partners, and with respect to the Trust the sum of the Capital Contributions of all holders of Trust Units;

“Applicable Laws” means all applicable provisions of law, domestic or foreign, including the Securities Act;

“Approvals” means any directive, order, consent, exemption, waiver, consent order or decree of or from, or notice to, action by or filing with, any Governmental Authority;

“associate” has the meaning ascribed thereto in the Securities Act;

“Auditors” means the firm(s) of auditors presenting the financial statements of this memorandum (for the Trust, the Partnership and General Partner), or such other firm of chartered professional accountants as may be appointed as auditor or auditors of the Issuers from time to time;

“Available Funds” means, at any time, such amounts as are available for the business of the Partnership and at initiation with a maximum offering includes those funds indicated in row D of the table under **“Item 1.1 Available Funds”**;

“BCA” means the *Business Corporations Act* (British Columbia), as amended from time to time;

“Business” means acquisition of the Properties as a land assembly and permitting and preparation of the Properties preparatory to development of the Property and sale of the Properties;

“Business Day” means any day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia;

“Cash Flow of the Trust” means the cash flow of the Trust calculated in accordance with the Declaration of Trust;

“Closing” means a closing of the Offerings;

“CRA” means the Canada Revenue Agency;

“Capital Contributions” means, with respect to each Limited Partner (including the Initial Limited Partner), the aggregate Subscription Price receipts in respect of all of the Units held by such Limited Partner or the fair market value of property paid or agreed to be paid or contributed or agreed to be contributed to the Partnership by such Limited Partner, and with respect to each holder of Trust Units, the aggregate Subscription Price receipts in respect of all of the Trust Units held by such holder;

“Debt” means the aggregate borrowings and liabilities of the Partnership;

“Declaration of Trust” means the Declaration of Trust dated as of December 1, 2021 and governing the business and affairs of the Trust, and as may be amended, supplemented or restated from time to time, a copy of which is available for examination at the business office of the Issuers at Suite 1201, 750 West Pender Street, Vancouver, BC V6C 2T8.

“Deferred Plan” means a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disabilities savings plan, or tax-free savings account;

“Development Permit” means the development permit or permits issued by the Property authorities with respect to the Business;

“discretion” means sole, absolute, and unfettered discretion;

“Distributable Cash” means, with respect to a Fiscal Period, the amount, if any, by which the aggregate of:

- (a) the Gross Receipts for the Fiscal Period; plus
- (b) the amount of any Reserves at the beginning of that Fiscal Period;

exceed the aggregate of all operating and capital expenditures related to the development and operating of the Property (including fees and expenses paid to the General Partner) including without restricting the generality of the foregoing:

- (c) Property acquisition, management costs, all costs of approvals of the Project, general and administrative expenses, fees for Property sales, costs of the Offerings, applicable taxes and duties of any nature paid or payable by the Partnership, including withholding taxes paid or payable or incurred in the Fiscal Period;
- (d) debt service payments and charges paid or incurred for that Fiscal Period in accordance with the contractual obligations of the Partnership and otherwise incurred in the operation and administration of the Partnership and the Business;
- (e) the amount of all Reserves at the end of that Fiscal Period,

in each case, calculated, without duplication, and, where applicable, all as disclosed in the financial statements of the Partnership for that Fiscal Period, prepared in accordance with IFRS consistently applied;

“Distribution” and **“distributed”** means amounts paid or other property distributed:

- (a) by the Partnership to a Partner in respect of its interest in the Partnership but specifically do not include amounts paid to a Partner in respect of property acquired by the Partnership or from services provided to the Partnership or money lent to the Partnership by such Partner; or
- (b) by the Trust to a Trust Unitholder in respect of its interest in the Trust but specifically do not include amounts paid to a Trust Unitholder in respect of property acquired by the Trust or from services provided to the Trust or money lent to the Trust by such Trust Unitholder;

“Distribution Payment Date” means, in respect of a Distribution Period, on the tenth business day immediately following the end of the Distribution Period or such other date determined from time to time by the Trustee, in the case of the Trust, or the General Partner, in the case of the Partnership;

“Distribution Period” means each semi-annual period ending on June 30 and December 31, or such other periods as may be determined from time to time by the Trustee, in the case of the Trust, or the General Partner, in the case of the Partnership;

“Distribution Record Date” means the last Business Day of each Distribution Period, or such other date determined from time to time by the Trustee, in the case of the Trust, or the General Partner, in the case of the Partnership;

“EMD” means a person or company registered as an exempt market dealer pursuant to NI 31-103;

“Financing” means any capital subscriptions or credit facility granted or extended to or for the benefit of, or investment by way of equity or debt in the Partnership or with the Trust whereby or pursuant to which money, credit or other financial accommodation has been or may be provided, made available or extended to the Partnership by way of capital subscriptions, borrowed money, debt instruments or securities, bankers acceptances, letters of credit, overdraft or other forms of credit and financial accommodation, and includes any and all capital subscription agreements, trust deeds, indentures, mortgages, bonds, or debentures (whether issued and delivered as security or sold to a purchaser), security agreements and other deeds, instruments or documents in respect thereof;

“Fiscal Period” means:

- (a) in the case of the first “Fiscal Period” of the Trust and LP, the period commencing on the date of formation and ending on December 31, 2022;
- (b) thereafter, each Fiscal Period shall commence on January 1 and end on December 31 of each calendar year or such other date as determined, with respect to the Partnership by the General Partner, and with respect to the Trust by the Trustee;

“Funding Agreement” means the agreement entered into between the Trust and the Partnership dated December 1, 2021, which provides that the Trust will invest all proceeds of the Trust Offering in units of the Partnership and the Partnership will pay all costs, fees, commissions and expenses incurred by the Trust in connection with the Trust Offering;

“General Partner” means Goldstream Residences Corp., a British Columbia corporation, in its capacity as and for so long as it remains general partner of the Partnership, and any successor or permitted assignee thereof. (see **“Item 3 - Material Agreements”**);

“General Partner Fees” or “Management Fees” means the management remuneration of the General Partner. The General Partner and its management companies (together “MC”) will charge the costs of land administration, servicing and development to the Partnership on a monthly basis. Based upon projected Gross Sales Revenue of \$38,893,545, Land, Hard and Soft Costs of \$25,122,518 and Construction Loans of \$21,623,389 the MC will be paid for services rendered as follows: (a) General Partner Fee @ 3.00% of Land, Hard and Soft Costs ≈ \$753,676; (b) G&A Fee @ 1.00% of Land, Hard and Soft Costs ≈ \$251,225; (c) Office Overhead @ 1.00% of Land, Hard and Soft Costs ≈ \$251,225; (d) Marketing Fee @ 1.50% of Gross Sales Revenue ≈ \$583,403; and (e) Covenant / Loan Guarantee Fee @ 0.75% of Construction Loans ≈ \$162,175. The total General Partner fees for services rendered, as itemized herein ≈ \$2,001,704, and are pro-rated paid on a monthly basis. The MC has a right to its Guarantee Fee on loans guaranteed. The MC may assign its duties and fees to affiliate companies. MC will determine whether it is more economical to contract out a general contractor or to act as the general contractor which bears an industry standard fee of 5% of total costs. All dollar amounts stated herein are projected numbers and are subject to calculation variations.;

“Governmental Authority” means (i) any nation, province, territory, state, county, city or other jurisdiction; (ii) any federal, provincial, territorial, state, local, municipal, foreign or other government; (iii) any governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal, or other entity exercising governmental or quasi-governmental power); (iv) anybody exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, regulatory or taxing authority or power; or (v) any official of the foregoing;

“Gross Proceeds” means, at any time, the aggregate gross proceeds of the Trust Offering or the Partnership Offering, as applicable;

“Gross Receipts” means, for any Fiscal Period, all amounts received by the Partnership in the Fiscal Period from all sources including, without limitation:

- (a) cash generated from the operation of the Business;
- (b) financing proceeds (not including Unit proceeds);
- (c) cash generated from the sale of all or any portion of the Project or its assets; and
- (d) any interest on deposits or other funds and investments of the Partnership, including Reserves;

all as disclosed in the financial statements of the Partnership for that Fiscal Period, prepared in accordance with IFRS consistently applied;

“Gross Sales” means total revenue from sales before any deductions for such things as operation costs, marketing costs, construction and other costs of the Project;

“GST” means any applicable Canadian federal or provincial goods and services tax or harmonized sales tax;

“Guarantee Fee” means a one-time fee equal to up to 3% percent of the principal amount of a loan or other liability, which may be payable to a related party, including the General Partner, or an arms-length third party, all in the sole discretion of the General Partner, which shall be payable on terms to be determined and negotiated by the General Partner in the sole discretion of the General Partner;

“IFRS” means International Financial Reporting Standards promulgated by the International Accounting Standards Board;

“include”, “including” and “includes” means “include, without limitation”, “including, without limitation”, and “includes, without limitation”, respectively;

“Income of the Trust” for any taxation year of the Trust, means the net income for the year determined pursuant to the provisions of the Tax Act (other than subsection 104(6) and paragraph 82(1)(b)) having regard to the provisions thereof, which relate to the calculation of the income of a trust, and taking into account such adjustments thereto as are determined by the Trustee in respect of dividends received from taxable Canadian corporations, amounts paid or payable by the Trust to Trust Unit holders and such other amounts as may be determined in the discretion of the Trustee; provided, however, that capital gains and capital losses shall be excluded from the computation of net income;

“Initial Limited Partner” means Robert Fraser;

“Insider of the Trust” means a person who would be an “insider of the Trust” as defined in Regulation 4803(1) of the Tax Act if the references to “corporation” were read as references to the Trust;

“Issuers” means, collectively, the Trust and the Partnership;

“Limited Partner” means any person who is admitted to the Partnership as a limited partner for so long as they are a registered holder of at least one LP Unit;

“LP Unit” means LP Class A Series 2 Units offered herein and representing a beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions as set out in the Partnership Agreement or the subscription agreement (see ***“Item 5 - Securities Offered”***);;

“Maximum Offering” means the maximum current offering of Trust Units and LP Units for total aggregate Gross Proceeds (other than as payable from the Trust to the Partnership for the Partnership's purchase of LP Units) of up to the amount on the front cover hereof;

“Net Capital Contribution” means the net proceeds raised by the Trust or Partnership under the respective Trust Offering or Partnership Offering, being the Gross Proceeds from the issuance of each Unit less Offering Costs paid on or attributable to such Unit;

“Net Income” and “Net Loss” mean, for any period, the net income or net loss of the Partnership for the period determined in accordance with IFRS;

“Net Realized Capital Gains” of the Trust for any taxation year of the Trust shall be determined as the amount, if any, by which the aggregate of the capital gains of the Trust for the year exceeds:

- (a) the aggregate of the capital losses of the Trust for the year;

- (b) any capital gains which are realized by the Trust as a result of a redemption of Trust Units; and
- (c) the amount determined by the Trustee in respect of any net capital losses for prior taxation years which the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for the year;

“NI 31-103” means National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

“NI 45-106” means National Instrument 45-106 – *Prospectus and Registration Exemptions*;

“Non-Registered Unitholder” means beneficial holders of Trust Units or LP Units who hold such Units through an intermediary, such as a financial institution, broker, or nominee;

“Non-Resident” means a Person who is not a resident of Canada and a partnership that is not a Canadian partnership for the purposes of the Tax Act;

“Offerings” means, collectively, the Trust Offering and the Partnership Offering;

“Offering Costs” means fees, costs and expenses incurred by or on behalf of the Trust or the Partnership or the General Partner, as the case may be, in connection with the Offerings and sale of Units from time to time, including legal, accounting, audit, printing, filing, transfer agent, marketing, sales fees, office and over-head and other costs and fees associated with the Offerings, including the preparation of this offering memorandum;

“Offering Memorandum” means this offering memorandum of the Issuers as the same may be amended, supplemented or replaced from time to time;

“Partners” means the General Partner and all Limited Partners, and **“Partner”** means any one of the Partners;

“Partnership” means the Goldstream Residences Limited Partnership, a limited partnership established under the laws of the Province of British Columbia, or any successor or permitted assignee thereof;

“Partnership Act” means the *Partnership Act* (British Columbia), as amended and in force from time to time;

“Partnership Agreement” means the limited partnership agreement dated August 31, 2021, respecting the Partnership, between the General Partner, Robert Fraser as the Initial Limited Partner, and any Person who subsequently becomes a Limited Partner pursuant to the terms thereof, as may be amended, supplemented or restated from time to time, a copy of which is available at the business offices of the Issuers at Suite 1201, 750 West Pender Street V6C 2T8;

“Partnership Offering” means the private placement of LP Units by the Partnership under this Offering Memorandum;

“Permitted Investments” means all property, assets and rights which may be held from time to time by a “mutual fund trust” under the provisions of subsection 132(6) of the Tax Act, including without limitation:

- (a) the initial contribution made to the Trust by the initial Trust Unitholder;
- (b) all funds realized from the sale of Trust Units;
- (c) securities in the capital of the corporations and interests in limited partnerships or trusts, including without limitation, the Partnership;
- (d) debt or debt instruments issued by any issuer;
- (e) rights in and to any real property, provided that it is capital property;
- (f) any proceeds of disposition of any of the foregoing property; and
- (g) all income, interest, profit, gains and accretions and additional rights arising from or accruing to such foregoing property or such proceeds of disposition;

“Person” means any individual, company, corporation, limited partnership, general partnership, firm, joint venture, syndicate, trust, joint stock company, limited liability company, association, bank, pension fund, business trust, or other organization, whether or not a legal entity, and any governmental agency or political subdivision thereof or any other form of entity or organization;

“Preferred Return” means, in respect of a Unit, a right to all distributions exclusively until return of its Capital Contribution plus the return stipulated in Item 5 (Securities Offered) on the Capital Contribution of a Limited Partner (including the Trust) from the date of contribution;

“Principals” or “Principal” means the principal of the General Partner being Robert Fraser, or his replacements from time to time;

“Project” means the Property development preparatory to development, construction and sale of realty units;

“Project Costs” means any and all expenses incurred by the Partnership related to its completion of the Project;

“Promoters” means the Trustee, the General Partner, the initial limited partner and the initial unitholder of the Trust, being the entities that took the initiative in founding and organizing the Partnership;

“Property” “Properties” or “Land” means 528 and 532 Goldstream Avenue, Langford, BC and any other adjacent or near or far properties considered useful to the business of the Partnership and as such lands and premises may be subdivided, consolidated, or stratified from time to time, together with all buildings, fixtures and improvements thereon, and all rights and benefits appurtenant thereto;

“Proportionate Interest”, for each LP Unit or Limited Partner, as the case may be, means that fraction which:

- (a) has as its denominator the aggregate of an amount equal to the total proceeds received by the Partnership from subscriptions for LP Units plus, if applicable, the amount of any additional capital contributed by Limited Partners; and
- (b) has as its numerator:
 - i. in the case of an LP Unit, an amount equal to the Subscription Price of such LP Unit; or
 - ii. in the case of a Limited Partner, an amount equal to the aggregate of the total Subscription Price paid or deemed to have been paid by such Limited Partner for all of his, her or its Units;

“pro rata share” of any particular amount in respect of a LP Unit holder or Trust Unitholder at any time shall be the product obtained by multiplying the number of LP or Trust Units that are outstanding and owned by that Unitholder at such time by the amount obtained when the particular amount is divided by the total number of all LP or Trust Units that are issued and outstanding at that time;

“Redemption Date” means the last Business day of any calendar quarter end upon which a Trust Unit is redeemable;

“Redemption Notes” means the promissory notes issued by an Issuer to Trust Unitholders as payment for the Redemption Price for the Trust Units in the circumstances where Trust Units are not redeemed for cash; and such Redemption Notes shall be subject to the following terms and conditions:

- (a) unsecured and bearing interest from and including the issue date of each such note at a market rate determined at the time of issuance by the Trustee, as the case may be, based on the advice of an independent financial advisor, and payable annually in arrears;
- (b) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Issuer pursuant to the note indenture with holders of senior indebtedness;
- (c) ranking pari passu with all unsecured indebtedness of the Issuer;
- (d) subject to earlier prepayment, being due and payable on or prior to four years after the date of issuance of the Redemption Note; and
- (e) subject to such other standard terms and conditions as would be included in a note indenture for promissory notes of this kind, as may be approved by the Trustee;

“Redemption Price” means the amount payable pursuant to a redemption of Trust Unit(s) by an Issuer to a holder of Trust Unit(s) equal to the lesser of:

- (a) 95% of the Net Capital Contribution of such Trust Unit(s), until December 31, 2023;
- (b) 97.5% of the Net Capital Contribution of such Trust Unit(s), until December 31, 2024; and
- (c) 100% thereafter,

less a redemption fee of \$200;

“Reserves” means reserves which in the opinion of the General Partner in relation to the Partnership are necessary or advisable, having regard to the current and anticipated cash resources of the Partnership to:

- (a) provide for the orderly payment of obligations owing, to become owing or anticipated to be incurred by the Partnership; or
- (b) comply with any commitments as to the financial condition of the Partnership as contained in any loan agreement, mortgage, trust deed or other security providing for or securing financial accommodation to the Partnership;

“Securities Act” means the Securities Act (British Columbia), as amended from time to time, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder;

“Special Resolution” means:

- (a) in respect of the Trust:
 - i. a resolution passed by the affirmative votes of such number of the Trust Unitholders entitled to vote on the resolution, attending in person or by proxy, holding in the aggregate not less than 66-2/3% of the Trust Units of such Trust Unitholders, at a duly convened meeting of the Trust Unitholders or any adjournment thereof; or
 - ii. a written resolution signed in one or more counterparts by Trust Unitholders (or their lawful attorney) holding, in the aggregate, not less than 66-2/3% of the Trust Units then outstanding, notice of which has been given to all Trust Unitholders;
- (b) in respect of the Partnership:
 - i. a resolution passed by the affirmative votes of such number of the Partners entitled to vote on the resolution, attending in person or by proxy, holding in the aggregate not less than 75% of the Units of such Partners, at a duly convened meeting of the Partners or any adjournment thereof; or
 - ii. a written resolution signed in one or more counterparts by Partners (or their lawful attorney) holding, in the aggregate, not less than 75% of the Units then outstanding, notice of which has been given to all Partners;

“Specifications” means the proposed plan to assemble and/or develop the Properties as set out in **“Item 2 - Business of the Issuers”**;

“Subscription Agreement” means a subscription agreement to be executed and delivered by each investor providing for the purchase by such investor of Trust Units or LP Units (as elected by the investor), in the form accompanying this offering memorandum;

“Subscription Price” means the amount of \$1.00 per Unit to be contributed to the capital of the Trust or the Partnership, as the case may be, as consideration for the issuance of that Unit under this offering memorandum;

“subsidiary” has the meaning ascribed thereto in the Securities Act;

“Tax Act” means the Income Tax Act (Canada) and the regulations made thereunder, as amended from time to time;

“Tax Income” and **“Tax Loss”** means, respectively, with respect to the Partnership and in respect of any period, income or loss for such period determined in accordance with the provisions of the Tax Act;

“Transfer Agent” means the General Partner or such Person(s) as may from time to time be appointed by the Trust to act as registrar and transfer agent of the Trust Units and by the Partnership to act as registrar and transfer agent of the LP Units, together with any sub-transfer agent duly appointed by the Transfer Agent;

“Transfer Form” means a transfer and power of attorney in such form as approved or accepted from time to time by the General Partner;

“Trust” means the Cynterra Real Estate Trust, a trust constituted by the Declaration of Trust, as the same may be amended, supplemented or restated from time to time;

“Trust Offering” means the private placement of Trust Units by the Trust under this Offering Memorandum;

“Trust Property”, at any time, shall mean the Permitted Investments that are at such time held by the Trustee for the benefit of the Trust Unitholders and for the purposes of the Trust under the Declaration of Trust;

“Trust Unit” means Trust Class A Series 1 Sub 2 Units, which represent an interest in the Trust, as provided for in the Declaration of Trust, and has the rights, privileges, restrictions and conditions set forth in the Declaration of Trust, and shall not include fractional Trust Units (see ***“Item 5 - Securities Offered”***);

“Trust Unitholders” means, at any time, the Persons who are holders of record at that time of one or more Trust Units, as shown on the registers of such holders maintained by the Transfer Agent on behalf of the Trust;

“Trust Unit Redemption Price” has the meaning ascribed above as **Redemption Price**

“Trustee” means the trustee of the Trust at that time, so long as such Person remains as trustee, which is currently Cynterra Real Estate Trust Management Inc;

“Unanimous Resolution” means:

(a) in respect of the Trust:

- i. a resolution passed by the affirmative votes of such number of the Trust Unitholders entitled to vote on the resolution, attending in person or by proxy, holding in the aggregate not less than 100% of the Trust Units of such Trust Unitholders, at a duly convened meeting of the Trust Unitholders or any adjournment thereof; or
- ii. a written resolution signed in one or more counterparts by Trust Unitholders (or their lawful attorney) holding, in the aggregate, not less than 100% of the Trust Units then outstanding, notice of which has been given to all Trust Unitholders;

(b) in respect of the Partnership:

- i. a resolution passed by the affirmative votes of such number of the Partners entitled to vote on the resolution, attending in person or by proxy, holding in the aggregate not less than 100% of the Units of such Partners, at a duly convened meeting of the Partners or any adjournment thereof; or
- ii. a written resolution signed in one or more counterparts by Partners (or their lawful attorney) holding, in the aggregate, not less than 100% of the Units then outstanding, notice of which has been given to all Partners;

“Unit” means a Trust Unit or a LP Unit, and **“Units”** means Trust Units and/or LP Units;

“Unit Certificate” means a certificate evidencing one or more Trust Units or LP Units (as applicable), issued and certified in accordance with the provisions of the Declaration of Trust or the Partnership Agreement, as applicable;

“\$” means Canadian dollars.

ITEM 1 – USE OF AVAILABLE FUNDS

1.1 Available Funds

The Issuer does not have a minimum offering, the minimum raised may be “\$0”.

Depending on the amount of funds raised, the Issuer may have a funding shortage. If so, the Issuer intends to solve it, partially or completely, by borrowing against the Properties, extending accounts payable, and delaying and extending the timing of Property acquisition and development. Additionally, alternative funding sources will be explored.

		Assuming min. offering	Assuming max. Offering of LP Units
A	Amount to be raised by this offering ^{(1),(5)}	\$0	\$8,450,000
B	Selling commissions and fees ⁽²⁾	\$0	\$845,000
C	Offering costs (e.g., legal, marketing, accounting and audit) ⁽³⁾	\$90,000	\$250,000
D	Available funds: D = A - (B+C)	(\$90,000)	\$7,355,000
E	Additional sources of funding required. Construction finance ^{(1),(4)}	Will not proceed	\$24,152,511
F	Working Capital Deficiency at January 15, 2022	\$0	\$363,063
G	Total: G = (D+E) – F, project Available Funds	(\$90,000)	*\$31,144,448

*The issuers affected fund raising activities in 2022 and 2023 by accredited offering and previous offering memorandum dated February 16, 2022. Total funds raised as of the date of this Amended Offering Memorandum is \$4,504,498 which was employed to pay down \$1,600,000 of debt, offering commissions, fees and soft costs (see 1.2 below “Use of Available funds”).

- (1) The Partnership must acquire additional capital with this offering and lending in the estimated amount stated for the project to complete as well as achieve the maximum offering. If lending for the Property exceeds the stated amount then the Partnership may reduce the offering size.
- (2) The Units will be offered for sale by the Partnership, the Trust, Charterhouse Prime Investments Ltd and such other EMD registered dealers as may be appointed from time to time, which agents for the Issuers will be paid commissions. The maximum commission payable to such agents will be up to 10% of the Gross Proceeds of the Units sold by such agents See “*Item 7 - Compensation Paid to Sellers and Finders*”.
- (3) All expenses, fees and commissions related to the Offering will be borne by the Partnership pursuant to the terms of the Funding Agreement. The estimated costs of the Offerings disclosed above are the aggregate of the costs estimated to be associated with the Trust Offering and the Partnership Offering.
- (4) Assuming sufficient funds from this offering, construction financing is expected to be in place within 6 months following the Offering. If over allotment is not determined by the General Partner then construction finance is expected to be \$2,000,000 higher.
- (5) The developer may raise up to an additional \$2,000,000 if required for sound business reasons including inflation. The project can raise an additional \$2,000,000 and still be economically viable.

1.2 Use of Available Funds

The Trust will use the Gross Proceeds from the sale of Trust Units to purchase LP Units of the Partnership. The Partnership will pay the costs and fees of the Offerings set out in “*Item 1.1 Available Funds*” above for both the Trust and the Partnership. Total funds raised to date is \$4,504,498 which was employed to pay down \$1,600,000 of debt, offering commissions, fees and soft costs (see 1.2 below “Use of Available funds”). The ability to build as opposed to enhance the project and sell to developers is greatly dependent on acquisition of construction financing.

The Partnership intends to use the Available Funds in order of priority as follows:

Description of intended use of Available Funds listed in order of priority	Months 1 to 12 ⁽¹⁾	Months 13 to 28 ⁽²⁾
Land: purchase costs	\$2,276,593	\$0
Offering costs: selling commissions and fees	\$375,970	\$469,030
Offering costs: legal, accounting and audit	\$109,890	\$140,110

Finance costs: construction loan fees (bank and broker)		\$432,468
Finance costs: loan guarantee fee	\$81,088	\$81,088
Soft costs: sales and marketing	\$335,913	\$247,491
Pre-Development Costs: hazmat, demo, tree protection, site demo, fencing, rezoning, demo permits, property taxes, etc.	\$177,448	\$72,552
Soft costs: municipal and development costs	\$0	\$1,438,327
Soft costs: professional fees	\$463,583	\$235,591
Soft costs: HPO & NHW	\$0	\$482,024
Hard costs: on-site, civil works, excavating, shell, fixturation, equipment, common areas and landscaping	\$1,992,920	\$17,983,480
Contingency		\$699,174
General Partner: office overhead ⁽³⁾	\$106,803	\$144,422
General Partner: G&A ⁽³⁾	\$114,404	\$136,821
General Partner: fees ⁽³⁾	\$302,166	\$451,510
Finance costs: construction loan interest rate	\$299,646	\$1,493,938
Total Projected Cost Historical and Going Forward	\$6,636,423	\$24,508,025
Total Capital Allocation: Equal to G in the Available Funds table above	\$31,144,448	

- (1) The start of Month 1 is the initial issue date of the Offering, February 16, 2022
- (2) All expenses, fees and commissions related to the Offering will be borne by the Partnership pursuant to the terms of the Funding Agreement. The estimated costs of the Offerings disclosed above are the aggregate of the costs estimated to be associated with the Trust Offering and the Partnership Offering. Any sale of the \$2,000,000 overallotment will support contingency funds.
- (3) The General Partner and its management companies (together "MC") will charge the costs of land administration, servicing and development to the Partnership on a monthly basis. Based upon projected Gross Sales Revenue of \$38,893,545, Land, Hard and Soft Costs of \$25,122,518 and Construction Loans of \$21,623,389 the MC will be paid for services rendered as follows: (a) General Partner Fee @ 3.00% of Land, Hard and Soft Costs ≈ \$753,676; (b) G&A Fee @ 1.00% of Land, Hard and Soft Costs ≈ \$251,225; (c) Office Overhead @ 1.00% of Land, Hard and Soft Costs ≈ \$251,225; (d) Marketing Fee @ 1.50% of Gross Sales Revenue ≈ \$583,403; and (e) Covenant / Loan Guarantee Fee @ 0.75% of Construction Loans ≈ \$162,175. The total General Partner fees for services rendered, as itemized herein ≈ \$2,001,704, and are pro-rated paid on a monthly basis. The MC has a right to its Guarantee Fee on loans guaranteed. The MC may assign its duties and fees to affiliate companies. MC will determine whether it is more economical to contract out a general contractor or to act as the general contractor which bears an industry standard fee of 5% of total costs. All dollar amounts stated herein are projected numbers and are subject to calculation variations.

1.3 Reallocation

The Partnership intends to spend the available funds as stated. The Partnership will reallocate funds only for sound business reasons. In the event that the Partnership does not have enough funds raised, it will use the Property for borrowing where needed and available. Borrowing may occur from affiliate projects on commercial terms which have sufficient free funds. The Partnership may also grant security on Property to Affiliates and non-arms and arm's length parties for loans, secured and unsecured. It is not possible to estimate the extent of such inter-Affiliate lending but it will be disclosed in the financial statements of the Partnership. In the event the Partnership is unable to raise sufficient funds to proceed with the Project, or if the Project fails prior to completion and sale, then the Partnership intends to sell the unfinished Project and with the proceeds pay creditors and distribute the remainder, if any, to Partners in accordance with the Partnership Agreement.

ITEM 2 – BUSINESS OF THE ISSUERS AND OTHER INFORMATION AND TRANSACTIONS

2.1 Business of the Trust and Structure

The Trust is an unincorporated open-ended, limited purpose, commercial unit trust governed by the laws of the Province of British Columbia and created by the Declaration of Trust. It is intended that at all times the Trust qualify as a “mutual fund trust” or “Unit Trust”. See *“Item 6.1 Income Tax Consequences Relating to the Trust”*.

The Declaration of Trust, which is dated as of January 1, 2022, contains the terms and conditions governing the relationship between the Trustee, as trustee, and the Trust Unitholders, as beneficiaries of the Trust Property. The beneficial interests of the Trust are composed of an unlimited number of Class A, B, C and D units which must have in excess of 150 Trust Unit holders by December 31, 2022 to be a mutual fund Trust (203 Trust Unit holders as of February 28, 2023 have actually subscribed), the failure of which would imperil the use of the Trust Units for registered plans including RRSP/TFSA investments. All Units are entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust, including the right to vote and to participate pro rata with their Class in any distributions from the Trust. Regardless, if tax authorities debate the issue and succeed then the Units will not be eligible for registered plans with all the fallout thereby occurring. The investor is urged to seek its own tax advice.

The Trust’s primary purpose and business is to acquire Partnership interests through purchase of LP Units in the Partnership, with the objective of generating returns to Trust Unitholders. Upon each Closing under the Trust Offering, the Trust will use the entire Gross Proceeds raised from the issuance of Trust Units to acquire LP Units of the Partnership. All expenses of the Trust Offering and the Partnership Offering will be borne by the Partnership pursuant to the Funding Agreement. The Trust is a funding arm of real estate funding ventures controlled by Robert Fraser. The Trust has no other business purpose other than to receive investment and flow the investment to limited partnerships controlled by Robert Fraser, including the within Partnership.

The Trust allows investors to invest through Deferred Plans indirectly into the Partnership (see *“Item 6.2 Eligibility for Investment in Trust Units by Deferred Plans”*). Consequently, investors that purchase Trust Units should also review this Offering Memorandum with respect to the Partnership.

2.2 Business of the Partnership and Structure

The business of the Partnership is to develop the Property. The Property was acquired October 6, 2021 and is registered in the name of the Partnership. The General Partner is 100% owned by Cynterra Inc (wholly owned by Robert Fraser, the control person of the General Partner, the Partnership and the Trust). The Property is described as civic addresses 528 and 532 Goldstream Avenue, Langford, BC, (528 - Lot 1 V1P35979 Sec 1 LD 21 PID 000-145-505 and 532 - Lot 2 V1P35979 Sec 1 LD 21 PID 000-188-441). The purchase price of the Land was \$2,225,000 which was paid by a 1st mortgage of \$1,000,000 at 9.95% interest rate, a 2nd mortgage of \$600,000 at 12% interest rate, deferred payment of \$150,000 and \$475,000 paid by the shareholders of the General Partner. This Offering is intended to pay the Property costs, fund development, construction and sales. The Property received development permit (DP-22-0053) on August 18, 2022 to allow a six-storey development of 76 units. Subsequently, Bancorp Financial Services registered a 15 month (August 19, 2022) first mortgage on the property for \$3,065,000 to assist in developing the project. Interest is the greater of 8.75% or CIBC prime plus 5.05%. The General Partner was incorporated August 11, 2021, as a British Columbia company. The General Partner has 7,500,000 Class “A” voting shares issued, 7,500,000 to Cynterra Inc. (wholly owned by Robert Fraser). Robert Fraser is a control person of the Issuers. Authorized capital of the General Partner is an unlimited number of shares of four classes A through D. The Limited Partnership was registered on September 28, 2021, to acquire and develop the Property.

The authorized capital of the Partnership is an unlimited number of Class A, Class B, Class C and Class D Units of which the Partnership is offering up to 8,450,000 at \$1.00 per Unit (of which \$4,504,498 has been subscribed to date), \$10,450,000 if \$2,000,000 over allotment is decided by the GP, Class A Series 2 LP units at \$1.00 per LP Unit and Trust units. The Limited Partnership issued 200 Units on formation as to 100 Units to the Initial Limited Partner (Robert Fraser) and 100 Units to the General Partner. The terms of capital repayment and return allocation to the LP Units is as set forth in **Item 5, Securities Offered**.

The General Partner is entitled to 50% of the votes of Limited Partner Units as if it were the owner of 50% of the Units (that is to say that if 100 units are issued then the General Partner shall have 100 votes and the total votes in the

Partnership shall be 200 votes). The Partnership, the Trust and the General Partner are non-reporting Issuers at the date of this offering memorandum.

Notwithstanding any other provision herein: (i) it is not anticipated that any distributions will be made or financial returns payable on the Offered Units until positive overall cash flow from sale of realty units occurs sufficient to produce profit; and (ii) returns and distributions are not guaranteed in any way whatsoever and there is no guarantee that development will be completed as proposed or that there will be sufficient proceeds or profits to pay the preferred return or return an investor's capital and/or that the project will be bought out by other investment vehicles or buyers. If the Partnership is unable to sell its interest in the project at a profit or otherwise re-finance the project, investors may not realize any return on the Units and may lose the entirety of their capital investment in the Units.

2.3 Property and Project Description

The Property is in the center of Langford, BC, a rapidly growing area in British Columbia, Canada. Land prices have grown in value since the Property was originally purchased. The Property was originally purchased at \$2,225,000 and is appraised as of the date of this Offering Memorandum at \$4,681,000.

The business of the Partnership is to develop the Property. The Property was acquired October 6, 2021 and is registered in the name of the Partnership. The General Partner is 100% owned by Cynterra Inc (wholly owned by Robert Fraser, the control person of the General Partner, the Partnership and the Trust). The Property is described as civic addresses 528 and 532 Goldstream Avenue, Langford, BC, (528 – Lot 1 V1P35979 Sec 1 LD 21 PID 000-145-505 and 532 – Lot 2 V1P35979 Sec 1 LD 21 PID 000-188-441). The purchase price of the Land was \$2,225,000 which was paid by a 1st mortgage of \$1,000,000 at 9.95% interest rate, a 2nd mortgage of \$600,000 at 12% interest rate, deferred payment of \$150,000 and \$475,000 paid by the shareholders of the General Partner. These loans were replaced by a first mortgage registered on the property from Bancorp Financial Services of \$3,065,000 on August 19, 2022. This financing included a hold back of \$665,000 toward the payment of Development Cost Charges coincident with issuance of Building Permit. The Property has received rezoning and Development Permit (DP 22-0053) to allow a six-storey development of 76 units.

Please note that if the Issuer does not raise sufficient funds then it intends to seek institutional or private Financings, including mortgages, to complete the Property Project as the General Partner considers in the best interests of the Project.

2.4 Development of the Business

The Partnership has only recently commenced business with the establishment of the Partnership on September 28, 2021. The following are the major events that have occurred with respect to the Business of the Issuers to the date of this Offering Memorandum:

- (a) the General Partner was incorporated August 11, 2021;
- (b) the Partnership was formed pursuant to the Partnership Agreement and Certificate of Limited Partnership September 28, 2021;
- (c) the Trust was formed January 1, 2022, and by pre-incorporation contract was engaged for this project by Funding Agreement dated December 1, 2021;
- (d) The Partnership financed to purchase the property a \$1,000,000 first mortgage with Great Pacific Mortgage and Investment Ltd at 9.95% due November 1, 2022, and a \$600,000 second mortgage with Camilla Holdings at 12% due January 6, 2022. This financing was replaced by a Bancorp Financial Services mortgage and financing laid below in section e.
- (e) The Property has received a rezoning to allow a six-storey development of 76 units and was issued Development Permit (DP 22-0053) on August 18, 2022. Based on Development Permit being issued Bancorp Financial Services provided a 15-month mortgage on August 19, 2022. Interest is the greater of 8.75% or CIBC prime plus 5.05%. The mortgage included a hold back of \$665,000 toward the payment of Development Cost Charges when Building Permit is ready for issuance, which is expected with the next 2 months.

- (f) On September 30, 2022, the Partnership filed a real estate disclosure statement to begin selling units. The partnership has now received contracts of purchase and sale for 42 units totaling \$20,169,479 in sales.
- (g) Bancorp and other lenders have verbally stated that they are willing to provide construction financing once technical drawings are finalized and building permit is issued. This is expected within 2 months.

There have been no material unfavourable developments affecting the Issuers' Business.

2.5 Long Term Objectives

The Issuers' purpose and Business, and thus their long term objectives, is to generate returns for the Limited Partners, the Trust Unitholders, and the General Partner by raising gross proceeds of up to \$10,450,000 (assuming funding of the over allotment at \$2,000,000 plus the core raise of \$8,450,000) under the Offerings.

2.6 Short Term Objectives and How We Intend to Achieve Them

During the Partnership's next 12 months we will target objectives as follows:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete (approximate amounts) ⁽¹⁾
Land: purchase costs	complete	\$0
Offering costs: selling commissions and fees	3	\$469,030
Offering costs: legal, accounting and audit	3	\$140,110
Finance costs: construction loan fees (bank and broker)	12	\$432,468
Finance costs: loan guarantee fee		\$60,545
Soft costs: sales and marketing	4	\$247,491
Pre-Development Costs: hazmat, demo, tree protection, site demo, fencing, rezoning, demo permits, property taxes, etc.	3	\$72,552
Soft costs: municipal and development costs	ongoing	\$1,438,327
Soft costs: professional fees	3	\$178,593
Soft costs: HPO & NHW	3	\$482,024
Hard costs: on-site, civil works, excavating, shell, fixturation, equipment, common areas and landscaping		\$10,440,998
Contingency	ongoing	\$522,050
General Partner: office overhead	ongoing	\$110,153
General Partner: G&A	ongoing	\$104,355
General Partner: fees	ongoing	\$344,372
Finance costs: construction loan interest rate	ongoing	\$915,255
Total		\$15,958,323

- (1) All expenses, fees and commissions related to the Offering will be borne by the Partnership pursuant to the terms of the Funding Agreement. The estimated costs of the Offerings disclosed above are the aggregate of the costs estimated to be associated with the Trust Offering and the Partnership Offering. Any sale of the \$2,000,000 overallotment will support contingency funds.
- (2) The General Partner and its management companies (together "MC") will charge the costs of land administration, servicing and development to the Partnership on a monthly basis. Based upon projected Gross Sales Revenue of \$38,893,545, Land, Hard and Soft Costs of \$25,122,518 and Construction Loans of \$21,623,389 the MC will be paid for services rendered as follows: (a) General Partner Fee @ 3.00% of Land, Hard and Soft Costs ≈ \$753,676; (b) G&A Fee @ 1.00% of Land, Hard and Soft Costs ≈ \$251,225; (c) Office Overhead @ 1.00% of Land, Hard and Soft Costs ≈ \$251,225; (d) Marketing Fee @ 1.50% of Gross Sales Revenue ≈ \$583,403; and (e) Covenant / Loan Guarantee Fee @ 0.75% of Construction Loans ≈ \$162,175. The total General Partner fees for services rendered, as itemized herein ≈ \$2,001,704, and are pro-rated paid on a monthly basis. The MC has a right to its Guarantee Fee on loans guaranteed. The MC may assign its duties and fees to affiliate companies. MC will determine whether it is more economical to contract out a general contractor or to act as the general contractor which bears an industry standard fee of 5% of total costs. All dollar amounts stated herein are projected numbers and are subject to calculation variations.

2.7 Insufficient Funds

At the time of this Offering, the Partnership does not anticipate there will be insufficient funds to accomplish the Partnership's objectives. However, there remains the possibility that the funds available as a result of the Offering or by debt financing may not meet expectations and will not be sufficient to accomplish all of the Issuers' proposed objectives and there is no assurance that alternative financing will be available. In the event the Partnership is unable to raise sufficient funds to proceed with the project or if the project fails prior to completion of the project then the Partnership intends to sell the project and with the proceeds pay creditors and distribute the remainder, if any, to the Partners in accordance with the Partnership Agreement and to the Trust Unitholders in accordance with the Declaration of Trust, as applicable.

In addition to the funding raised under this Offerings, the Partnership will have the right to incur or assume, without Limited Partner approval, indebtedness from any person for any purpose, including without limitation: (i) Financing related to the project; (ii) for the purpose of accelerating distributions to Limited Partners (and, by extension, to Trust Unitholders), if determined reasonable and appropriate to do so by the General Partner; and (iii) allowing the Partnership to commence the project prior to obtaining Financing. It is anticipated that such Financing will be secured by, among other things, a fixed and specific demand collateral land mortgage over the Property and a security interest in all present and after acquired personal property of the Partnership.

The lenders under any Financing referred to above may be parties that are non-arm's length to the Partnership, the General Partner, or other Limited Partners. Any such Financing provided by Affiliates of the General Partner or Limited Partners or Trust Unitholders will be on terms that are commercially reasonable and generally consistent with the terms of Financing from arm's length lenders for projects of this type. Such Financing will otherwise be on such terms and conditions as are agreed to with the other parties thereto and that the General Partner on behalf of the Partnership determined to be appropriate at that time.

There can be no guarantee that (i) any Financing will eventually be obtained from a lender or that a lender will not materially alter the terms of any Financing, (ii) any renewal of Financing, if required, will occur on similar terms thereof or at all, or (iii) the lender under any Financing will not demand repayment of the amounts owing thereunder at a time when the Partnership does not have the funds to repay this loan. This will require alternate Financing which may be considerably more expensive or may not be available at all. The failure or inability of the Partnership to obtain such Financing will have a material negative effect on the ability of the Partnership to complete the Project on a timely basis, or at all, which could have a material negative effect on the value of the LP Units (and consequently on the Trust Units) and any return thereon.

Charges, costs and fees associated with providing security and documenting the relationship of the Partnership with lenders under any Financing and any other credit facilities, loans or borrowings entered into by the Partnership which charges, costs and fees may be material and will have to be paid by the Partnership.

2.8 Material Agreements

The following is a list of agreements which are material to this Offering and to the Fund, all of which are in effect:

- (a) the **Declaration of Trust**, as described below and as described further in *"Item 6 - Securities Offered"*;
- (b) the **Partnership Agreement** as described below and as described further in *"Item 6 - Securities Offered"*;
- (c) the **Funding Agreement** dated December 1, 2021, as described in section *"2.8.3 - Funding Agreement"*;
- (d) The Property received development permit (DP-22-0053) on August 18, 2022 to allow a six-storey development of 76 units.

Copies of these agreements may be inspected during normal business hours at the business office of the Issuers, Suite 1201-750 West Pender Street, Vancouver, BC V6C 2T8.

2.8.1 Declaration of Trust

General

Cynterra Real Estate Trust is an unincorporated open-ended, limited purpose, commercial unit trust governed by the laws of the Province of British Columbia and created by the Declaration of Trust. It is intended that at all times the

Trust qualify as a “mutual fund trust” or “Unit Trust”. See *“Item 6 – Income Tax Consequences Relating to the Trust”*.

The Declaration of Trust, which is dated as of January 1, 2022, contains the terms and conditions governing the relationship between the Trustee and the Trust Unitholders, as beneficiaries of the Trust Property.

The following is a summary of certain provisions of the Declaration of Trust. The summary does not purport to be complete and is subject to the more detailed provisions of the Declaration of Trust. Prospective subscribers should review the complete text of the Declaration of Trust, a copy of which is available from the Issuers.

Purpose and Nature of the Trust

The Trust was created primarily for the purpose of investing its funds in LP Units and Permitted Investments, provided, however, that the Trust will not undertake any activity, or acquire or retain or hold any investment, that would result in the Trust not being considered a “mutual fund trust” Unit Trust for the purposes of the Tax Act or that would result in the Trust being a “SIFT trust” for the purposes of the Tax Act.

Trust Units

The beneficial interests of the Trust are composed of Classes A, B, C and D entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust, including the right to vote and to participate pro rata in any distributions from the Trust. Each class of units has identical rights, restrictions and conditions. Each such unit of the Trust is without nominal or par value, entitles the holder thereof to one vote at all meetings of Trust Unitholders, entitles the holder thereof to the pro rata right to receive distribution and participate pro rata upon dissolution or liquidation, and entitles the holder to the right of redemption under the terms and conditions set forth in the Declaration of Trust. Each Class or Series is related to a specified Trust project.

In order to establish the Trust, one Class “A” unit (the **“Initial Trust Unit”**) was issued for cash of \$1.00. The Trust is now offering by way of a private placement Class “A” Series 1 Sub 2 units of the Trust (the **“Trust Units”**) at \$1.00 pursuant to this Trust Offering. At any time following the issuance of one or more additional Trust Units, the Trust may redeem the Initial Trust Unit for a purchase price of \$1.00 and, upon the completion of such purchase and sale, the Initial Trust Unit shall be cancelled and shall no longer be outstanding. Each holder of a Trust Unit shall be entitled to the rights and be subject to the limitations, restrictions and conditions pertaining to the Trust Units as set out in the Declaration of Trust and the interest of each Unitholder shall be determined by the number of Trust Units registered in the name of such holder.

Each Trust Unit outstanding from time to time represents an equal undivided beneficial interest in the net asset of the Trust Class or series and each Unitholder shall be entitled to a pro rata share of (i) all distributions respecting the Trust Units, when and as declared, and (ii) the proceeds of liquidation of the Trust Property, after satisfaction of all liabilities of the Trust.

All Trust Units in their class will rank among themselves equally and rateably without discrimination, preference or priority. Each Trust Unit entitles the holder to one vote at all meetings of Unitholders and for written resolutions of Unitholders.

Trust Unit Distributions

The Trustee may, on or before each Distribution Record Date, declare payable to the holders of Trust Units on such Distribution Record Date all or any part of the Cash Flow of the Trust for the Distribution Period which includes such Distribution Record Date.

The Trustee intends to allocate, distribute and make payable to Trust Unitholders all of the Income of the Trust, Net Realized Capital Gains and any other applicable amounts so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year and such amounts will be due and payable to Unitholders of record immediately before the end of December 31 in each year, in accordance with the Declaration of Trust.

If the Trustee determines that the Trust does not have sufficient cash to make the full amount of the distribution which has been declared, the Trustee has the option to pay equivalent distributions in the form of the pro rata share issuance of additional Trust Units.

The Trustee may deduct or withhold from distributions payable to any Trust Unitholder all amounts required under the Tax Act or other applicable laws, which amounts shall be withheld from such distributions whether those distributions are in the form of cash, additional Trust Units, or otherwise.

Trust Unit Certificates

Unit Certificates will be issued to Trust Unitholders and a register of Trust Unitholders will be kept at the head office of the Trust or the Transfer Agent or the General Partner, setting out the particulars of the Unit Certificates. Only Trust Unitholders with recorded Unit Certificates on the register are entitled to receive distributions or exercise rights of a Trust Unitholder.

Redemptions of Trust Units

Trust Units are redeemable by the Trust Unitholder by delivering to the Trust, or its Transfer Agent, a duly completed and properly executed notice requiring the Trust to redeem Trust Units, in a form approved by the Trustee, together with written instructions as to the number of Trust Units to be redeemed and the Unit Certificate(s) representing the Trust Units to be redeemed. Trust Units are redeemable on the last Business Day of any calendar quarter end (the “**Redemption Date**”) and the Trust shall pay the Redemption Price within 60 days after the Redemption Date. The notice, Unit Certificate(s) and all other supporting documentation or evidence must be received by the Trust, or its Transfer Agent, to the satisfaction of the Trustee, not less than 30 days prior to the applicable Redemption Date. On receipt of a notice to redeem Trust Units, the Trust Unitholder will no longer have any rights with respect to the Trust Units other than to receive any distribution accrued prior to receipt of the notice and the redemption amount.

Within 60 days of the Redemption Date, the Trust Unitholder of the Trust Units tendered for redemption shall be entitled to receive a redemption price (the “**Redemption Price**”) equal to the lesser of:

- (a) 95% of the Net Capital Contribution of such Trust Units, until December 31, 2023;
- (b) 97.5% of the Net Capital Contribution of such Trust Units, until December 31, 2024; and
- (c) 100% thereafter.

The Redemption Price may be paid by the Trust in cash or, at the election of the Trustee, by distributing or issuing any combination of cash and/or Redemption Notes having an aggregate fair market value equal to the aggregate Redemption Price, as applicable for the Trust Units tendered for redemption.

The Redemption Notes are subject to the following terms and conditions:

- (a) unsecured and bearing interest from and including the issue date of each such note at a market rate determined at the time of issuance by the Trustee or General partners, as the case may be, based on the advice of an independent financial advisor, and payable annually in arrears;
- (b) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Issuer pursuant to the note indenture with holders of senior indebtedness;
- (c) ranking pari passu with all unsecured indebtedness of the Issuer;
- (d) subject to such other standard terms and conditions as would be included in a note indenture for promissory notes of this kind, as may be approved by the Trustee or General Partner, as applicable.

Except as determined by the Trustee, the maximum aggregate number of Trust Units that may be redeemed by the Trust shall not exceed 10% annually of the total number of Trust Units issued and outstanding at the beginning of a fiscal quarter. The Trustee shall exercise such limitation and any cutbacks on a proportionate basis with respect to the aggregate number of Trust Units represented by redemption notices. The Trust may suspend the redemption of Trust Units or postpone the date of payment of Redeemed Trust Units in such circumstances as the Trustee may reasonably determine. Such circumstances may include: (i) the assets of the Trust are invested in such a manner so as to not reasonably permit immediate liquidation of such assets; or (ii) there exists a state of affairs that constitutes circumstances under which liquidation by the Trust of part or all its investments is not reasonable or practicable, or would be prejudicial to the Trust or the Trust Unitholders, generally; or (iii) not suspending redemptions would have an adverse effect on the continuing Trust Unitholders. The Trust may also suspend the redemption of Trust Units upon an announcement by the Trustee that the Trust will be terminated and dissolved.

At the Trustee's discretion, the Trust may, at any time, cause any Trust Unitholder to redeem all or part of its Trust Units at the applicable Redemption Price by providing notice to such Trust Unitholder, if such Trust Unitholder is a Non-Resident or that the continued undiminished membership of the Trust Unitholder in the Trust would (i) constitute or give rise to a violation of applicable law, or (ii) otherwise subject the Trust or the Trustee to material onerous legal, tax, or other regulatory requirements that cannot be reasonably avoided.

The Trust may, at any time, purchase for cancellation some or all of the Trust Units by private agreement or pursuant to tenders received by the Trust upon request for tenders addressed to all Trust Unitholders, provided that the Trustee determines such purchases are in the best interests of the trust. All Trust Units so purchased and redeemed shall no longer be outstanding.

Other than as provided above, there are no conversion, retraction, redemption or pre-emptive rights attaching to the Trust Units.

Transfer of Trust Units

Trust Units may only be transferred with the prior written consent of the Trustee, who shall have the sole discretion with respect to such transfer, or in connection with bankruptcy, death or mental incompetence, and then only to legal representatives of the Trust Unitholder. Further, the transfer of Trust Units will not be permitted if, as a result of the transfer, the Trust would cease to qualify as a "mutual fund trust" or a "unit trust" as defined in the Tax Act. No transfer of Trust Units is effective against the Trustee or the trust until the transfer is recorded in the register of Trust Unitholders.

As the Trust is not currently a reporting issuer in any jurisdiction, nor does it intend to become one, the Trust Units are subject to resale restrictions pursuant to applicable securities laws. See *"Item 10 – Resale Restrictions"*.

Restriction on Non-Resident Ownership

In order for the Trust to maintain its status as a "mutual fund trust" under the Tax Act, the Trust must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, at no time may Non-Residents be the beneficial owners of more than 45% of all outstanding Trust Units on both a non-diluted basis and fully diluted basis. The Declaration of Trust provides that the Trustee shall use commercially reasonable efforts to monitor the beneficial ownership of the Trust Units. The Trustee will require declarations in the Subscription Agreement as to the jurisdictions in which the beneficial owners of Trust Units are resident. If the Trustee becomes aware that the beneficial owners of 45% of the Trust Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, the Trustee may notify Trust Unitholders thereof and shall not accept a subscription for Trust Units from, or issue or register a transfer of Trust Units to, a Person unless the Person provides a declaration that the Person is not a Non-Resident and does not hold the Trust Units for the benefit of Non-Residents.

If, notwithstanding the foregoing, if the Trustee determines that 45% or more of all Trust Units (including any class of trust units) are held by Non-Residents, the Trustee may send a notice to such Non-Resident holders of Trust Units, chosen in inverse order to the order of acquisition or registration or in such manner as the trustee may consider equitable and practicable, requiring them to sell or tender their Trust Units (or a portion thereof) for redemption within a required period of not less than 30 days, and if the Trust Unitholders receiving such notice have not, within the required period, sold or tendered their Trust Units to the Trust, or otherwise provided satisfactory evidence that the beneficial owners of such Trust Units are not Non-Residents, the Trustee may, as agent and attorney acting on behalf of such Trust Unitholders and/or such beneficial owners, sell or redeem the Trust Units at the Redemption Price, as contemplated in the Declaration of Trust.

Until sale or redemption, the Trustee shall suspend the voting and distribution rights attached to or associated with such Trust Units held by Non-Residents, and upon the sale or redemption of such Trust Units, the affected Trust Unitholders shall cease to be holders of the Trust Units in question and their rights shall be limited to receiving the net proceeds of such sale or redemption upon surrender of the Unit Certificates representing such Trust Units.

Trustee

Subject to any restrictions set out in the Declaration of Trust, the Trustee has, without further or other action or consent, and free from any power or control on the part of the Trust Unitholders, full, absolute and exclusive power, control and authority over the Trust Property and over the affairs of the Trust to the same extent as if the Trustee was the sole and absolute beneficial owner of the Trust Property in its own right, to do all acts and things as in its sole discretion

are necessary or incidental to, or desirable for, carrying out the purposes of the Trust created under the Declaration of Trust. Subject to limitations, the Trustee may delegate any of those duties of the Trustee granted or reserved to it under the Declaration of Trust that it deems appropriate.

The Trustee has and may from time to time exercise the power and authority to, among other things:

- (a) the Trustee may exercise from time to time in respect of the Trust Property and the investments and affairs of the Trust any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof;
- (b) the Trustee has, without further or other action or consent, and free from any power of control on the part of the Trust Unitholders, full, absolute and exclusive power, control and authority over the Trust Property and over management of, the affairs of the Trust to the same extent as if the Trustee were the sole and absolute beneficial owner of the Trust Property in its own right, to do all such acts and things as in its sole judgment and discretion are necessary or incidental to, or desirable for, carrying out the trust created under the Declaration of Trust. In construing the provisions of the Declaration of Trust, presumption shall be in favour of the granted powers and authority to the Trustee. The enumeration of any specific power or authority in the Declaration of Trust shall not be construed as limiting the general powers or authority or any other specified power or authority conferred herein on the Trustee. To the maximum extent permitted by law the Trustee shall, in carrying out investment activities, not be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by trustees;
- (c) to take any action it considers necessary to ensure that the Trust retains its status as a “mutual fund Trust” (Unit Trust) under the Tax Act and to not qualify as a “SIFT trust” as defined in the Tax Act;
- (d) except as expressly prohibited by law, the Trustee may grant or delegate to any person the authority and the powers of the Trustee under the Declaration of Trust as the Trustee may in its discretion deem appropriate, necessary or desirable to carry out and effect the actual management and administration of the duties of the Trustee under the Declaration of Trust, without regard to whether the authority is normally granted or delegated by trustees; and
- (e) the Trustee is authorized to delegate its authority and to appoint a delegate (the “**Delegate**”) to act for and on behalf of the Trust in accordance with those powers and authorities granted to the Delegate under the terms of such agreement, and the Trustee may delegate to such person all of those duties of the Trustee under the Declaration of Trust that the Trustee deem appropriate. The Trustee may grant broad discretion to the Delegate to administer and manage the day-to-day operations of the Trust, to act as agent for the Trust, to execute documents on behalf of the Trust, and to make decisions on behalf of the Trust. The Delegate may be given, without limitation, the power to further delegate management and administration of the Trust, as well as the power to retain and instruct such appropriate experts or advisors to perform those duties and obligations which it is not best suited to perform.

Notwithstanding the foregoing, the Trustee shall not have the power, under any circumstances whatsoever, to effect, authorize or vote securities held by the Trust to authorize:

- (a) any amalgamation, arrangement or other merger of any subsidiary of the Trust with any other Person, except with one or more direct or indirect wholly owned subsidiaries or affiliates of the Trust or in conjunction with an internal reorganization with an affiliate or subsidiary of the Trust;
- (b) the winding-up or dissolution of the Partnership prior to the end of the term of such entity, except in conjunction with an internal reorganization with an affiliate or subsidiary of the Trust or the Partnership;
- (c) any sale, lease or exchange of all or substantially all of the Trust Property, other than pursuant to any security granted by the Trust or pursuant to any internal reorganization of the direct or indirect assets of the Trust as a result of which the Trust has the same interest, whether direct or indirect, in the assets as the interest, whether direct or indirect, that it had prior to the reorganization, and other than any such sale, lease or exchange effected between or among the Trust and any one or more of:
 - i. any corporation, partnership, firm or other form of legal entity or organization that is, directly or indirectly, wholly owned by the Trust;
 - ii. any trust or trusts, the sole beneficiaries of which are the Trust and/or any of the Persons referred to above;
 - iii. any partnership, the only partners of which are Persons referred to in (i) and (ii) above; or

- (d) any sale, lease or exchange of all or substantially all of the assets of a subsidiary of the Trust except pursuant to any security granted by the subsidiary of the Trust or pursuant to any internal reorganization with an affiliate or subsidiary of the Trust and other than any such sale, lease or exchange effected between or among any one or more of:
- i. the Trust;
 - ii. any corporation, partnership, firm or other form of legal entity or organization that is, directly or indirectly, wholly owned by the Trust;
 - iii. any trust or trusts, the sole beneficiaries of which are the Trust and/or any of the Persons referred to in (i) and (ii) above; and
 - iv. any partnership, the only partners of which are Persons referred to in (i), (ii) and (iii) above,
- in each case, without the approval of the Trust Unitholders by Special Resolution at a meeting of Trust Unitholders called for that purpose or adopted in writing.

Power of Attorney

The Declaration of Trust includes an irrevocable power of attorney authorizing the Trustee, on behalf of the Trust Unitholders, to execute, under seal or otherwise, swear to, acknowledge, deliver, make or file or record, as and where required: (i) the Declaration of Trust, any amendment or supplement to the Declaration of Trust, and any other instrument required or desirable to qualify, continue and keep in good standing, the Trust as a “mutual fund trust”; (ii) any instrument, deed, agreement, or document in connection with carrying on the activities and affairs of the Trust as authorized in the Declaration of Trust, including all conveyances, transfers and other documents required to facilitate any authorized transfer, sale or disposition of Trust Units required therein; (iii) all conveyances and other documents the dissolution or liquidation of the trust in accordance with the terms of the Declaration of Trust; (iv) any and all elections, determinations or designations, whether jointly with third parties or otherwise, under the tax Act, or any other taxation or other legislation or similar laws of Canada or of any jurisdiction in respect of the affairs of the Trust or of a Trust Unitholder’s interest in the Trust; (v) any instrument, certificate and other documents necessary or appropriate to reflect and give effect to any amendment to the Declaration of Trust, which is authorized from time to time as contemplated in the Declaration of Trust; and (vi) all transfers, conveyances and other documents required to facilitate the acquisition of Trust Units pursuant to the Declaration of Trust.

Trust Expenses and Trust Fees

The Trustee is entitled to reimbursement from the Trust of any of its expenses incurred in acting as Trustee. The Trustee on behalf of the Trust may pay or cause to be paid reasonable expenses incurred in connection with the administration and management of the Trust, including without limitation fees and expenses of auditors, lawyers, appraisers and other agents, consultants and professional advisers employed by or on behalf of the Trust and the cost of reporting or giving notices to Trust Unitholders. All costs, charges and expenses properly incurred by the Trustee on behalf of the Trust shall be payable out of the Trust Property. The Trustee on behalf of the Trust may pay or cause to be paid brokerage commissions at prevailing rates in receipt of the acquisition and disposition of any securities acquired or disposed of by the Trust to brokers.

Limitations on Liabilities of Trustee and Trust Officers

The Trustee and the officers of the Trust shall not be liable to any Trust Unitholder for any action taken or not taken in good faith in reliance on any documents that are, prima facie, properly executed; any depreciation of, or loss to, the Trust incurred by reason of the sale of any asset; the loss or disposition of monies or securities; or any other action or failure to act including, without limitation, the failure to compel in any way any former Trustee to redress any breach of trust or any failure by any Person to perform the duties delegated to it under the Declaration of Trust, except for actions constituting gross negligence, fraud or wilful misconduct.

The Trustee, officers of the Trust and any agent thereof, shall not be liable whatsoever, in tort, contract or otherwise, in connection with the Trust Property or the affairs of the Trust, including in respect of any loss or diminution in value of any Trust Property, to the Trust or to the Trust Unitholders or to any other Person for anything done or permitted to be done by the Trustee. The Trustee shall not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Trust arising out of anything done or permitted or omitted to be done in respect of the execution of the duties of the office of Trustee for or in respect to the affairs of the Trust. No property or assets of the Trustee, owned in its own capacity or otherwise, will be subject to

any levy, execution or other enforcement procedure with regard to any obligations under the Declaration of Trust or under any other related agreements. No recourse may be had or taken, directly or indirectly, against the Trustee in its own capacity or any successor of the Trustee. The Trust shall be solely liable therefor and resort shall be had solely to the Trust Property for payment or performance thereof.

Meetings of Trust Unitholders

The Trust shall not be required to hold regular annual meetings of the Trust Unitholders. Meetings of the Trust Unitholders may be called at any time by the Trustee and shall be called by the Trustee upon a written request of Trust Unitholders holding in the aggregate not less than fifty (50%) percent of all votes entitled to be voted at any meetings of the Trust Unitholders, such request to be sent to the Trustee at the head office of the Trust specifying in reasonable detail the purpose or purposes for which such meeting is to be called. The chairman of any meeting shall be the chairman of the Trustee or any other Person specified by the Trustee or, in the absence of any Trustee, any Person appointed as chairman of the meeting by a majority of the Trust Unitholders present at the meeting. Upon receiving the requisition described above, the Trustee will call a meeting of the Trust Unitholders to transact the business referred to in the requisition, in accordance with the Declaration of Trust.

At any meeting of Trust Unitholders, a quorum consists of two or more Persons present in person either holding personally or representing as proxies in aggregate not less than 10% of the outstanding Trust Units. Only Trust Unitholders of record shall be entitled to vote and each Trust Unit shall entitle the holder or holders of that Trust Unit on a poll vote at any meeting of Trust Unitholders to the voting rights set out in the Declaration of Trust.

The Declaration of Trust provides that Trust Unitholders shall be entitled to pass resolutions that will bind the trustee only with respect to the following matters:

- (a) the election or removal of a Trustee;
- (b) amendments of the Declaration of Trust;
- (c) termination of the trust;
- (d) authorizing: (A) any amalgamation, arrangement or other merger of any subsidiary of the Trust with any other Person, except with one or more direct or indirect wholly-owned subsidiaries or affiliates of the Trust or in conjunction with an internal reorganization with an affiliate or subsidiary of the Trust; (B) the winding-up or dissolution of the Partnership prior to the end of the term of the Partnership, except in conjunction with an internal reorganization with an affiliate or subsidiary of the Trust or the partnership; (C) any sale, lease or exchange of all or substantially all of the Trust Property, other than pursuant to any security granted by the Trust or pursuant to an internal reorganization of the direct or indirect assets of the Trust, as a result of which the Trust has the same interest, whether direct or indirect, in the assets that it had prior to the reorganization; and (D) any sale, lease or exchange of all or substantially all of the assets of a subsidiary of the Trust, except pursuant to any security granted by the Trust or pursuant to an internal reorganization with an affiliate or subsidiary of the Trust;
- (e) the appointment or removal of the Auditors; and
- (f) other matters as may be required by applicable laws to be submitted to Trust Unitholders for approval.

Any action taken or resolution passed in respect of any matter at a meeting of Trust Unitholders shall be by Special Resolution, unless the contrary is otherwise expressly provided under any specific provision of the Declaration of Trust and except for the matters set out in subsections (e) and (f) above, which matters may be dealt with by a resolution passed by a majority of the votes cast by Trust Unitholders represented at the meeting.

Indemnification of Trustee and Trust Officers

The Trustee and the officers of the Trust shall be entitled to be and shall be indemnified and reimbursed out of the Trust Property in respect of any and all taxes (other than taxes on compensation), penalties or interest in respect of unpaid taxes or other governmental charges imposed upon the Trustee, former Trustee, officer or former officer in consequence of his or her performance of his or her duties.

Conflicts of Interest

Pursuant to the Declaration of Trust, the Trust Unitholders acknowledge that the Trustee, the Partnership, the General Partner, the initial unitholder of the Trust, their respective Affiliates and subcontractors, and any directors, officers,

employees and shareholders of any of them (collectively, the “**Interested Parties**”) may be and are permitted to be engaged in and intend to continue to operate other businesses, which the Trust or the Partnership will not have an interest in, and which may be competitive with the activities of the Trust or Partnership and, without limitation, the Interested Parties, may be and are permitted to act as a partner, shareholder, director, officer, employee, consultant, joint venture, advisor or in any other capacity or role whatsoever of, with, or to, other entities, which may be engaged in all or some of the aspects of the business of the Trust or the Partnership and may be in competition with the Trust or the Partnership. Any such Interested Parties may enter into material contracts and material transactions with the Trust and the Trust’s affiliates and associates, as well as any other Interested Parties. Similarly, the Trust may enter into material contracts and material transactions with an Interested Party. Moreover the Trust management and the controlling shareholder and director of the General Partner are the same person, Robert Fraser, and although their objectives are the same differences of outcome or intent may arise. As a result of the foregoing, a possibility exists for the Interested Parties to be in a conflict of interest as it relates to the Trust and the Partnership.

Pursuant to the Declaration of Trust, the Trust Unitholders agree that the activities and facts as set forth in the previous paragraph shall not constitute a conflict of interest or a breach of fiduciary duty to the Trust or the Trust Unitholders, and, pursuant to the Declaration of Trust, the Trust Unitholders consent to such activities, and waive, relinquish and renounce any rights to participate in any claim whatsoever with respect to any such activities, and the Trust Unitholders agree that none of the Interested Parties will be required to account to the Trust or any Trust Unitholder for any benefit or profit derived from such activities or from any similar or competing activity or any transaction relating thereto by reason of any conflict of interest or any fiduciary relationship that may be created by virtue of a position of an Interested Party with respect to the Trust.

Amendments to the Declaration of Trust

The Declaration of Trust may be amended or altered from time to time by the Trustee. The Trustee may amend certain provisions of the Declaration of Trust at any time without the consent, approval or ratification of the Trust Unitholders or any other Person in certain circumstances. The amendments will only be made if it is determined by the Trustee, in its sole discretion and acting reasonably, that a particular amendment is required for the overall benefit of the Trust and not making the change would be a greater detriment to the Trust Unitholders than making the amendment. All other amendments may be made by Special Resolution. For instance, the Trustee may amend the Declaration of Trust if the amendments are necessary in order for the Trust to continue to qualify as a “mutual fund trust” under the Tax Act or to not qualify as a “SIFT trust” under the Tax Act. Reference should be made to the Declaration of Trust for specific authorizations or limitations that apply to such amendments to the Declaration of Trust.

Term of the Trust

Subject to the other provisions of the Declaration of Trust, the Trust shall continue for a term ending December 31, 2038, provided the Trustee may, in its sole discretion, extend the term of the Trust for two additional one year periods. For the purpose of terminating the Trust by such date, the Trustee shall commence winding- up the affairs of the Trust on such date as may be determined by the Trustee, being not more than two years prior to the end of the term of the Trust.

The Trustee may, at any time, terminate and dissolve the Trust by delivering to each Trust Unitholder written notice of its intention to terminate at least ninety (90) days before the date on which the Trust is to be Terminated. Additionally, the Trust Unitholders may vote by Special Resolution to terminate the Trust at any meeting of Trust Unitholders duly called by the Trustee for the purpose of considering termination of the Trust.

Financial Year End

The Trust shall use the 31st day of December in each year as its fiscal year end.

Auditors of the Trust

The Auditors of the Trust is an independent firm of chartered professional accountants which has an office in Canada (see attached audit report). The Auditors will receive such remuneration as may be approved by the Trustee. The Auditor shall audit the accounts of the Trust at least once each year and a report of the Auditor with respect to annual financial statements of the Trust shall be provided to each Unitholder. The Auditors may, at any time, be removed by the Trustee with the approval of a majority of the votes cast by Trust Unitholders as a meeting of Trust Unitholders.

Financial Disclosure

The Trust will send to Trust Unitholders within 120 days after the end of each fiscal year (or such shorter time as may be required by applicable securities law), the audited financial statements of the Trust for that fiscal year, together with the comparative audited financial statements for the preceding fiscal year, if any, and the report of the Auditor thereon, all prepared in accordance with International Financial Reporting Standards. If permitted in law the Trustee may determine not to have the statements audited in order to save costs.

2.8.2 Partnership Agreement

Summary

The following is a brief description of the Limited Partnership agreement and its impact on LP Unit holders. The Partnership consists of the General Partner and one or more Limited Partners.

Except as otherwise set out in the Partnership Act, Limited Partners are not liable for the obligations of the Partnership except in respect of the Capital Contribution a Limited Partner contributes or agrees to contribute to the capital of the Partnership. Limited Partners are also not liable to creditors as the General Partner is unless such Limited Partner takes part in the management of the business of the Partnership.

Pursuant to the Partnership Act, the General Partner has all the rights and powers and is subject to all the restrictions and liabilities of a partner in a partnership without limited partners, except that without the written consent or ratification of all the Limited Partners the General Partner is prohibited from doing the following acts:

- to do an act which makes it impossible to carry on the business of the Partnership;
- to consent to a judgment against the Partnership; and
- to possess Limited Partnership property, or to dispose of any rights in limited partnership property, for other than a Limited Partnership purpose.

The General Partner shall contribute work, effort and services to the Partnership and, in addition, has contributed \$100.00 in cash to the capital of the Partnership and the General Partner will make such further contributions to the Partnership as is required to discharge its obligations under the Partnership Agreement. The General Partner has:

- (a) unlimited liability for the debts, liabilities and obligations of the Partnership;
- (b) subject to the terms of the Partnership Agreement and to any applicable limitations set forth in the Partnership Act and applicable similar legislation, the full and exclusive right, power and authority to manage, control, administer and operate the Business and affairs and to make decisions regarding the undertaking and Business of the Partnership; and
- (c) the full and exclusive right, power and authority to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying out the Business of the Partnership.

The General Partner and its management companies (together "MC") will charge the costs of land administration, servicing and development to the Partnership on a monthly basis. Based upon projected Gross Sales Revenue of \$38,893,545, Land, Hard and Soft Costs of \$25,122,518 and Construction Loans of \$21,623,389 the MC will be paid for services rendered as follows: (a) General Partner Fee @ 3.00% of Land, Hard and Soft Costs ≈ \$753,676; (b) G&A Fee @ 1.00% of Land, Hard and Soft Costs ≈ \$251,225; (c) Office Overhead @ 1.00% of Land, Hard and Soft Costs ≈ \$251,225; (d) Marketing Fee @ 1.50% of Gross Sales Revenue ≈ \$583,403; and (e) Covenant / Loan Guarantee Fee @ 0.75% of Construction Loans ≈ \$162,175. The total General Partner fees for services rendered, as itemized herein ≈ \$2,001,704, and are pro-rated paid on a monthly basis. The MC has a right to its Guarantee Fee on loans guaranteed. The MC may assign its duties and fees to affiliate companies. MC will determine whether it is more economical to contract out a general contractor or to act as the general contractor which bears an industry standard fee of 5% of total costs. All dollar amounts stated herein are projected numbers and are subject to calculation variations.

In the event of any ambiguity or inconsistency with the limited partnership agreement or any other provision in this Offering Memorandum, the above description of the Management Fee and Guarantee Fee shall prevail.

Notwithstanding any other document or any provision of any agreement relating to the Issuers (including, but not limited to, the limited partnership agreement and the declaration of trust), the General Partner hereby waives its rights to and any payment of the Guarantee Fee or any other fee payable in connection with the General Partner guaranteeing the liabilities of the Partnership.

An action taken by a General Partner on behalf of the Partnership is deemed to be the act of the Partnership and binds the Partnership. The General Partner shall exercise the powers and discharge its duties honestly, in good faith, and in the best interests of the Partnership, and shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Furthermore, the General Partner covenants that it shall maintain the confidentiality of financial and other information and data which it may obtain through or on behalf of the Partnership, the disclosure of which may adversely affect the interests of the Partnership or a Limited Partner, except to the extent that disclosure is permitted as provided herein, is required by law or is in the best interests of the Partnership.

The General Partner shall indemnify and hold harmless the Partnership and each Limited Partner from and against all costs, expenses, damages or liabilities suffered or incurred by the Partnership or such Limited Partners by reason of an act of wilful misconduct, fraud or gross negligence by the General Partner or any act or omission not believed by the Partner to be in good faith and to be within the scope of the authority conferred on the General Partner by the Partnership Agreement.

No Limited Partner will have any right to withdraw any amount or receive any distribution from the Partnership except as expressly provided in the Partnership Agreement and as permitted by law.

The General Partner may, without prior notice to or consent from any Limited Partner, amend any other provision of the Partnership Agreement from time to time:

- (a) for the purpose of adding to the Partnership Agreement any further covenants, restrictions, deletions or provisions which, in the opinion of the General Partner, acting reasonably, are necessary for the protection of the Limited Partners;
- (b) to cure any ambiguity or to correct or supplement any provisions contained therein, which, in the opinion of the General Partner, acting reasonably, may be defective or inconsistent with any other provisions contained therein, and with respect to which, in the General Partner's reasonable opinion, the cure, correction or supplemental provision does not and will not adversely affect the interests of the Limited Partners; or
- (c) to make such other provisions in regard to matters or questions arising under the Partnership Agreement, which, in the opinion of the General Partner, acting reasonably, do not and will not substantially adversely affect the interests of the Limited Partners.

The General Partner is not personally liable for the return of any Capital Contribution made by a Limited Partner to the Partnership.

To the fullest extent permitted by law but subject to the limitations expressly provided in the Partnership Agreement, the Partnership will indemnify and hold harmless the General Partner, its directors, officers, employees and agents from and against any and all losses, costs, expenses, liabilities and damages (including reasonable legal fees) incurred by the General Partner, its directors, officers, employees or agents by reason of acts, omissions or alleged acts or omissions arising out of the activities of the General Partner on behalf of the Partnership or in furtherance of the interests of the Partnership, but only if the acts, omissions or the alleged acts or omissions in respect of which any actual or threatened action, proceeding or claim are based, were performed in good faith and were not performed or omitted to be performed fraudulently or in bad faith or as a result of the negligence of the General Partner, its directors, officers, employees or agents. In no event, however, shall the foregoing expand upon a Limited Partner's liability beyond the amount of capital contributed or agreed to be contributed to the Partnership by a Limited Partner, as stated in the declaration or certificate filed pursuant to the Partnership Act relating to the Partnership, and such Limited Partner's share of the undistributed income of the Partnership. In the event limited partners intend to issue action against the General Partner or any of its persons they shall give 30 days prior notice and shall place into trust with counsel for the General Partner security for costs of the amount of 50% of the claim or, if the claim does not sound in damages, then \$25,000.

The General Partner may employ or retain affiliates or associates of either the General Partner or the Limited Partners on behalf of the Partnership to provide goods or services to the Partnership provided that, if the Partnership is to reimburse the General Partner for the costs and expenses of such goods or services, the costs of such goods or services shall be reasonable and competitive with the costs of similar goods and services provided by independent third parties.

If the General Partner wishes to sell all or a portion of the Property to a Related Party (as defined in the Partnership Agreement), the General Partner must sell at fair market value as determined by a process set forth in the Partnership Agreement.

The General Partner may not be removed as the General Partner of the Partnership except by Special Resolution by the Limited Partners in circumstances where the General Partner has committed an act of gross negligence, wilful misconduct, bad faith or dishonesty or is in material default of its obligations under the Partnership Agreement and such default has not been remedied after reasonable notice from the Limited Partners.

The General Partner may not retire, resign or otherwise withdraw from the Partnership prior to the appointment of a successor General Partner who agrees to be bound by the provisions of the Partnership Agreement. The resignation or withdrawal of the General Partner is not effective until such time as a successor is appointed in accordance with the Partnership Agreement.

Unless otherwise waived by the General Partner, as a condition precedent to the resignation or removal of the General Partner, the Partnership shall pay all amounts payable by the Partnership to the General Partner pursuant to the Partnership Agreement accrued to the date of resignation or removal subject to any claims or liabilities of the General Partner to the Partnership.

On the resignation, removal or withdrawal of the General Partner, the Partnership shall release and hold harmless the General Partner resigning, being removed or withdrawing from any costs, expenses, damages or liabilities suffered or incurred by the General Partner as a result of or arising out of events which occur in relation to the Partnership after such resignation, removal or withdrawal.

Pursuant to the Partnership Agreement no Limited Partner shall, in its capacity as a Limited Partner:

- (a) take part in the administration, control, management or operation of the Business of the Partnership or exercise any power in connection therewith or transact business on behalf of the Partnership;
- (b) execute any document which binds or purports to bind any Partner or the Partnership;
- (c) hold himself, herself or itself out as having the power or authority to bind any other Partner or the Partnership;
- (d) have any authority or power to act for or undertake any obligation or responsibility on behalf of any other Partner or the Partnership;
- (e) bring any action for partition or sale or otherwise in connection with the Partnership or any interest in any property of the Partnership, whether real or personal, tangible or intangible, or file or register or permit to be filed, registered or remain undischarged any lien or charge in respect of any property of the Partnership; or
- (f) compel or seek a partition, judicial or otherwise, of any of the assets of the Partnership distributed or to be distributed to the Partners in kind in accordance with the Partnership Agreement;

provided that nothing herein shall restrict any Limited Partner from borrowing or entering into any credit facility arrangements for the benefit of the Partnership, and, in connection therewith, any Limited Partner may pledge and assign its interest, in whole or in part, in the Partnership.

Each Limited Partner shall, on the request of the General Partner from time to time, immediately execute any documents considered by the General Partner to be necessary to comply with any applicable law or regulation of any jurisdiction or for the continuation, operation or good standing of the Partnership.

Power of Attorney

Under the Partnership Agreement, each Limited Partner irrevocably nominates, constitutes and appoints the General Partner, with full power of substitution as his, her or its true and lawful attorney and agent, with full power and authority in his, her or its name, place and stead and for his, her or its use and benefit to do the following, namely:

- (a) execute, swear to, acknowledge, deliver and file as and where required any and all of the following:

- i. the Partnership Agreement and all declarations and certificates of change required under the Partnership Act or any other applicable legislation and other instruments necessary to form, qualify or continue and keep in good standing the Partnership as a limited partnership under the Partnership Act;
 - ii. all instruments, declarations and certificates necessary to reflect any amendment to the Partnership Agreement;
 - iii. any filing or election made pursuant to any applicable tax legislation;
 - iv. any certificates of fictitious or trade names; and
 - v. all transfers, agreements and other instruments or documents deemed necessary or desirable by the General Partner to reflect the dissolution and termination of the Partnership including cancellation of any certificates or declarations and the execution of any elections or making of any filings under the Tax Act and any analogous legislation, as any of the same may be amended or re-enacted from time to time;
- (b) execute and file with any governmental body or instrumentality thereof of the Government of Canada or a province thereof any documents necessary to be filed in connection with the business, property, assets and undertaking of the Partnership;
 - (c) execute and deliver any documents to the Partnership; or instruments on behalf of and in the name of the Partnership and for or on behalf of the Limited Partners as may be deemed necessary or desirable by the General Partner to carry out fully the provisions of the Partnership Agreement, in accordance with its respective terms; and
 - (d) complete, amend or modify any of the foregoing to complete any missing information or correct any clerical or other errors in the completion of any of the foregoing.

Each Limited Partner agrees to be bound by any representation and actions made or taken in good faith by the General Partner pursuant to such power of attorney in accordance with the terms of the Partnership Agreement and thereunder waives any and all defenses which may be available to contest, negate or disaffirm action of the General Partner were the original attorney taken in good faith under such power of attorney.

Voting and Meetings of the Partners

The General Partner may call a meeting of Partners at such time and place as it deems appropriate within the terms of the Partnership Agreement in its absolute discretion for the purpose of considering any matter set forth in the notice of meeting. Every meeting of Partners may be held at such place and at such time and with such notice as the General Partner may determine within the terms of the Partnership Agreement. Any Partner entitled to vote at a meeting may vote by proxy if a proxy has been received by the General Partner or the chairman of the meeting for verification prior to the meeting.

A Partner, which is a corporation, may appoint under seal or otherwise an officer, director or other authorized person as its representative to attend, vote and act on its behalf at a meeting of Partners. Partners or an authorized officer or director of a Partner, any officer or director of a General Partner, counsel to the General Partner or the Partnership and representatives of the accountants of the Partnership shall be entitled to attend and receive notice of any meeting of Partners.

The General Partner may nominate a person, including, without limitation, an officer or director of the General Partner, to be chairman of a meeting of Partners and the person nominated by the General Partner shall be chairman of such meeting unless the Limited Partners elect another person as chairman by Ordinary Resolution (as defined in the Partnership Agreement). A quorum at any meeting of Partners shall consist of two or more persons present in person who collectively hold or represent by proxy not less than 20% of the outstanding LP Units in the Partnership.

Every question submitted to a meeting of Partners which requires a Special Resolution under the Partnership Agreement shall be decided by a poll and every question submitted to a meeting of Partners which does not require a Special Resolution will, except as otherwise provided in the Partnership Agreement, be decided by an Ordinary Resolution on a show of hands unless a poll is demanded by a Partner, in which case a poll will be taken and, in the case of an equality of votes, the chairman will not have a casting vote and the resolution will be deemed to be defeated. The chairman will be entitled to vote in respect of any LP Units held by the chairman or for which the chairman may be proxyholder.

On any vote at a meeting of Partners, a declaration of the chairman concerning the result of the vote shall be conclusive. Each LP Unit holder present at the meeting will have one vote for each LP Unit of which such person is registered as the Partnership Unit holder and one vote for each LP Unit in respect of which such person is the proxyholder. The General Partner will be entitled to 50% of the votes of each class of Limited Partner LP Units as if it were the owner of 50% of the Partnership Units. That is to say that if 100 units are issued then the General Partner shall have 100 votes and the total votes in the Partnership shall be 200 votes.

Any Limited Partner who is a party to a contract or proposed contract or who has a material interest in a contract, proposed contract or transaction (either directly or indirectly, including through an Affiliate or associate), which is the subject matter of a resolution, shall not be entitled to any vote on such resolution; provided however, that a Limited Partner shall be deemed not to have a material interest in a contract, proposed contract or transaction if the interest arises merely from the ownership of LP Units where the Limited Partner will have or receive no extra or special benefit or advantage not shared on an equal basis by all other Limited Partners.

Unless otherwise provided in the Partnership Agreement, the following powers shall only be exercisable by Special Resolution passed by the Limited Partners:

- (a) consenting to the amendment of this Partnership Agreement (subject to the approval of the General Partner) except as provided herein;
- (b) waiving any default by the General Partner on such terms as the Limited Partners may determine;
- (c) agreeing to any compromise or arrangement by the Partnership with any creditor, or class or classes of creditors;
- (d) changing the Fiscal Year (as defined in the Partnership Agreement);
- (e) amending, modifying, altering or repealing any Special Resolution previously passed by the Limited Partners;
- (f) dissolving or terminating the Partnership;
- (g) approving a settlement of an action against the General Partner as a result of a breach of its duties;
- (h) election of a new General Partner following or as of a General Partner's resignation or removal for cause pursuant to the provisions of this Partnership Agreement; and
- (i) creating or issuing additional interests in the Partnership of a different class than the Partnership Units where such additional interests would have a preference or priority over the existing LP Units in respect of distributions of Distributable Cash, income or loss or return of contributed capital.

Where the General Partner, the Initial Limited Partner, or any director or officer thereof is the owner of a LP Unit, they shall be required to abstain from voting in respect of the above and in addition, shall be required to abstain in any other circumstance in which there is a conflict of interest.

Distribution of Profits and Losses

Any amount that is, pursuant to any provision of the Partnership Agreement, to be allocated to or distributed among Limited Partners will be apportioned among them as follows:

- 1) Tax Income in respect of interim Fiscal Years will be allocated as at the end of the period among those Partners who were members of the Partnership at the end of the period as follows:
 - (a) Tax Income or Tax Loss will, to the extent permitted under the Tax Act having regard to allocations made in respect of previous Fiscal Years, be allocated among the Partners in the proportions that like amounts of Net Income or Net Loss would have been allocated; and
 - (b) Tax Income or Tax Loss not allocable pursuant to the Partnership Agreement will be allocated in such manner as the General Partner determines to be fair and equitable and consistent with the intent reflected in the Partnership Agreement.
- 2) Tax Loss in respect of interim Fiscal Years will be allocated as at the end of the period to the limited partners to the extent of their capital balance.

- 3) Tax Income or Tax Loss in respect of the final Fiscal Year will be allocated as at the end of the period among those Partners who were members of the Partnership at the end of the period as follows:
 - (a) Tax Income or Tax Loss will, to the extent permitted under the Tax Act having regard to allocations made in respect of previous Fiscal Years, be allocated among the Partners in the proportions that like amounts of Net Income or Net Loss would have been allocated; and
 - (b) Tax Income or Tax Loss not allocable pursuant to the Partnership Agreement will be allocated in such manner as the General Partner determines to be fair and equitable and consistent with the intent reflected in Partnership Agreement.

The Net Income or Net Loss of the Partnership for any fiscal year shall be allocated between the General Partner and the Limited Partners, by the General Partner in a manner consistent with the distribution provisions set out for the allocation of Distributable Cash set out herein and the Partnership Agreement. In so allocating the Net Income and Net Loss, the General Partner shall act reasonably and fairly, taking into account the amount and timing of actual and anticipated distributions to each of the Partners (including the General Partner), with a view to ensuring that, over the term of the Partnership, each Partner is allocated a portion of the Partnership's net income that substantially corresponds to the income that is distributed to that Partner.

The General Partner shall, in its discretion, be entitled to retain such reserves as it considers prudent for the Partnership's business from any Distributable Cash. Thereafter, after the payment of all current obligations of the Partnership, including without limiting the generality of the foregoing, all Management Fees owing to the General Partner, any and all Operating Expenses and Project Costs (each as defined in the Partnership Agreement), and monies owing to third party lenders of the Partnership, Distributable Cash will be distributed at such time as the General Partner shall determine.

Tax Income or Tax Loss in respect of a Fiscal Year will be allocated as at the end of the period among those Partners who were members of the Partnership at the end of the period as follows:

- (a) Tax Income or Tax Loss will, to the extent permitted under the Tax Act having regard to allocations made in respect of previous Fiscal Years, be allocated among the Partners in the proportions that like amounts of Net Income or Net Loss would have been allocated; and
- (b) Tax Income or Tax Loss not allocable pursuant to the Partnership Agreement will be allocated in such manner as the General Partner determines to be fair and equitable and consistent with the intent reflected in Partnership Agreement.

If applicable, investment tax credits and other allocations that may be made for tax purposes other than by way of a distribution or appropriation of assets of the Partnership will be allocated as at the end of the relevant Fiscal Year in the same manner as Tax Income and Tax Loss.

Transfer of LP Units

Subject to the provisions of the Partnership Agreement and compliance with applicable securities and other laws, LP Units may be transferred subject to right of first refusal in favour of the General Partner.

The General Partner has the right to deny the transfer of LP Units in respect of which there has been default in payment of the subscription price until all amounts required to be paid on account of the subscription price, including any interest thereon, have been paid in full. The General Partner shall deny the transfer of the Partnership Units to a person who does not satisfy the requirements of the Partnership Agreement. No transferee shall become a Limited Partner until all filings and recordings required by the Partnership Act and the Partnership Agreement have been duly made. Where the transferee complies with the provisions aforesaid and is entitled to become a Limited Partner pursuant to the provisions hereof the General Partner shall be authorized to admit the transferee to the Partnership as a Limited Partner and the Limited Partners hereby consent to the admission of, and shall admit, the transferee to the Partnership as a Limited Partner, without further act of the Limited Partners (other than as may be required by law).

Right of First Refusal

There is a right of first refusal arrangement on the following terms and conditions:

- a) Each Limited Partner as grantor ("Grantor"), grants to the General Partner as grantee ("Grantee"), a right of first refusal to acquire the Grantor's Partnership interest, or any portion thereof on the terms set out in this

paragraph. The Grantor shall specifically include himself or herself and his or her heirs, assigns, executors, creditors or any other parties that may be entitled at any time to dispose of the Grantor's Partnership interest.

- b) **"First Refusal Offer"** means any offer or agreement to sell, transfer, assign, or in any other way to convey or dispose (such action being a "Disposition") either directly or indirectly, all or any portion of his or her Partnership interest (the "LP Interest"). For the purposes of this paragraph a Disposition shall include the sale of the shares of a corporate Limited Partner such that Control of a corporate Limited Partnership changes.
- c) The Grantor shall not permit a Disposition of his or her LP Interest until he or she has first offered to the Grantee the right to acquire all or part of the Grantor's LP Interest contained in the First Refusal Offer. Upon receipt of any First Refusal Offer, the Grantor shall immediately deliver to the Grantee a complete and true originally executed copy thereof.
- d) Upon delivery by the Grantor to the Grantee of the First Refusal Offer, the Grantee shall have fifteen (30) days to advise the Grantor whether it elects to acquire the LP Interest contained in the First Refusal Offer on the same terms and conditions set out therein. If the Grantee does not advise the Grantor in writing, within the required time, the Grantee shall be deemed to have rejected such First Refusal Offer.
- e) If the Grantee does not elect to acquire the LP Interest offered, the Grantor may then proceed with the Disposition of his or her LP Interest, but only on the terms and conditions as contained in the First Refusal Offer. If the terms and conditions of the First Refusal Offer are at any time changed in any way following the Grantee's rejection or deemed rejection of the First Refusal Offer, the Grantor shall not complete such Disposition unless and until he or she has again first complied with all such requirements of this paragraph.
- f) If the Grantee does not elect to acquire the LP Interest, and the transaction contemplated by the First Refusal Offer does not close, the Grantee's right of first refusal as set forth herein shall survive. If the First Refusal Offer is only with respect to a portion of the LP Interest, the right of first refusal shall continue to apply to the remained of the LP Interest.
- g) The Grantor agrees to require as a condition of any First Refusal Offer that the purchaser of any LP Interest shall agree in writing directly with the Grantee to be bound by this Agreement. All Parties hereby agree that the said purchaser shall not receive good title until he or she has first executed this Agreement and any other documents as may be reasonably required by the General Partner.
- h) If the Grantee advises the Grantor that it elects to acquire the LP Interest offered, then the transaction shall close in accordance with the terms of the First Refusal Offer.
- i) If the First Refusal Offer contains any conditions which are required to be waived or met by the intended purchaser, the Grantor shall also provide to the Grantee, promptly upon the waiving or meeting of such conditions, evidence ("Evidence") that the purchaser's conditions have been waived or met. The fifteen day period (as set forth in paragraph 5.15 (d) of this Paragraph) commences when the First Refusal Offer and the Evidence have both been delivered to the Grantee.

Entitlement on Liquidation, Dissolution or Winding Up

The Partnership shall follow the procedure for dissolution otherwise set out under the Partnership Agreement and the Partnership Act upon the occurrence of any of the following events or dates:

- (a) the expiration of the Partnership's term being December 31, 2050;
- (b) the election of the General Partner to dissolve the Partnership, if approved by Special Resolution;
- (c) upon the sale or distribution of all of the Interests held by the Partnership, unless the business of the Partnership is continued by the specific consent of the General Partner and an Ordinary Resolution of the remaining Limited Partners given within 90 days after such event;
- (d) 90 days following the effective date of the resignation or dissolution of the General Partner; provided, that the Partnership shall not be dissolved if the Limited Partners shall elect a new General Partner by Special Resolution prior to expiration of such 90- day period; or,
- (e) at any time after a date which is ninety (90) days after the Limited Partners have passed a Special Resolution approving the dissolution of the Partnership,

and, in any case, after the completion of the liquidation of the Partnership and distribution to the Limited Partners of all funds remaining after payment of all debts, liabilities and obligations of the Partnership to its creditors.

Notwithstanding any rule of law or equity to the contrary, the Partnership shall not be terminated except in the manner provided for in the Partnership Agreement.

The General Partner shall, in its discretion, be entitled to retain such reserves as it considers prudent for the Partnership's business from any Distributable Cash. Thereafter, after the payment of all current obligations of the Partnership, including without limiting the generality of the foregoing, all Management Fees owing to the General Partner, any and all Operating Expenses and Project Costs, and monies owing to third party lenders of the Partnership, Distributable Cash will be distributed at such time as the General Partner shall determine, as follows:

- (a) first, to Limited Partners until they have received distributions equal to 100% of their capital contributions;
- (b) second, to the Limited Partners Preferred Return paid from the date of receipt of funds;
- (c) the remainder to the General Partner.

Alternatively, the General Partner may approve distributions of all assets of the Partnership in kind or in specie in which event each Limited Partner shall, subject to the provisions contained herein, be entitled to receive an undivided interest in each and every asset of the Partnership in accordance with such Limited Partner's Proportionate Interest as of the date of dissolution or sale.

Subject to the Partnership Act, and except as otherwise provided in the Partnership Agreement, no Limited Partner shall have the right to ask for the dissolution of the Partnership, the winding-up of its affairs or the distribution of its assets. A full copy of the Partnership Agreement is available on request.

2.8.3 Funding Agreement

Effective December 1, 2021 the Trust and the Partnership entered into the Funding Agreement, which provides the Partnership will pay all costs, fees, commissions and expenses incurred by the Trust in connection with the Trust Offering in consideration for the Trust using all of its Gross Proceeds from the Trust Offering to acquire LP Units under the Partnership Offering.

2.8.4 Mortgages

- (a) The Property has received third reading for a rezoning to allow a six-storey development for 76 units. Based on that circumstance Bancorp Financial Services has approved a 15 month (from August 2, 2022 first mortgage of \$3,065,000 to assist in re-financing for 76 units at FSR 2.96. Interest is the greater of 8.75% or CIBC prime plus 5.05%.

ITEM 3 – MANAGEMENT

INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table sets out information about each director and officer of the Trustee, the General Partner, each promoter of the Trust and the Partnership and each person who directly or indirectly beneficially owns or controls 10% or more of the Units of the Trust and the Partnership. Robert Fraser is a director and control person of the General Partner and the Trustee, Cynterra Real Estate Asset Management Corp. Hirings and firings are at his sole discretion subject to any employment agreement or law.

Name and municipality of principal residence	Positions held and the date of obtaining that position	Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number and percentage of Units held after completion of min. Offerings	Number and percentage of Units held after completion of max. Offerings
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FOR THE PARTNERSHIP:

Robert Fraser, Kelowna, British Columbia (2), (4)	CEO, President & Director of the General Partner since inception	\$10,000 per month as of the date of this Offering Memorandum. Nil to date	100 LP Units	100 LP Units
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FOR THE Trust:

Cynterra Real Estate Trust Management Inc. (1), (3) Vancouver, BC	Trustee of the Trust	Nil	Nil	Nil
Robert Fraser, Kelowna, BC	President, Secretary and Director of the Trustee	Nil	Nil	Nil

Notes:

- (1) Cynterra Real Estate Trust Management Inc. is the trustee of the Trust.
- (2) Robert Fraser is the sole director, officer and shareholder of the Trustee, Cynterra Real Estate Trust Management Inc.
- (3) Robert Fraser is President and Director of the General Partner, is the Partnership's Initial Limited Partner and owns 7,500,000 (100%) shares of the General Partner.
- (4) The General Partner and its management companies (together "MC") will charge the costs of land administration, servicing and development to the Partnership on a monthly basis. Based upon projected Gross Sales Revenue of \$38,893,545, Land, Hard and Soft Costs of \$25,122,518 and Construction Loans of \$21,623,389 the MC will be paid for services rendered as follows: (a) General Partner Fee @ 3.00% of Land, Hard and Soft Costs ≈ \$753,676; (b) G&A Fee @ 1.00% of Land, Hard and Soft Costs ≈ \$251,225; (c) Office Overhead @ 1.00% of Land, Hard and Soft Costs ≈ \$251,225; (d) Marketing Fee @ 1.50% of Gross Sales Revenue ≈ \$583,403; and (e) Covenant / Loan Guarantee Fee @ 0.75% of Construction Loans ≈ \$162,175. The total General Partner fees for services rendered, as itemized herein ≈ \$2,001,704, and are pro-rated paid on a monthly basis. The MC has a right to its Guarantee Fee on loans guaranteed. The MC may assign its duties and fees to affiliate companies. MC will determine whether it is more economical to contract out a general contractor or to act as the general contractor which bears an industry standard fee of 5% of total costs. All dollar amounts stated herein are projected numbers and are subject to calculation variations.

3.2 Management Experience

The management of the Trustee and the General Partner (and seconded or hired management brought on as needed) have a broad background of real estate investment, finance and development experience which will be brought to bear on the activities undertaken by the Trustee on behalf of the Trust (which is inactive business of the Funding Agreement whereby all Trust funds are invested in Partnership units) and the General Partner on behalf of the Partnership and the Project. The following table discloses the principal occupations of the present directors and senior officers of the Trustee and the General Partner over the past five years. The only director of the General Partner is Robert Fraser and the Trustee of the Trust is Robert Fraser. The other named persons below are expected to be named, as needed, to management positions, as the funding and Project develops, from affiliate positions in active development with, to date, Affiliates such as Promintory Developments Limited Partnership (Kelowna), Langford Gateway Developments Limited Partnership (Langford), Upper Mission Developments Limited Partnership (Kelowna) and Evest Sun Yield Management PV LLC (Mexico) all controlled by Robert Fraser.

Name	Principal occupations and related experience
Robert Fraser Chief Executive Officer, President & Director of the General Partner and of the Trustee	Robert Fraser has financed and built thousands of various types of real estate units in Canada, the USA and Mexico over the last 30 years. Mr. Fraser has over 30 years experience in condominium conversions, house building, lot development and acquisition and finance. During the course of his career development he has built and syndicated more than 1,000 condominium and townhouse units. Robert identified the Langford region as an up-and-coming region early in the real estate cycle. He acquired Langford Gateway land for approximately \$7,000,000 two years ago, added \$6,000,000 development cost and is now negotiating its sale at an appraised value of \$26,000,000.

Thomas Christoff Senior Vice President Construction	Thomas Christoff has held senior executive, director and ownership positions in various construction, development and real estate marketing companies throughout Canada and the USA. Thomas has held senior positions in senior's home developments and operations. Thomas has also held senior positions in high and low rise buildings and large infrastructure projects including a 200 megawatt wind and solar project.
David Owen Chief Information Officer	David Owen combines over 30 years of engineering and business analysis with an academic background in Engineering Physics, Mechanical Engineering and Computer Science. His experience includes leading edge private networks, and federal and provincial levels of telecommunications and systems development.

3.3 Penalties, Sanctions and Bankruptcy

There are no penalties, sanctions, declarations of bankruptcy, voluntary assignments in bankruptcy, proposals under any bankruptcy or insolvency legislation or proceedings, arrangements or compromises with creditors, appointments of a receiver, receiver manager or trustee to hold assets, that have been in effect during the last ten years against or in connection with any of the directors, senior officers or control persons of the Trust, the Trustee, the Partnership or the General Partner.

3.4 Loans

- (a) The Partnership has debt from Bancorp Financial only, in the amount of \$3,065,000. The Property has received third reading for a rezoning to allow a six-storey development for 76 units. Based on that circumstance Bancorp Financial Services has approved a 15 month (from August 2, 2022) first mortgage of \$3,065,000 to assist in re-financing for 76 units at FSR 2.96. Interest is 8.75% or CIBC prime plus 5.05%. **See Item 2.8 and Item 4.2 Long Term Debt Securities.**

ITEM 4 – CAPITAL STRUCTURE

4.1 Capital of the Issuers

As of the date of this Offering, the issued and outstanding capital of the Limited Partners and the Trusts is 4,594,872 Units, further defined as follows:

The LP Unit capital of the Partnership at the noted date is:

Description of security	Number authorized to be issued	Price per security	Number outstanding as at a date not more than 30 days prior to the date of this Offering Memorandum date	Number outstanding after min. offering	Number outstanding after max. offering assuming only LP Units sold*
Partnership - LP Units	Unlimited	\$0.95	1,414,220	1,414,220	1,414,220
Initial Partner and General Partner -LP Units	Unlimited	\$1.00	200	200	200
Partnership – LP Units	Unlimited	\$1.00	1,167,505	1,167,505	5,945,502

*Includes over-allotment of \$2,000,000

The Evest Trust Unit capital at the date of this Offering (Evest Trust was a short term predecessor to the Trust) is as follows:

Description of security	Number authorized to be issued	Price per security	Number outstanding as at a date not more than 30 days prior to the date of this Offering Memorandum date	Number outstanding after min. offering	Number outstanding after max. offering
Class A Series 5 Sub 1	Unlimited	\$0.95	190,948	190,948	190,948

The Cynterra Trust Unit capital at the date of this Offering is as follows:

Description of security	Number authorized to be issued	Price per security	Number outstanding as at a date not more than 30 days prior to the date of this Offering Memorandum date	Number outstanding after min. offering	Number outstanding after max. offering assuming only Trust Units sold
Class A Series 1 Sub 1	Unlimited	\$0.95	202,106	202,106	202,106
Class A Series 1 Sub 2	Unlimited	\$1.00	1,619,893	1,619,893	5,945,502

The issued share capital of the General Partner at the date of this Offering is as follows:

Description of security	Number authorized	Price per security	Number outstanding as at a date not more than 30 days prior to the date of this offering memorandum date	Number outstanding after min. offering	Number outstanding after max. offering
Class “A” voting common shares	Unlimited	\$0.00001	7,500,000 (at the date of this offering memorandum)	7,500,000	7,500,000

4.2 Long Term Debt Securities

Description of long-term debt (including whether secured)	Interest rate	Repayment terms	Amount outstanding at the Date of this Offering Memorandum
Unsecured General Partner recovery of expenses and Property advances.	No interest	When the Limited Partnership has sufficient funds for operations and debt payment	\$800,000 approximately
Bancorp Financial	8.75% or CIBC prime plus 5.05%	Due 15 months from August 2, 2022	\$3,065,000

4.3 Prior Sales

Prior Sales of Partnership LP Units

Date of Issuance	Type of Security	Number of LP Units	Price Per Unit (\$)	Price Purchase (\$)
2021-11-05	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2021-11-05	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2021-11-05	Class A Series 1 LP	26,316	\$0.95	\$ 25,000

2021-11-05	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2021-11-05	Class A Series 1 LP	63,158	\$0.95	\$ 60,000
2021-11-05	Class A Series 1 LP	52,632	\$0.95	\$ 50,000
2021-11-05	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2021-11-09	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2021-11-09	Class A Series 1 LP	105,263	\$0.95	\$ 100,000
2021-11-15	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2021-11-15	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2021-11-23	Class A Series 1 LP	105,264	\$0.95	\$ 100,000
2021-11-29	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2021-11-29	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2021-12-14	Class A Series 1 LP	52,632	\$0.95	\$ 50,000
2021-12-21	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2021-12-21	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2022-01-04	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2022-01-04	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2022-01-04	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2022-01-04	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2022-01-04	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2022-01-31	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2022-01-31	Class A Series 1 LP	31,579	\$0.95	\$ 30,000
2022-02-15	Class A Series 1 LP	42,106	\$0.95	\$ 40,000
2022-02-22	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2022-03-10	Class A Series 1 LP	30,000	\$0.95	\$ 28,500
2022-03-10	Class A Series 1 LP	84,211	\$0.95	\$ 80,000
2022-03-10	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2022-03-10	Class A Series 1 LP	31,579	\$0.95	\$ 30,000
2022-03-10	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2022-04-07	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2022-04-21	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2022-04-21	Class A Series 1 LP	52,632	\$0.95	\$ 50,000
2022-06-07	Class A Series 1 LP	105,264	\$0.95	\$ 100,000
2022-06-16	Class A Series 1 LP	26,316	\$0.95	\$ 25,000
2023-01-09	Class A Series 1 LP	26,316	\$0.95	\$ 25,000

Date of Issuance	Type of Security	Number of LP Units	Price Per Unit (\$)	Price Purchase (\$)
2021-09-28	Class A Series 2 LP	100	\$1.00	\$ 100
2021-09-28	Class A Series 2 LP	100	\$1.00	\$ 100
2022-03-10	Class A Series 2 LP	30,000	\$1.00	\$ 30,000
2022-04-11	Class A Series 2 LP	25,000	\$1.00	\$ 25,000
2022-05-07	Class A Series 2 LP	25,000	\$1.00	\$ 25,000
2022-06-06	Class A Series 2 LP	50,000	\$1.00	\$ 50,000
2022-06-06	Class A Series 2 LP	100,000	\$1.00	\$ 100,000

2022-06-08	Class A Series 2 LP	50,000	\$1.00	\$ 50,000
2022-06-13	Class A Series 2 LP	25,000	\$1.00	\$ 25,000
2022-06-23	Class A Series 2 LP	23,805	\$1.00	\$ 23,805
2022-06-27	Class A Series 2 LP	100,000	\$1.00	\$ 100,000
2022-06-29	Class A Series 2 LP	50,000	\$1.00	\$ 50,000
2022-06-29	Class A Series 2 LP	50,000	\$1.00	\$ 50,000
2022-07-07	Class A Series 2 LP	25,000	\$1.00	\$ 25,000
2022-07-11	Class A Series 2 LP	50,000	\$1.00	\$ 50,000
2022-07-11	Class A Series 2 LP	25,000	\$1.00	\$ 25,000
2022-09-12	Class A Series 2 LP	30,000	\$1.00	\$ 30,000
2022-09-30	Class A Series 2 LP	30,000	\$1.00	\$ 30,000
2022-10-27	Class A Series 2 LP	50,000	\$1.00	\$ 50,000
2022-11-15	Class A Series 2 LP	50,000	\$1.00	\$ 50,000
2022-11-30	Class A Series 2 LP	25,000	\$1.00	\$ 25,000
2022-12-19	Class A Series 2 LP	25,000	\$1.00	\$ 25,000
2023-01-30	Class A Series 2 LP	25,000	\$1.00	\$ 25,000
2022-11-04	Class A Series 2 LP	102,750	\$1.00	\$ 102,750
2023-03-03	Class A Series 2 LP	50,000	\$1.00	\$ 50,000
2023-03-10	Class A Series 2 LP	75,000	\$1.00	\$ 75,000
2023-03-30	Class A Series 2 LP	250	\$1.00	\$ 250
2023-04-06	Class A Series 2 LP	450	\$1.00	\$ 450
2023-04-24	Class A Series 2 LP	25,000	\$1.00	\$ 25,000
2023-04-24	Class A Series 2 LP	50,000	\$1.00	\$ 50,000
2023-04-28	Class A Series 2 LP	250	\$1.00	\$ 250

Prior Sales of Evest Trust Units

Date of Issuance	Type of Security	Number of Trust Units	Price Per Unit (\$)	Price Purchase (\$)
2022-01-05	Class A Series 5 Sub 1	52,632	\$0.95	\$ 50,000
2022-01-31	Class A Series 5 Sub 1	26,316	\$0.95	\$ 25,000
2022-02-28	Class A Series 5 Sub 1	26,315	\$0.95	\$ 25,000
2022-03-02	Class A Series 5 Sub 1	26,316	\$0.95	\$ 25,000
2022-03-08	Class A Series 5 Sub 1	59,369	\$0.95	\$ 56,400

Prior Sales of Cynterra Trust Units

Date of Issuance	Type of Security	Number of Trust Units	Price Per Unit (\$)	Price Purchase (\$)
2022-02-28	Class A Series 1 Sub 1	52,631	\$0.95	\$ 50,000
2022-03-04	Class A Series 1 Sub 1	26,316	\$0.95	\$ 25,000
2022-03-17	Class A Series 1 Sub 1	34,211	\$0.95	\$ 32,500
2022-03-17	Class A Series 1 Sub 1	44,737	\$0.95	\$ 42,500
2022-05-10	Class A Series 1 Sub 1	17,895	\$0.95	\$ 17,000
2022-06-27	Class A Series 1 Sub 1	26,316	\$0.95	\$ 25,000

Date of Issuance	Type of Security	Number of Trust Units	Price Per Unit (\$)	Price Purchase (\$)
2022-03-08	Class A Series 1 Sub 2	30,000	\$1.00	\$ 30,000
2022-03-09	Class A Series 1 Sub 2	40,000	\$1.00	\$ 40,000
2022-06-13	Class A Series 1 Sub 2	12,500	\$1.00	\$ 12,500
2022-06-27	Class A Series 1 Sub 2	55,000	\$1.00	\$ 55,000
2022-06-28	Class A Series 1 Sub 2	16,195	\$1.00	\$ 16,195
2022-06-28	Class A Series 1 Sub 2	25,000	\$1.00	\$ 25,000
2022-08-10	Class A Series 1 Sub 2	12,500	\$1.00	\$ 12,500
2022-08-31	Class A Series 1 Sub 2	25,000	\$1.00	\$ 25,000
2022-10-07	Class A Series 1 Sub 2	193,559	\$1.00	\$ 193,559
2022-10-07	Class A Series 1 Sub 2	119,037	\$1.00	\$ 119,037
2022-10-07	Class A Series 1 Sub 2	104,661	\$1.00	\$ 104,661
2022-10-26	Class A Series 1 Sub 2	24,000	\$1.00	\$ 24,000
2022-11-17	Class A Series 1 Sub 2	33,760	\$1.00	\$ 33,760
2022-11-18	Class A Series 1 Sub 2	22,000	\$1.00	\$ 22,000
2022-11-25	Class A Series 1 Sub 2	25,000	\$1.00	\$ 25,000
2023-01-04	Class A Series 1 Sub 2	30,000	\$1.00	\$ 30,000
2023-01-13	Class A Series 1 Sub 2	28,623	\$1.00	\$ 28,623
2023-01-16	Class A Series 1 Sub 2	56,591	\$1.00	\$ 56,591
2023-02-22	Class A Series 1 Sub 2	25,000	\$1.00	\$ 25,000
2023-02-27	Class A Series 1 Sub 2	25,000	\$1.00	\$ 25,000
2023-03-03	Class A Series 1 Sub 2	24,010	\$1.00	\$ 24,010
2023-03-08	Class A Series 1 Sub 2	13,749	\$1.00	\$ 13,749
2023-03-10	Class A Series 1 Sub 2	60,000	\$1.00	\$ 60,000
2023-03-11	Class A Series 1 Sub 2	75,486	\$1.00	\$ 75,486
2023-03-11	Class A Series 1 Sub 2	25,480	\$1.00	\$ 25,480
2023-03-17	Class A Series 1 Sub 2	41,113	\$1.00	\$ 41,113
2023-03-27	Class A Series 1 Sub 2	10,158	\$1.00	\$ 10,158
2023-03-29	Class A Series 1 Sub 2	50,303	\$1.00	\$ 50,303
2023-03-28	Class A Series 1 Sub 2	12,211	\$1.00	\$ 12,211
2023-03-28	Class A Series 1 Sub 2	13,659	\$1.00	\$ 13,659
2023-03-28	Class A Series 1 Sub 2	155,747	\$1.00	\$ 155,747
2023-03-29	Class A Series 1 Sub 2	25,000	\$1.00	\$ 25,000
2023-03-29	Class A Series 1 Sub 2	25,000	\$1.00	\$ 25,000
2023-04-12	Class A Series 1 Sub 2	40,583	\$1.00	\$ 40,583
2023-04-18	Class A Series 1 Sub 2	25,000	\$1.00	\$ 25,000
2023-04-18	Class A Series 1 Sub 2	29,000	\$1.00	\$ 29,000
2023-04-20	Class A Series 1 Sub 2	9,968	\$1.00	\$ 9,968
2023-04-27	Class A Series 1 Sub 2	50,000	\$1.00	\$ 50,000
2023-04-28	Class A Series 1 Sub 2	30,000	\$1.00	\$ 30,000

ITEM 5 – SECURITIES OFFERED

5.1 Offering

We are offering for sale **Trust Class A Series 1 Sub 2 Units and/or LP Class A Series 2 Units** at a price of \$1.00 per Unit for an offering of \$8,450,000 of which \$4,504,498 have been subscribed with the result that securities offered under this OM is \$3,945,502 as either Trust Units or LP Units (each, a “Unit” and together, the “Units”). The General Partner may determine to issue an over allotment of 2,000,000 Units at \$1.00 per Unit. The Units bear 15% annual simple interest. Capital and interest payable on sale of the Property.

The holder of any Trust Unit will be Trust Unitholder in accordance with the Declaration of Trust and the holder of any LP Unit will be a Limited Partner in accordance with the Partnership Agreement. By subscribing for Units, you are agreeing to be bound by the Declaration of Trust (with respect to Trust Units) or the Partnership Agreement (with respect to LP Units). All proceeds of the sale of Trust Units will be employed to purchase LP Units.

5.2 Limited Partner and Trust Return Characteristics

The LP Units and Trust Units will have preferential payment and will have the below characteristics and returns as discussed below:

Investment Product Catalogue & Feature Descriptions

Investment Product (Securities Product List)	Feature	Amount
*Class A Series 2 LP Units (LP Option 1), and *Class A Series 1 Sub 2 (Trust Option 1) Trust Units The offering may be closed at any time		
	Investment Product Preferred Return Rate	15.00%
	Investment Product Profit Participation Rate	0.00

Offering specific definitions follow:

“**Capital Contributions**” – (as defined in the Glossary of Terms at the beginning of this Offering Memorandum).

“**Distributable Cash**” – (as defined in the Glossary of Terms at the beginning of this Offering Memorandum).

“**Investment Product**” – means a feature specific product offering of LP Units and Trust Units under this Offering Memorandum being the above displayed securities product list.

“**Investment Product Preferred Return Rate**” – shall mean a feature specific non-compounding simple interest rate per annum equivalent, as set forth in the above displayed securities product list.

“**Investment Product Unit Commencement Date**” – shall mean the date when the LP Unit or Trust Unit Capital is received by the General Partner or the Trust.

“**Investment Product Unit Return Date**” – shall mean the date when the distribution of the Equity Return to the Unit holder occurs.

“**Unit Capital Contribution**” – means the Capital Contribution in respect of a Unit.

Investment Product Return Calculations

From proceeds of Partnership revenue available for distribution, subject to the Investment Product elected by the Unit holder, the total payout to the Unit holders is composed of the following components:

Investment Product Return

- i. **Equity Return:** The cumulative distribution of an amount equal to a total return of Capital Contributions;
- ii. **Preferred Return on Equity:** The payment to Unit holder, after distribution of the Equity Return, of a cumulative distribution equal to the Investment Product Preferred Return Rate on Unit Capital Contribution over the time period covered by each Unit holder's investment. (Calculated as the total of all Unit Capital Contribution amount multiplied by the Investment Product Preferred Return Rate by (the Unit Investment Product Return Date minus the Unit Investment Product Commencement Date)); and

Note: If the Investment Product Profit Participation Rate is equal to zero percent (0%), the Profit Participation component of the Investment Product Return does not apply. Except as otherwise stated all returns will be accounted at Project termination.

After payment to the Limited Partners of the above distributions, all remaining Distributable Cash shall be distributed to the General Partner.

5.3 Right to convert into the purchase of a real estate unit

Subject to bank acceptance of the Unit holder, if bank financed, each Unit holder will have a right of first refusal to purchase a real estate unit at a 5% discount from published prices for a period of 30 days after notice by the Partnership and containing in the notice a real estate Disclosure Statement. The Unit holders shall have the right, subject to bank and filing requirements, to employ their Units as deposit on the selected real estate unit. For those Unit holders who have elected to use their Units as a deposit they will receive all accrued Preferred return to the date of closing deposit and preferred return will then cease and the accumulated preferred return and preferred return of capital will be applied to the price. On closing of the real estate unit the LP Units or Trust Units employed as deposit will be deemed redeemed by the Issuer. If there is insufficient real estate units for the demand it will then be first come first served.

As of the date hereof a total of 31 investors have elected to reserve a real estate unit leaving 45 units available.

You are advised to obtain independent legal advice regarding the terms and conditions of the Declaration of Trust and the Partnership Agreement prior to subscribing for any Units.

5.4 Terms of Trust Units

The information in this Item 5.4 reflects the terms of the Declaration of Trust. Reference should also be made to ***"Item 2.8.1 Declaration of Trust"***, a detailed description of the Declaration of Trust, a copy of which is available upon request from the Issuers.

General

The securities being offered pursuant to the Trust Offering are Class A Series 1, Sub 2 (\$1.00) Trust Units. The beneficial interests of the Trust are represented only by Class A Units which are and may be divided into series and sub-categories and entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust, including the right to vote and to participate pro rata in any distributions from the Trust within their series. Each class series of units has identical rights, restrictions and conditions. Each such unit of the Trust is without nominal or par value, entitles the holder thereof to one vote at all meetings of Trust Unitholders, entitles the holder thereof to the pro rata right to receive distribution and participate pro rata upon dissolution or liquidation, and entitles the holder to the right of redemption under the terms and conditions set forth in the Declaration of Trust. An investment in Trust Units is indirectly an investment in LP Units with all the rights and obligations of LP Units except the Trust will exercise those rights on behalf of the Trust Unitholders. The Trust Unit proceeds will be fully invested in LP Units at \$1.00, as applicable, per LP Unit and all costs of the Offerings will be borne by the Partnership pursuant to the Funding Agreement.

Certificates

Unit Certificates will be issued to Trust Unitholders and a register of Trust Unitholders will be kept at the head office of the Trust or the Transfer Agent, setting out the particulars of the Unit Certificates. Only Trust Unitholders with recorded Unit Certificates on the register are entitled to receive distributions or exercise rights of a Trust Unitholder.

Distributions

The Trustee, may on or before each Distribution Record Date, declare payable to the holders of Trust Units on such Distribution Record Date all or any part of the Cash Flow of the Trust for the Distribution Period which includes such Distribution Record Date.

The Trustee intends to allocate, distribute and make payable to Trust Unitholders all of the Income of the Trust, Net Realized Capital Gains and any other applicable amounts so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year and such amounts will be due and payable to Unitholders of record immediately before the end of December 31 in each year, in accordance with the Declaration of Trust.

If the Trustee determines that the Trust does not have sufficient cash to make the full amount of the distribution which has been declared, the Trustee has the option to pay equivalent distributions in the form of the pro rata share issuance of additional Trust Units.

Voting at Meetings of Trust Unitholders

No annual meetings of the Trust Unitholders are proposed to be held. However, the Declaration of Trust provides for the ability to convene meetings of Trust Unitholders by the Trustee at any time and upon the written request of one or more Trust Unitholders holding not less than 50% of the number of all issued and outstanding Trust Units. Certain actions of the Trustee and/or the Trust require the approval of the Trust Unitholders which may be obtained at a meeting of the Trust Unitholders or by way of a resolution in writing of the Trust Unitholders.

5.5 Terms of LP Units

The information in this Item 5.5 reflects the terms of the Partnership Agreement. Reference should be made to the Partnership Agreement and its entirety, a copy of which is available upon request from the Issuers.

General

Upon acceptance of a subscription, such subscriber shall become a party to the Partnership Agreement as a Limited Partner and the General Partner shall issue to each Limited Partner a LP Unit Certificate indicating that the holder thereof is the owner of the number of LP Units set out therein. The material terms of the Partnership Units being offered are pursuant to the Limited Partnership Agreement and the Subscription Agreement are:

- (a) Each LP Unit has one vote at all meetings of the Partnership. 50% of all votes are exercised by the General Partner;
- (b) No LP Unit holder may take part in the administration or business of the Partnership, failing which the holder will become liable for Partnership liabilities;
- (c) The Partnership Unit holders grant to the General Partner their power of attorney to make normal course changes to the agreement of limited partnership and to file on their behalf;
- (d) Profits of the Partnership will be distributed in accordance with the following:
 - i. first, to Limited Partners until they have received distributions equal to 100% of their capital contributions;
 - ii. second, to the Limited Partners an amount of 15% per annum;
 - iii. the remainder to the General Partner;

Notwithstanding any other provision herein: (i) it is not anticipated that any distributions will be made or financial returns payable on the Offered Units until the acquisition and development of the Property is complete; (ii) any distributions declared shall be accrued until cash is available for distribution in accordance with the applicable constating documents of the issuer; and (iii) returns and distributions are not guaranteed in any way whatsoever and there is no guarantee that the project will be completed as proposed, that there will

be sufficient proceeds or profits to pay the preferred return or return an investor's capital and/or that the project will be bought out by other investment vehicles. If the Partnership is unable to sell its interest in the project at a profit or otherwise re-finance the project, investors may not realize any return on the Units and may lose the entirety of their capital investment in the Units.

In the event of any inconsistency or ambiguity in any provision relating to distributions in this offering memorandum or the limited partnership agreement, the above description in subsection (d) and the bolded text above shall prevail.

- (e) Tax Income or Tax Loss in respect of a Fiscal Year will be allocated as at the end of the period among those Partners who were members of the Partnership at the end of the period.
- (f) Subject to the right of first refusal provisions of the Partnership Agreement and compliance with applicable securities and other laws, LP Units may be transferred if permitted by law. The General Partner shall deny the transfer of the Partnership Units to a person who does not satisfy the requirements of the Partnership Agreement and the law.
- (g) In the event of an intent to sell, each Limited Partner as grantor ("**Grantor**"), grants to the General Partner, as grantee ("**Grantee**"), a right of first refusal to acquire the Grantor's Limited Partnership interest (the "**Interest**"), or any portion thereof. The Grantor shall specifically include the Grantor and the Grantor's heirs, assigns, executors, creditors or any other parties that may be entitled at any time to dispose of the Grantor's Interest. For Trust Unit holders such a sale must be affected by the Trustee.

Certificates

The Partnership may, but is not required to, issue a certificate representing LP Units with respect to any LP Unit that has been issued. A LP Unit certificate shall be in such form as is from time to time approved by the General Partner and shall not be valid unless signed by the General Partner.

Capital Contribution

In connection with the subscription for LP Units under the Partnership Offering, each Limited Partner will contribute to the capital of the Partnership at the purchase price per LP Unit for each LP Unit subscribed for. No Limited Partner will be required to make any contribution to the capital of the Partnership in excess of that amount. On the date of formation of the Partnership, the General Partner contributed \$100 to the capital of the Partnership and the Initial Limited Partner also contributed \$100 to the capital of the Partnership.

Distributions

Distributions from the Partnership may be made at any time as determined by the General Partner. Net income for each fiscal year of the Partnership will be distributed in accordance with the following order of priority and, in all cases, without duplication:

- 1) After the payment of all current obligations of the Limited Partnership, including without limiting the generality of the foregoing, all Fees owing to the General Partner, any and all Operating Expenses and Project Costs, and monies owing to third party lenders of the Partnership, Distributable Cash will be distributed at such time as the General Partner shall determine, in the manner set forth herein.
- 2) Payment to the Limited Partners or the Trusts of their distributions is in accordance with the type of Unit purchased.
- 3) After payment to the Limited Partners all remaining Distributable Cash shall be distributed to the General Partner.

For certainty, where Limited Partners' Capital Contributions are fully returned, the *pro rata* distribution of Net Income amongst Limited Partners shall be made based on the number of LP Units held instead of Capital Contributions.

The Partnership may set off any of its obligations to make distributions to any of the Limited Partners against any liabilities or obligations of such Limited Partner to the Partnership.

Non-Transferability and Right of First Refusal

Subject to the provisions of the Partnership Agreement and compliance with applicable securities and other laws, LP Units may be transferred subject to first right of refusal in favour of the General Partner.

Redemption of Units

No Limited Partner may withdraw as a Limited Partner or withdraw any part of its investment in the Partnership without compliance with the Partnership Act and the prior written consent of the General Partner, which consent may be granted or denied in the sole and absolute discretion of the General Partner. The General Partner may, in its sole and absolute discretion, offer redemption rights. This is non-binding on the Partnership and the General Partner, will only be permitted at the sole discretion of the General Partner, and may not be offered to all Limited Partners. The General Partner generally does not anticipate that it will allow for redemptions of Partnership Units.

Voting at Meetings of Limited Partners

No annual meetings of the Limited Partners are proposed to be held. However, The General Partner may call a meeting of Partners at such time and place as it deems appropriate within the terms of the Partnership Agreement in its absolute discretion for the purpose of considering any matter set forth in the notice of meeting. Every meeting of Partners may be held at such place and at such time and with such notice as the General Partner may determine within the terms of the Partnership Agreement. Any Partner entitled to vote at a meeting may vote by proxy if a proxy has been received by the General Partner or the chairman of the meeting for verification prior to the meeting.

On any vote at a meeting of Partners, a declaration of the chairman concerning the result of the vote shall be conclusive. Each LP Unit holder present at the meeting will have one vote for each LP Unit of which such person is registered as the Partnership Unit holder and one vote for each LP Unit in respect of which such person is the proxyholder. The General Partner will be entitled to 50% of the votes of each class of Limited Partner LP Units as if it were the owner of 50% of the Partnership Units. That is to say that if 100 units are issued then the General Partner shall have 100 votes and the total votes in the Partnership shall be 200 votes.

Other

For further information on terms contained in the Partnership Agreement which affect the rights of Limited Partners see ***“Item 2.8.2 Partnership Agreement”*** or refer directly to the Partnership Agreement, a copy of which may be obtained upon request from the Issuers.

5.6 Subscription Procedure

Subscriptions for Trust Units or LP Units may be placed by investors through the General Partner or registered dealers in the Offering jurisdictions, as may be required or permitted by applicable securities laws. Prospective investors who wish to subscribe for Trust Units or LP Units must complete, execute and deliver the Subscription Agreement which accompanies this Offering Memorandum, including all applicable exhibits and/or schedules thereto to the Issuers or an agent and tender the purchase price in a manner acceptable to the Issuers.

Subscriptions are expected to be processed on the first business day of each week and on such other days as the Issuers may permit (each, a **“Subscription Date”**). A fully completed Subscription Agreement and subscription proceeds must be received by the Issuers no later than 4:00 p.m. (Vancouver time) no more than two business days after the relevant Subscription Date in order for the subscription to be accepted as at that date; otherwise, the subscription will be processed at the next Subscription Date. The Investor shall be entered as a member into the Partnership or the Trust upon acceptance of the Subscription Agreement and receipt of subscribed funds. The General Partner shall effect reasonable efforts to issue the Offered Units certificate within 30 days of the acceptance by the General Partner and receipt of funds. In the event the General Partner has not accepted the Subscription Agreement (or a lesser accepted amount) and issued a certificate within 30 days of the Subscriber’s subscription then the Subscriber may require the Partnership or Trust, as the case may be, to elect within 10 days and to issue a certificate, failing which the Subscriber may elect to demand return of its subscribed funds and the Partnership shall refund the funds within 10 days of the Subscriber’s election to withdraw. The closing time (the **“Closing Time”**) shall be selected by the Issuers and shall be the date of issuance of the Offered Units certificate.

All subscriptions for Trust Units or LP Units are subject to acceptance or rejection by the Issuers and the right is reserved to reject any subscription. The decision to accept or reject a subscription for Trust Units or LP Units will be made promptly. In the event that a subscription for Trust Units or LP Units is rejected, all money received with the subscription will be returned within ten days to the subscriber without interest or deduction.

Neither the Issuers, the Trustee, or the General partner or affiliate or associate of the foregoing is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Trust Units or LP Units having regard to any such investment needs and the objectives of the potential investor

ITEM 6 – INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

6.1 Income Tax Consequences Relating to the Trust

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you. All Investors will be responsible for the preparation and filing of their own tax returns in respect of this investment.

The following LP and Trust tax discussions are derived from consultation with the Partnership’s tax lawyer, John Drove Law Corporation of 380 – 580 Hornby Street, Vancouver, BC. A copy of the opinion and the reason and cautions are available on request. This Offering Memorandum includes or may include opinions of experts or commentators. You do not have a statutory right of action against such parties for misrepresentation. You should consult legal counsel for further information.

In the opinion of the Trust upon consultation with legal counsel, the following summary, as of the date of this Offering Memorandum, describes the principal Canadian federal income tax considerations generally applicable under the Tax Act to a person who acquires Trust Units pursuant to this Offering Memorandum and who, for purposes of the Tax Act, is resident in Canada (or if the person is a partnership, is a “Canadian partnership” for purposes of the Tax Act), deals at arm’s length and is not affiliated with the Trust or the Trustee and holds the Trust Units as capital property (all for purposes of the Tax Act). Generally, Trust Units will be considered to be capital property to a Trust Unitholder provided that the Trust Unitholder does not hold the Trust 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 Trust Unitholders who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary is not applicable to a Trust Unitholder (i) that is a “financial institution” (as defined in the Tax Act for purposes of the mark-to-market rules), (ii) that is a “specified financial institution” (as defined in the Tax Act), (iii) an interest in which is a “tax shelter investment” (as defined in the Tax Act) or (iv) to whom the functional currency reporting rules in section 261 of the Tax Act apply. In addition, this summary does not address the deductibility of interest by a Trust Unitholder who has borrowed money to acquire Trust Units.

This summary is based upon the facts set out in this Offering Memorandum, the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced prior to the date hereof by the Minister of Finance (Canada) (“**Tax Proposals**”) and the Trust’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”) publicly available prior to the date of this Offering Memorandum. This summary is not exhaustive of all possible Canadian federal income tax considerations, and does not take into account or anticipate any changes in the law, other than the Tax Proposals, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be legal or tax advice to any particular purchaser of Trust Units or LP Units. Consequently, prospective purchasers should seek independent professional advice regarding the tax consequences of investing in the Trust Units or LP Units, based upon their own particular circumstances.

This summary does not address any Canadian federal income tax considerations applicable to non-residents of Canada, and non-residents should consult their own tax advisors regarding the tax consequences of acquiring and holding Trust Units. All payments to non-residents of Canada of distributions on the Trust Units will be net of any applicable withholding taxes. The Issuer will only accept non-residents if such does not jeopardise the trust and partnership tax status.

Status of the Trust – Mutual Fund Trust

This summary is based on the assumption that the Trust will qualify as a “unit trust” and a “mutual fund trust”, as these terms are defined in the Tax Act, from the beginning of its first taxation year and will thereafter continuously qualify as a unit trust and a mutual fund trust at all relevant times. The qualification of the Trust as a mutual fund trust from the beginning of its first taxation year requires that the Trust elect to be deemed to be a “mutual fund trust” from the date it is established and that certain factual conditions generally be met throughout its existence. The Trust has made such an election. If the Trust were not to qualify as a mutual fund trust, the income tax considerations described herein would, in some respects, be materially different.

In order for the Trust to qualify as a mutual fund trust, it must satisfy various requirements, including a requirement that the Trust must not have been established or maintained primarily for the benefit of non-residents of Canada. If at any time this requirement is not satisfied, the Tax Act does not currently provide any means of rectifying a loss of mutual fund trust status. As such if, at any time, the Trust loses its mutual fund trust status as a result of the application of this provision in the Tax Act, the Trust would permanently cease to be a mutual fund trust.

One of the requirements for the Trust to qualify as a mutual fund trust is that it will have at least 150 separate holders of Trust Units, each holding no less than one block of units (meaning 100 Trust Units if the Fair Market Value of one Trust Unit is less than \$25), with an aggregate value of at least \$500 worth of Trust Units.

This summary also assumes that the Trust will at no time be a “SIFT trust” as defined in the Tax Act. If the Trust is a SIFT trust, then there may be adverse tax consequences. One of the conditions for a trust to be a SIFT trust is that investments in the trust must be listed or traded on a stock exchange or other public market, which includes a trading system or other organized facility on which securities that are qualified for public distribution are listed or traded, but does not include a facility that is operated solely to carry out the issuance of a security or its redemption, acquisition or cancellation by the issuer. The Trust intends that the Trust Units will not be listed or traded on a stock exchange or other public market. Based on this and assuming the Trust Units will not otherwise be listed or traded on such a system or facility, the Trust should not be a SIFT trust.

Taxation of the Trust

The Tax Act requires that the Trust compute its income or loss for a taxation year as though it were an individual resident in Canada. The taxation year of the Trust is the calendar year. In each taxation year, the Trust will be subject to tax under Part I of the Tax Act on its taxable income for the year, including income allocated to it by the Partnership and net realized taxable capital gains less the portion thereof that it deducts in respect of the amounts paid or payable in the year to Trust Unitholders and is otherwise deductible under the Tax Act. An amount will not be considered to be payable to a Trust Unitholder in a taxation year unless the Trust Unitholder is entitled in that year to enforce payment of the amount.

In computing its income for purposes of the Tax Act, the Trust may deduct reasonable administrative costs, interest and other expenses incurred by it for the purpose of earning income.

Each year, the Trust intends to make sufficient distributions of its net income for tax purposes and net realized taxable capital gains so that the Trust will generally not be liable in that year for income tax under Part I of the Tax Act other than such tax on net realized capital gains that will be recoverable by the Trust in respect of such year by reason of the capital gains refund mechanism. Losses incurred by the Trust cannot be allocated to Trust Unitholders but may be deducted by the Trust subject to and in accordance with the Tax Act.

In general, if, at any time, the Trust does not qualify as a mutual fund trust and one or more Trust Unitholders are not resident in Canada, the Trust may be required to pay a tax under Part XII.2 of the Tax Act if it allocates certain types of income (including income from real or immovable properties in Canada, other than Canadian resource properties) to a Trust Unitholder.

Taxation of Trust Unitholders

Distributions

A Trust Unitholder will generally be required to include in income for a particular taxation year the portion of the net income of the Trust for a taxation year, including the taxable portion of net realized capital gains, that is paid or payable to the Trust Unitholder in the particular taxation year, whether that amount is received in cash, additional

Trust Units, promissory notes, *in specie* distributions or otherwise. Income of a Trust Unitholder from the Trust Units will generally be considered to be income from property. Any loss of the Trust for purposes of the Tax Act cannot be allocated to, or treated as a loss of, a Trust Unitholder. Provided that appropriate designations are made by the Trust, such portion of (i) the net realized taxable capital gains of the Trust, and (ii) taxable dividends received or deemed to be received by the Trust on shares of taxable Canadian corporations, as is paid or becomes payable to a Trust Unitholder will effectively retain their character and will be treated as such in the hands of the Trust Unitholder for purposes of the Tax Act. Such dividends will be subject, *inter alia*, to the gross-up and dividend tax credit provisions in respect of individuals, the refundable tax under Part IV of the Tax Act applicable to “private corporations” and “subject corporations” (as defined under the Tax Act), and the deduction in computing taxable in respect of dividends received by taxable Canadian corporations. An additional 10% tax will be payable by a Trust Unitholder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) in certain circumstances.

The non-taxable portion of any net realized capital gains of the Trust that is paid or payable to a Trust Unitholder in a taxation year will not be included in computing the Trust Unitholder’s income for the year. Any other amount in excess of the net income of the Trust that is paid or payable to a Trust Unitholder in that year will not generally be included in the Trust Unitholder’s income for the year. However, where such an amount is paid or payable to a Trust Unitholder (other than as proceeds in respect of the redemption of Trust Units), the Trust Unitholder will be required to reduce the adjusted cost base of the Trust Units by that amount, except to the extent that the amount represents the Trust Unitholder’s share of the non-taxable portion of the net realized capital gains of the Trust for the year, the taxable portion of which was designated by the Trust in respect of the Trust Unitholder. To the extent that the adjusted cost base of a Trust Unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Trust Unit to the Trust Unitholder will then be nil.

Trust Units issued to a Trust Unitholder as a non-cash distribution of income will have a cost amount equal to the amount of such income and will be averaged with the adjusted cost base of all other Trust Units held by the Trust Unitholder at that time as capital property in order to determine the adjusted cost base of each Trust Unit.

Disposition of Trust Units

On the disposition or deemed disposition of a Trust Unit, whether on a redemption or otherwise, the Trust Unitholder who holds the Trust Units as capital property will realize a capital gain (or a capital loss) equal to the amount by which the Trust Unitholder’s proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Trust Unit and any reasonable costs of disposition. Proceeds of disposition generally do not include an amount payable by the Trust that is otherwise required to be included in the Trust Unitholder’s income, including any capital gain realized by the Trust in connection with a redemption which has been designated by the Trust as having been paid to the redeeming Trust Unitholder.

The adjusted cost base of a Trust Unit to a Trust Unitholder will include all amounts paid or payable by the Trust Unitholder for the Trust Unit, with certain adjustments. The cost to a Trust Unitholder of additional Trust Units received in lieu of a cash distribution of income will be the amount of income distributed by the issue of those Trust Units. For the purpose of determining the adjusted cost base to a Trust Unitholder of Trust Units, when a Trust Unit is acquired, the cost of the newly-acquired Trust Unit will be averaged with the adjusted cost base of all of the Trust Units owned by Trust Unitholder as capital property immediately before that acquisition. A consolidation of Trust Units following a distribution paid in the form of additional Trust Units will not be regarded as a disposition of Trust Units.

The redemption of Trust Units in consideration for cash or promissory notes, whether issued by the Trust, or the Partnership, as the case may be, will be a disposition of such Trust Units for proceeds of disposition equal to the amount of such cash or the Fair Market Value of such notes. In addition to such proceeds of disposition, a Trust Unitholder may also receive a distribution out of the income of the Trust. Where Trust Units are redeemed and the redemption price is paid by the delivery of Trust Property to the redeeming Trust Unitholder, the proceeds of disposition to the Trust Unitholder of the Trust Units will be equal to the Fair Market Value of the Trust Property so distributed. Where any income or capital gain realized by the Trust in connection with the distribution of Trust Property on the redemption of Trust Units has been designated by the Trust to a redeeming Trust Unitholder, the Trust Unitholder will be required to include in income the income or taxable portion of the capital gain so designated.

The receipt of Trust Property in substitution for Trust Units may result in a change in the income tax characterization of distributions. Holders of promissory notes received on redemption of Trust Units generally will be required to include in income interest that is received or receivable on such promissory notes. The cost to a Trust Unitholder of

any Trust Property distributed to a Trust Unitholder by the Trust will be deemed to be equal to the Fair Market Value of such property at the time of distribution less, in certain circumstances, any interest which has accrued on notes distributed by the Trust. Trust Unitholders should consult with their own tax advisors as to the consequences of receiving Trust Property on redemption.

Trust Unitholders are advised to consult their own tax advisors prior to exercising their redemption rights.

Capital Gains and Capital Losses

One-half of any capital gain (a “**taxable capital gain**”) realized by a Trust Unitholder on a disposition or deemed disposition of Trust Units and the amount of any net taxable capital gains designated by the Trust in respect of a Trust Unitholder will be included in the Trust Unitholder’s income as a taxable capital gain. One-half of any capital loss realized by a Trust Unitholder on a disposition or deemed disposition of Trust Units may generally be deducted only from taxable capital gains of the Trust Unitholder in accordance with the provisions of the Tax Act. A Trust Unitholder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax of 10½% on certain investment income, including taxable capital gains.

Alternative Minimum Tax

In general terms, net income of the Trust paid or payable to a Trust Unitholder who is an individual that is designated as net taxable capital gains or eligible dividends and capital gains realized on the disposition of Trust Units may increase the Trust Unitholder’s liability for alternative minimum tax.

6.2 Eligibility for Investment in Trust Units by Deferred Plans

Not all securities are eligible for investment in a registered plan such as RRSP plans. You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you. All Investors will be responsible for the preparation and filing of their own tax returns in respect of this investment.

In the opinion of the General Partner, provided the Trust qualifies as a mutual fund trust within the meaning of the Tax Act, the Trust Units, when issued, will be a qualified investment under the Tax Act for Deferred Plans. If that is the case, Deferred Plans will generally be exempt from tax in respect of any distributions paid or payable on Trust Units or gains realized upon a disposition or deemed disposition of Trust Units.

Generally, if the Trust does not qualify or ceases to qualify as a mutual fund trust at any time, the Trust Units will not be, or will cease to be, qualified investments for Deferred Plans at that time. One of the requirements for the Trust to qualify as a mutual fund trust is that it will have at least 150 separate holders of Trust Units, each holding no less than one block of Trust Units as defined in the Tax Act. The Trust may hold Closings of the Trust Offering prior to this requirement being met and there is no guarantee that this requirement will be or has been met. Promissory notes and Trust Property received as a result of redemptions of Trust Units may not be qualified investments for Deferred Plans. Where a Deferred Plan acquires a promissory note or a Trust Property that is not a qualified investment, or acquires or holds a Trust Unit that is not, or that ceases to be, a qualified investment, adverse tax consequences may arise to the Deferred Plan and the annuitant under the Deferred Plan. Accordingly, Deferred Plans that propose to invest in Trust Units should consult their own tax advisors before deciding to purchase Trust Units and again before deciding to exercise their redemption rights attached to such Trust Units.

If at any time the Trust Units are a prohibited investment for a Deferred Plan, the annuitant may be subject to adverse tax consequences. Generally, Trust Units should not be a prohibited investment under the Tax Act for an Deferred Plan provided that the annuitant deals (i) at “arm’s length” with the Trust, and (ii) does not have a “significant interest” in the Trust. Generally, an annuitant will not have a significant interest in the Trust or any corporation, partnership or trust that does not deal at arm’s length with the Trust, provided the annuitant, or the annuitant together with persons and partnerships with whom the annuitant does not deal at arm’s length, does not own (nor is deemed to own pursuant to the Tax Act), directly or indirectly, 10% or more of the issued Trust Units or of the shares of or interests in any corporation, partnership or trust that does not deal at arm’s length with the Trust (all for purposes of the Tax Act).

6.3 Income Tax Consequences Relating to the Partnership

Not all securities are eligible for investment in a registered plan such as RRSP plans. You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you. All Investors will be responsible for the preparation and filing of their own tax returns in respect of this investment.

In the opinion of the General Partner the following summary, as of the date of this Offering Memorandum, describes the principal Canadian federal income tax considerations of acquiring, holding and disposing of LP Units generally applicable to an investor (who acquires LP Units under this Offering Memorandum) who is an individual, other than a trust, and who, for the purposes of the Tax Act is, or is deemed to be, a resident of Canada, deals at arm's length with the Partnership and is not affiliated with the Partnership, holds the LP Units as capital property and has not made a foreign currency reporting election under the Tax Act. Generally, LP Units will be considered to be capital property to an investor provided the investor does not hold the LP Units in the course of carrying on a business and has not acquired the LP Units in one or more transactions considered to be an adventure in the nature of trade.

This summary assumes that at all material times no interest in any investor will be a "tax shelter investment" as defined in the Tax Act, that LP Units will not be acquired with financing for which recourse is, or is deemed to be, limited for purposes of the Tax Act and that no more than 50% of the LP Units will be held by "financial institutions" as defined in the Tax Act. Financing is deemed to be limited recourse for purposes of the Tax Act unless: (i) *bona fide* arrangements were made in writing at the time the financing was obtained providing for repayment within a reasonable period, not exceeding 10 years; (ii) interest is payable at least annually at a rate that is not less than the rate prescribed under the Tax Act; and (iii) interest is paid no later than 60 days after the end of each taxation year. If an interest in an investor becomes a tax shelter investment, an investor finances an acquisition of LP Units with limited recourse financing or if more than 50% of the LP Units are held by "financial institutions" there may be adverse tax consequences to the Partnership and its members.

This summary assumes that at all material times the Partnership will not be a "SIFT partnership" as defined in the Tax Act. If investments in the Partnership are listed or traded on a stock exchange or other public market then the Partnership, if it holds one or more non-portfolio properties, which generally does not include real property situated outside of Canada, may be a SIFT partnership and the Canadian federal income tax considerations described below will be materially different. This summary also assumes that the LP Units will not be listed or traded on a stock exchange or other public market for the purposes of the Tax Act.

This summary is based upon the facts set out in this Offering Memorandum, the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced prior to the date hereof by the Minister of Finance (Canada) (the "**Tax Proposals**") and the Partnership's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency publicly available prior to the date hereof. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Tax Proposals, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be legal or tax advice to any particular purchaser of LP Units. Consequently, prospective purchasers should seek independent professional advice regarding the income tax consequences of investing in the LP Units, having regard to their own particular circumstances.

References to "income" or "loss" in this summary mean income or loss as determined for purposes of the Tax Act.

Computation of Income

The Partnership is not itself generally liable for income tax. However, the Partnership must compute its income or loss for each fiscal period as though it was a separate person resident in Canada and file an annual information return. The fiscal period of the Partnership ends on December 31 each year. Subject to the comments below, each Limited Partner will be required to include (or be entitled to deduct) in computing his income (or loss), his share of the income (or loss) of the Partnership allocated to him pursuant to the Partnership Agreement for the fiscal period of the Partnership ending in the Limited Partner's taxation year, regardless of whether any cash or other assets have been distributed to him.

The income of the Partnership as determined for purposes of the Tax Act may differ from its income as determined for accounting purposes and may not be matched by cash distributions. In computing the income or loss of the Partnership for purposes of the Tax Act, deductions may be claimed in respect of reasonable administrative costs, interest and other expenses incurred by the Partnership for the purposes of earning income, subject to the relevant provisions of the Tax Act.

Losses allocated by the Partnership to a Limited Partner are deductible only to the extent the Limited Partner has an “at-risk amount” (within the meaning of the Tax Act) in respect of the Limited Partner’s interest in the Partnership. Losses from the Partnership that are not deductible by a Limited Partner because they exceed the Limited Partner’s at-risk amount at the particular time generally may be carried forward indefinitely and may be deducted against income only to the extent the Limited Partner has an at risk amount in a subsequent year. In general, a Limited Partner’s at-risk amount will be the adjusted cost base of his LP Units at the relevant time (plus, where that time is the end of the Partnership’s fiscal period, income allocated to the Limited Partner for that fiscal period), less any amounts owing by the Limited Partner (or by a person or partnership that does not deal at arm’s length with the Limited Partner) to the Partnership (or to a person or partnership that does not deal at arm’s length with the Partnership) and less any amount or benefit provided to the Limited Partner (or to a person or partnership that does not deal at arm’s length with the Limited Partner) for the purpose of protecting the Limited Partner against any loss the Limited Partner may sustain as a consequence of being a member of the Partnership or holding or disposing of an LP Unit.

Subject to the comments above, a Limited Partner may apply his share of non-capital losses allocated to him by the Partnership to reduce net income for the relevant taxation year and, to the extent such non-capital losses exceed net income for the year, they may generally be applied in the three previous taxation years or the 20 subsequent taxation years.

Disposition of LP Units

A disposition or deemed disposition by an investor of his LP Units should generally result in a capital gain (or capital loss) to the investor to the extent the proceeds of disposition of such LP Units, net of reasonable disposition costs, exceed (or are exceeded by) the adjusted cost base of the LP Units. In general, the adjusted cost base of a Limited Partner’s LP Units at a particular time will be equal to the subscription price of the LP Units, plus income of the Partnership that has been allocated to the Limited Partner for completed fiscal periods, minus losses of the Partnership allocated to the Limited Partner for completed fiscal periods and minus distributions received by the Limited Partner from the Partnership. Where a Limited Partner disposes of all of its LP Units in a fiscal period of the Partnership, any income or loss allocated to the Limited Partner for such fiscal period will be taken into account in determining the adjusted cost base of the Limited Partner’s LP Units. Losses which are not deductible because a Limited Partner does not have a sufficient at-risk amount will not reduce the adjusted cost base of LP Units.

If a Limited Partner disposes of LP Units and a person who is exempt from tax under the Tax Act, or who is a non-resident of Canada for purposes of the Tax Act, directly or indirectly through a partnership or a trust of which a tax exempt person or non-resident is a member or a beneficiary, as the case may be, acquires the LP Units as part of a transaction or event, or series of transactions or events, then the gain may be taxed as ordinary income of the Limited Partner.

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

Taxation of the Partnership

The Partnership is not itself liable for income tax; however, it is required to compute its income or loss for each of its fiscal periods as if it were a separate person resident in Canada. The fiscal period of the Partnership ends on December 31 of each year.

In computing its income or loss the Partnership will be entitled to deduct expenses incurred by it in the fiscal period in which they are incurred to the extent such expenses are reasonable in amount and their deduction is permitted by the Tax Act. In some cases, outlays and expenses may have to be capitalized and added to the cost amount of its property.

Capital Gains and Losses

One-half of the capital gain realized by a holder from a disposition or deemed disposition of LP Units must be included in computing the holder’s income as a taxable capital gain. One-half of a capital loss realized in a taxation year from a disposition or deemed disposition of LP Units will be deductible as an allowable capital loss against taxable capital gains realized in that year, and to the extent such allowable capital losses exceed taxable capital gains in the year, may

be applied in the three previous taxation years or any subsequent taxation year, subject to certain restrictions contained in the Tax Act.

A holder may be liable to pay alternative minimum tax as a result of realizing a capital gain.

6.4 LP Units are Not Eligible for Deferred Plans

The LP Units will not constitute a qualified investment for the purposes of the Tax Act for Deferred Plans such as a trust governed by a registered retirement savings plan (including a locked-in retirement account or a locked-in retirement savings plan), a registered retirement income fund (including a life income fund or a locked-in retirement income fund), a registered education savings plan, a deferred profit sharing plan, a registered disability savings plan and a tax-free savings account and, in order to avoid adverse tax consequences, should not be acquired by such plans.

6.5 Repurchase Requests

Investors have a right to demand redemption of their Trust Units as follows:

Redemptions of Trust Units

Trust Units are redeemable by the Trust Unitholder by delivering to the Trust, or its Transfer Agent, a duly completed and properly executed notice requiring the Trust to redeem Trust Units, in a form approved by the Trustee, together with written instructions as to the number of Trust Units to be redeemed and the Unit Certificate(s) representing the Trust Units to be redeemed. Trust Units are redeemable on the last Business Day of any calendar quarter end (the “**Redemption Date**”) and the Trust shall pay the Redemption Price within 60 days after the Redemption Date. The notice, Unit Certificate(s) and all other supporting documentation or evidence must be received by the Trust, or its Transfer Agent, to the satisfaction of the Trustee, not less than 30 days prior to the applicable Redemption Date. On receipt of a notice to redeem Trust Units, the Trust Unitholder will no longer have any rights with respect to the Trust Units other than to receive any distribution accrued prior to receipt of the notice and the redemption amount.

Within 60 days of the Redemption Date, the Trust Unitholder of the Trust Units tendered for redemption shall be entitled to receive a redemption price (the “**Redemption Price**”) equal to the lesser of:

- (d) 95% of the Net Capital Contribution of such Trust Units, until December 31, 2023;
- (e) 97.5% of the Net Capital Contribution of such Trust Units, until December 31, 2024; and
- (f) 100% thereafter.

The Redemption Price may be paid by the Trust in cash or, at the election of the Trustee, by distributing or issuing any combination of cash and/or Redemption Notes having an aggregate fair market value equal to the aggregate Redemption Price, as applicable for the Trust Units tendered for redemption.

The Redemption Notes are subject to the following terms and conditions:

- (e) unsecured and bearing interest from and including the issue date of each such note at a market rate determined at the time of issuance by the Trustee or General partners, as the case may be, based on the advice of an independent financial advisor, and payable annually in arrears;
- (f) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Issuer pursuant to the note indenture with holders of senior indebtedness;
- (g) ranking pari passu with all unsecured indebtedness of the Issuer;
- (h) subject to such other standard terms and conditions as would be included in a note indenture for promissory notes of this kind, as may be approved by the Trustee or General Partner, as applicable.

Except as determined by the Trustee, the maximum aggregate number of Trust Units that may be redeemed by the Trust shall not exceed 10% annually of the total number of Trust Units issued and outstanding at the beginning of a fiscal quarter. The Trustee shall exercise such limitation and any cutbacks on a proportionate basis with respect to the aggregate number of Trust Units represented by redemption notices. The Trust may suspend the redemption of Trust Units or postpone the date of payment of Redeemed Trust Units in such circumstances as the Trustee may reasonably determine. Such circumstances may include: (i) the assets of the Trust are invested in such a manner so as to not reasonably permit immediate liquidation of such assets; or (ii) there exists a state of affairs that constitutes

circumstances under which liquidation by the Trust of part or all its investments is not reasonable or practicable, or would be prejudicial to the Trust or the Trust Unitholders, generally; or (iii) not suspending redemptions would have an adverse effect on the continuing Trust Unitholders. The Trust may also suspend the redemption of Trust Units upon an announcement by the Trustee that the Trust will be terminated and dissolved.

Since incorporation and to date there have been no requests for redemption or any other demand for refund of investment. The following chart lists any redemptions or requests/demands for the same:

Description of security	Date of end of financial year	Number of securities with outstanding repurchase requests on the first day of the year	Number of securities for which investors made repurchase requests during the year	Number of securities repurchased during the year	Average price paid for the repurchased securities	Source of funds used to complete the repurchases	Number of securities with outstanding repurchase requests on the last day of the year
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The Issuers, since incorporation until the date of this Offering Memorandum, have not issued dividends, has not authorised buy-backs and has not effected any investor return or capital payment.

ITEM 7 – COMPENSATION PAID TO SELLERS AND FINDERS

The Units will be offered for sale by Charterhouse Prime Investments Ltd, an exempt market dealer, as non-exclusive Selling Agents, together with its designated registered dealers, as the case may be, to sell Units in compliance with all applicable securities laws, as agents for the Issuers. The Issuers may engage other agents or may itself sell Units.

7.1 Compensation of Charterhouse Prime Investments Ltd

In consideration of Charterhouse providing financial advisory and agency services to the Issuers, the Partnership will pay:

- (a) An Onboarding Fee of \$6,000 + GST;
- (b) A corporate finance and administration fee of 2% of gross proceeds of the offering and a 4% payment of the gross proceeds to an Charterhouse representative that receives a lead from the issuer;
- (c) A fee of half a percent (0.5%) for sales closed through other exempt market dealers working with Charterhouse;

Any referral sources used by the agents in connection with the sale of Units to Subscribers, if any (which referral sources may include, but are not limited to, firms and representatives of such firms who are registered in certain of the Canadian provinces or territories as insurance brokers, real estate brokers and or mortgage brokers), will be compensated by the payment of referral fees in an amount to be determined between the applicable agents and the referral sources, which amounts will be paid out of the commissions payable to the agents under the Offerings but such commissions are not expected to exceed ten (10%) percent of any subscription. Any commissions will be paid by the Partnership. The Partnership may also pay finder's fees up to a maximum of six (6%) percent of any subscription in compliance with the Securities Act to parties who locate potential investors in the Partnership.

Charterhouse Prime Investments Ltd is registered as an exempt market dealer (EMD) in certain jurisdictions of Canada. The dealing representatives of such agents are (subject to obtaining any necessary relief and compliance with certain provincial securities laws) permitted to sell Units in accordance with the terms of their respective registrations and pursuant to available exemptions from the registration requirements of applicable securities laws in jurisdictions where it can lawfully operate.

ITEM 8 – RISK FACTORS

An investment in the Issuers is speculative and contains certain risks. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Units. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Issuers will meet their business objectives. The Issuers' returns may be unpredictable and, accordingly, the Trust Units and LP Units are not suitable as the sole investment vehicle for an investor or for an investor that is looking for a predictable source of cash flow. An investor should only invest in the Issuers as part of an overall investment strategy and it is advisable not to exceed 10% of the investor's portfolio. Based on, among others, the factors described below, the possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.

8.1 Investment Risks

No Assurance of Investment Returns

An investment in the Trust and Partnership requires a long-term commitment, with no certainty of return. Investments made by the Trust and the Partnership, will not generate current income. The success of the Issuers is entirely dependent upon the success of the Partnership's real estate investment strategy. There is no assurance or guarantee that the Trust and, correspondingly, the Trust Unitholders and Limited Partners will earn a return on their investment. Trust Unitholders and Limited Partners could lose the entire amount of their investment.

Single type of asset

The Issuers were formed solely for the purposes of the acquisition of an interest in the Property and the subsequent Project. The Property and the Project will represent the only significant assets of the Issuers and therefore the Issuers' financial performance will be directly tied to the performance of the Property and the Project.

Highly speculative, Arbitrary Price, no Market and Resale Restrictions

The purchase of Units is highly speculative. A potential investor should purchase Units only if it is able to bear the risk of the entire loss of its investment. An investment in the Units should not constitute a significant portion of an investor's portfolio. The LP and Trust Units are priced arbitrarily, there is no market for the same, investors will be subject to resale restrictions and to a right of first refusal by the Partnership and the Units will be subordinate to any debt financing.

Restrictions on Redemption and Transfer; Illiquidity of Trust Units

A Unit holder will have limited or no sources of liquidity for its Units. Trust Unitholders should be aware that redemption rights in their favour are subject to significant limitations and restrictions. There will be no public market for the Units and an application for listing of the Units on a stock exchange will not be made. The Units are highly illiquid investments and should only be acquired by investors able to bear the economic risk of an investment in the Units for an indefinite period of time. The Units are being sold on a "private placement" basis in reliance upon exemptions from prospectus requirements of applicable securities laws and therefore are subject to significant statutory restrictions on transfer or sale. The Units will be subject to "hold periods" under applicable securities legislation and, as the Issuers currently are not a "reporting issuer" (and unlikely to be) in any province or territory in Canada, the "hold periods" may never expire. Additionally, Unit holders will not be permitted to transfer or sell their Units without the consent of the relevant Issuer, which may be withheld in the Issuers sole discretion, and may be subject to the satisfaction of certain other conditions, including the provision of an opinion of counsel that such a transfer would not subject the Trust or the Trust Unitholders to any regulatory or tax burdens or result in violation of any applicable law or governmental regulation. Investments in the Issuers should be considered long-term in nature.

Distribution of Trust Income

The Trust will distribute Trust income and Trust capital gains for each taxation year, when there are such, so that Trust income and Trust capital gains may be taxable to Trust Unitholders and the Trust will not have any obligation to pay tax under the Tax Act. Payment of distributions is intended to be made in cash, but the Trust may, in certain circumstances, make distributions by distributing additional Trust Units. See *"Item 3.1 Declaration of Trust"*. In the event that the Issuers do not make cash distributions, then investors will have to rely solely on the redemption of their Trust Units or LP Units to obtain a cash return on their investment.

The return on an investment in the Trust Units and LP Units is not comparable to the return on an investment in fixed-income securities. Cash distributions are not guaranteed and are not fixed obligations of the Issuers.

Nature of Trust Units

Each Trust Unit represents an equal undivided beneficial interest in the Trust. The Trust Units do not represent debt instruments and there is no principal amount owing to Trust Unitholders under the Trust Units, and the Trust Units are not insured against loss through the Canadian Deposit Insurance Corporation.

Nature of LP Units

Each LP Unit represents an equal undivided beneficial interest in the Partnership. The LP Units do not represent debt instruments and there is no principal amount owing to Limited Partners under the LP Units, and the LP Units are not insured against loss through the Canadian Deposit Insurance Corporation.

There are no restrictions on the number of Units that can be acquired

The Issuers do not place restrictions on the number of Units that any one Subscriber can acquire under the Offerings. As a result, any one Subscriber could end up controlling a large number of Units of the Issuers which may impact the voting on important matters that affect the Issuers, the Property and the Project.

Limited voting rights for Limited Partners and Trust Unitholders

The Partnership Agreement and the Declaration of Trust provides that there is no requirement on the part of the General Partner and the Trustee, respectively, to hold annual general meetings of the Limited Partners and the Trust Unitholders, and the General Partner and Trustee has no present intention to convene any such meetings. Subject to the limited voting rights provided to the Limited Partners in the Partnership Agreement and to the Trust Unitholders in the Declaration of Trust, Limited Partners must rely on the General Partner and Trust Unitholders must rely on the Trustee to manage and control the affairs of the Partnership and the Trust, respectively. In order for Limited Partners to request a meeting of the Limited Partners, Limited Partners holding not less than 50% of the number of all issued and outstanding LP Units must make a written request in respect of same to the General Partner. In order for Trust Unitholders to request a meeting of the Trust Unitholders, Trust Unitholders holding not less than 50% of the number of all issued and outstanding Trust Units must make a written request in respect of same to the Trustee.

Possible loss of limited liability and liability for return of capital

Maintenance of limited liability of a Limited Partner requires compliance with certain legal requirements in jurisdictions in which the Partnership will operate. There is a risk that Limited Partners could lose their limited liability in certain circumstances and be liable beyond their contribution and share of undistributed net income of the Partnership.

Where a Limited Partner has received a distribution from the Partnership, such Limited Partner may be liable to return to the Partnership or, if the Partnership is dissolved, to its creditors, any amount, not in excess of the amount distributed to such Limited Partner with interest, as may be necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before such distribution.

Statutory rights related to Units

The Units do not represent a traditional investment and should not be viewed by investors as “shares” of the Issuers. Corporate law does not govern the Partnership or the Trust, the rights of Limited Partners as limited partners of the Partnership, or the rights of the Trust Unitholders of the Trust. The Limited Partners, as limited partners of the Partnership, and the Trust Unitholders of the trust will not have the statutory rights normally associated with ownership of shares of a corporation, including, for example, the right to bring “oppression” or “derivative” actions. The rights of Limited Partners, as limited partners of the Partnership, are specifically set forth in the Partnership Agreement. The rights of the Trust Unitholders are specifically set out in the Declaration of Trust. In addition, partnerships and trusts are not defined as recognized entities within the definitions of legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies’ Creditors Arrangement Act* (Canada). As a result, in the event of an insolvency or restructuring, the Limited Partners’ position as limited partners of the Partnership and the Trust Unitholders’ position as Trust beneficiaries may be quite different than that of a shareholder of a corporation.

Representations – Qualified Person

Each Limited Partner will represent that such Limited Partner is a Qualified Person. There is no assurance now or in the future a Limited Partner will not be found to be an Unqualified Limited Partner. In the event that the General Partner determines that a Limited Partner has become an Unqualified Limited Partner, then such Unqualified Limited Partner shall be deemed to have ceased to be a Limited Partner effective immediately prior to the date of contravention and will not be entitled to any voting rights after such date or distributions of the Partnership which accrue after that date and the LP Units of that Unqualified Limited Partner will be deemed not to be outstanding until acquired by a Qualified Person and, in certain circumstances, the General Partner will be entitled to sell those LP Units on behalf of such Unqualified Limited Partners on such terms and conditions as the General Partner deems reasonable and may acquire those LP Units.

Trust Units are intended to be held by Taxable and Tax-Exempt Investors

The Trust Units are intended to be held by taxable and tax-exempt investors. Taxable investors may be subject to tax as a result of holding Trust Units. The Trust intends to make all taxable income of the Trust payable to Trust Unitholders each year and may distribute such income by distributing cash or Trust Units as it determines. In addition, income allocated by the Trust to Trust Unitholders may exceed the amount payable to them on redemption of their Trust Units. Investors should consult their own tax advisors respecting the tax consequences of owning the Trust Units.

Mutual Fund Trust Status

To qualify as a mutual fund trust, the sole undertaking of the Trust must be the investing of its funds in property (other than certain real property or interests in real property), the Trust must comply on a continuous basis with certain requirements relating to maintaining a diversity of investments, the qualification of the Trust Units for distribution to the public, the number of Trust Unitholders and the dispersal of ownership of Trust Units and the Trust must not be reasonably considered to have been established or maintained primarily for the benefit of non-residents of Canada. If the Trust fails or ceases to qualify as a “mutual fund trust”, there may be adverse tax consequences to the Trust and Trust Unitholders. The Issuers have acquired counsel opinion that the Trust qualifies as a mutual fund trust but the issues are complex, the facts of the Trust and the legislation may change and counsel can be wrong in which case negative tax consequences may or will ensue.

Eligibility of Trust Units for Investment by Deferred Plans

If the Trust fails or ceases to qualify as a “mutual fund trust” the Trust Units may not be or may cease to be qualified investments for Deferred Plans which will have adverse tax consequences to Deferred Plans and their annuitants, holders or beneficiaries. If the Trust Units are or become a prohibited investment for trusts governed by the Deferred Plans, adverse tax consequences may result to the holder of the Deferred Plans.

One of the requirements for the Trust to qualify as a mutual fund trust is that it will have at least 150 separate holders of Trust Units, each holding no less than one block of units (meaning 10 Trust Units if the Fair Market Value is at least \$100 per Trust Unit), with an aggregate value of at least \$500 worth of Trust Units. The Trust believes that it will have by year’s end such numbers and values but there can be no certainty that taxation authorities will agree nor that a court would not support the tax authorities.

Trust Property or Redemption Notes received as a result of a distribution or redemption of Trust Units may not be a qualified investment for Deferred Plans, which may give rise to adverse consequences to a Deferred Plan or the annuitant, holder or beneficiary thereunder.

Tax Treatment of Trust Units and Trust Unitholders

Canadian federal or provincial income tax legislation may be amended, or their interpretation changed, so as to alter fundamentally the tax consequences of holding or disposing of Trust Units or the investments held by the Trust. The alternative minimum tax could limit tax benefits available to Trust Unitholders. There is no assurance that income tax laws or administrative practices of tax officials in the various jurisdictions of Canada will not be changed in a manner which will adversely alter the tax treatment of Trust Unitholders.

Tax Characterization of Trust Income and Trust Capital Gains

The designation of income or gains realized by the Trust to Trust Unitholders, including the designation of gains realized on the disposition of investments as capital gains will depend largely on factual considerations. The Trust will endeavor to make appropriate characterizations of income or gains realized by the Trust for purposes of

designating such income or gains to Trust Unitholders based on information reasonably available to it. However, there is no certainty that the manner in which the Trust characterizes such income or gains will be accepted by the CRA. If it is subsequently determined that the Trust's characterization of a particular amount was incorrect, Trust Unitholders might suffer material adverse tax consequences as a result.

SIFT Status

If investments in the Trust are listed or traded on a stock exchange or other public market, the Trust may be taxable as a "SIFT trust" under the Tax Act, which will have adverse tax consequences to the Trust Unitholders and the Trust and the Canadian federal income tax considerations of investing in the Trust will be materially different from those described herein. The Issuers do not intend to become a listed entity.

Tax Aspects relating to LP Units

Canadian federal and provincial tax aspects should be considered prior to investing in the LP Units. The return on a Limited Partner's investment in LP Units may be affected by changes in Canadian tax laws. The discussion of income tax considerations in this Offering Memorandum is based upon current income tax laws and regulations. There can be no assurance that (a) tax laws, regulations or judicial or administrative interpretations will not be changed, (b) applicable tax authorities will not take a different view as to the interpretation or the application of tax laws and regulations than the Partnership or than as set out in this Offering Memorandum, (c) applicable tax authorities will not challenge allocations by the Partnership of income, losses, gains or deductions or disallow certain deductions against income, or (d) the facts upon which the tax discussions set out in this Offering Memorandum are materially correct. Any of the preceding may fundamentally alter, in a negative way, the tax consequences to investors of holding or disposing of LP Units.

If an interest in a Limited Partner is or becomes a "tax shelter investment", if a Limited Partner finances the acquisition of its LP Units with limited recourse financing, or if more than 50% of the LP Units are held by "financial institutions" for the purposes of the Tax Act, there may be adverse tax consequences to all Limited Partners and the Partnership. If investments in the Partnership are listed or traded on a stock exchange or other public market and the Partnership holds one or more "non-portfolio properties", as defined in the Tax Act, then the Partnership may be a SIFT Partnership and the Canadian federal income tax considerations will be materially different than those described herein.

The discussion of certain Canadian federal income tax considerations contained in this Offering Memorandum is provided for information purposes only and is not a complete analysis or discussion of all potential tax considerations that may be relevant to the acquisition of LP Units. Prospective investors are urged to consult their own tax advisors, prior to investing in the Partnership, with respect to the specific tax consequences to them from the acquisition of LP Units.

Risks Relating to Redemption

If holders of a substantial number of Trust Units exercise their redemption rights, the number of Trust Units outstanding could be significantly reduced. In any such circumstance, the Trustee may at any time terminate the Trust without the approval of the Trust Unitholders if, in the opinion of the Trustee, it is no longer economically feasible to continue the Trust or the Trustee determines that it would be in the best interests of Trust Unitholders to terminate the Trust.

Liability for Return of Distributions

Generally, the Trust Unitholders do not have personal liability for the obligations of the Trust. However, under applicable law, Trust Unitholders could be required to return distributions previously made by the Trust if it is determined that such distributions were wrongfully made or in certain other circumstances under the terms of the Declaration of Trust. Where a Trust Unitholder has received the return of all or part of the amount contributed to the Trust, the Trust Unitholder is nevertheless liable to the Trust or, where the Trust is terminated, to its creditors for any amount, not in excess of the amount returned with interest, necessary to discharge the liabilities of the Trust to all creditors who extended credit or whose claims otherwise arose before the return of the contribution. Additionally, Trust Unitholders may have to return all or a portion of distributions made to them to the extent the Trust has an obligation to withhold any amounts from such distribution for tax purposes.

Dilution/Concentration

The Trust and Partnership are each authorized to issue an unlimited number of Trust Units and LP Units (as applicable). Any issuance of additional Trust Units or LP Units may have a dilutive or concentrative effect on the value of Trust Units or LP Units. Investors who invest after a particular Property is acquired will be entitled to receive the same distributions as an investor who invested before such Property was acquired and will therefore be entitled to the equivalent benefits or disadvantages as each other Trust Unitholder or Limited Partner (as applicable).

Additional Limited Partners

The Trust is not the only Limited Partner in the Partnership. The Partnership is seeking additional investments by Persons other than the Trust directly into the Partnership. The direct investment by Persons other than the Trust may dilute the Trust's interest in the Partnership.

Recourse to the Trust's Assets

The Trust's assets, including any investments made by the Trust and any capital held by the Trust, are available to satisfy all liabilities and other obligations of the Trust. If the Trust itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Trust's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Indemnification

The Trustee, each former Trustee and each officer of the Trust and each former officer of the Trust is entitled to indemnification and reimbursement out of the Trust Property, except under certain circumstances, from the Trust. Such indemnification obligations could decrease the returns which would otherwise be available to the Trust Unitholders.

Effect of Expenses on Returns

The Trustee, each former Trustee and each director and officer of the Trust and each former director and officer of the Trust is entitled to indemnification and reimbursement out of the Trust Property, except under certain circumstances, from the Trust. Such indemnification obligations could decrease the returns which would otherwise be available to the Trust Unitholders.

Risks Relating to Redemption of LP Units

If holders of a substantial number of LP Units exercise their rescission rights or are permitted redemption rights, the number of LP Units outstanding could be significantly reduced and the Partnership may not be able to meet its investment objectives.

The Risk of Uninsured Losses will be Borne by the Partnership

The Partnership expects to maintain insurance coverage against liability to third parties and property damage as is customary for similar businesses, insofar as the General Partner deems the same necessary or appropriate, in its sole discretion. There can be no assurance that insurance will be available or sufficient to cover all such risks. Insurance against certain risks may be unavailable or commercially infeasible. Uninsured losses will be borne by the Partnership.

Securities Regulatory Risks

In the ordinary course of business, the Issuers may be subject to ongoing reviews by the securities regulators, who have broad powers to pass, interpret, amend and change the interpretation of securities laws from time to time and broad powers to protect the public interest and to impose terms, conditions, restrictions or requirements regarding registration under securities laws. Further, the securities regulators have the authority to retroactively deny the benefit of an exemption from prospectus or registration requirements otherwise provided for in the securities laws where the regulator considers it necessary to do so to protect investors or the public interest. It is possible that securities matters may be reviewed and challenged by the securities authorities. If such challenge were to succeed, it could have a material adverse effect on the Issuers. There is no assurance that applicable securities laws or the securities regulators interpretation thereof or the practices of the securities regulators will not be changed or re- interpreted in a manner that adversely affects the Issuers. The securities regulators hold all the power and if they disagree with the Issuers stance on matters the Issuers will almost certainly fail in defense.

Disclosure of Personal Information

Investors are advised that their names and other specified information, including the number and aggregate value of the Trust Units and LP Units owned: (i) will be disclosed to the relevant securities regulatory authorities and may become available to the public in accordance with the requirements of applicable securities and freedom of information laws and the investor consents to the disclosure of such information; (ii) is being collected indirectly by the applicable securities regulatory authority under the authority granted to it in securities legislation; and (iii) is being collected for the purposes of the administration and enforcement of the applicable securities legislation.

8.2 Issuer Risks

Required loans may not be provided, may terminate or may not be sufficient

Additional financing for the Project will be required including debt. Also, the Partnership may wish to borrow funds for other reasons. There can be no guarantee that any such financing or any other loans can or will be obtained on reasonable or acceptable terms, or at all.

There can be no guarantee that (i) any financing will eventually be obtained from a lender or that a lender will not materially alter the terms of any financing, (ii) any required renewal of any financing, if required, will occur on similar terms thereof or at all, or (iii) the lender under any financing will not demand repayment of the amounts owing thereunder at a time when the Partnership does not have the funds to repay this loan. This will require alternate financing which may be considerably more expensive or may not be available.

The Partnership has the authority to negotiate and obtain other loans or loan facilities for the purposes of carrying out its operations and to grant security against its assets, including the Property and the Project, without obtaining approval of the Limited Partners. The Partnership may exercise this power in a number of circumstances. Any such borrowing and the granting of security, which may be from arm's length third parties and/or, subject to compliance with all applicable laws and receipt of all required regulatory approvals (if any), from affiliates of the Partnership or from Limited Partners, will be on such terms as the General Partner deems to be appropriate. Any such borrowings may be evidenced by promissory notes or other evidence of indebtedness. Such borrowings may include securities offerings by the Partnership of indebtedness, such as notes or debentures, which may or may not be secured by the Partnership's assets, including the Property and the Project. The Partnership shares administrative, management and operational resources and personnel with Affiliates who also acquire and develop real estate. This will result in Costs being shared with the other Affiliates and result in financial resources being shared or lent. If resources are lent then this will result in inter-Affiliate debt both short and long term and secured and unsecured.

There can be no assurances that the Partnership will be able to obtain financing for its purposes when required or, if it can obtain such financing, that such financing will be on terms that are reasonable or acceptable to the Partnership. The failure or inability of the Partnership to obtain such financing will have a material negative effect on the ability of the Partnership to develop the Property, in whole or in part, on a timely basis, or at all, which may have a material negative effect on the value of the Units and any return thereon. Charges, costs and fees will be associated with providing security and documenting the relationship of the Partnership with the lenders under any financing and any other credit facilities, loans or borrowings entered into by the Partnership, which charges, costs and fees may be material and will have to be paid by the Partnership.

Lack of Operating History

The Trust and the Partnership have limited operating history and no history of earnings. The past performance of any of management in the real estate investment business in British Columbia should not be construed as a guarantee or expectation of future results of any investment in the Issuers. Accordingly, there is no operating history upon which to base an evaluation of the Issuers or their business or prospects. The Issuers are in the early stages of their business and therefore are subject to the risks associated with early stage entities, including start-up losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature of their business and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Issuers will be successful in doing what they are required to do to overcome these risks. No assurance can be given that the Issuers' business activities will be successful. Total loss of an investment in Trust Units or LP Units is possible.

The Partnership has no operating history and its operating policies and strategies are untried. The Partnership will be dependent upon the experience and expertise of the General Partner in administering its day-to-day operations. The General Partner and its affiliates have experience investing in and managing real estate-related assets; however, there

can be no assurance that the General Partner will be able to implement successfully the strategies that the Partnership intends to pursue.

Past Performance not a Predictor of Future Results

Historical successes of past projects experienced by management of the Trust, the Partnership, the General Partner, or the Trustee may have been based on different investment models and relate to properties located in different locations than the Property. These historical successes cannot, and should not, be viewed as indicative of future performance of the Issuers and the Units offered under this Offering Memorandum and must not be relied upon as a forecast or projection of the anticipated returns, if any, on an investment in the Units.

No guarantee that an investment in the Units will be successful

There can be no guarantee that investors will not realize losses from an investment in Units and there can be no assurance that the Issuer's strategy in relation to the Project will be successful or that the objective of earning a profit will be achieved. Real estate investment involves a high degree of risk that even the combination of experience and knowledge may not be able to avoid. Success in these objectives will depend to a certain extent on the experience and knowledge of the General Partner and on a number of other external factors, such as, among other things, the development of the residential and commercial real estate market in the vicinity of the Property and the general political and economic conditions that may prevail from time to time, which factors are beyond the control of the General Partner.

The likelihood of success of the Issuers must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any real estate investment. If the General Partner fails to address any of these risks or difficulties adequately, the Partnership's performance likely will suffer. Future profits, if any, will depend upon various factors, including the growth of the real estate market, and in particular the areas surrounding the Property, the success, if any, of the development and marketability of the Project, the receipt of applicable government approvals, the application of government regulations and enforcement of such regulations and general political and economic conditions. There is no assurance that the Issuers can operate profitably or that the Issuers will successfully implement its plans.

Potential regulation of the Issuers

As a result of recent highly publicized financial scandals and ongoing financial turmoil, investors, regulators and the general public have expressed concerns over the integrity of both the financial markets and the regulatory oversight of these markets and their participants. As a result, the regulatory environment in which the Issuers will operate may be subject to heightened regulation. With respect to alternative asset management funds, in recent years there has been debate in both the Canadian and non-Canadian governments about new rules or regulations to be applicable to hedge funds, private equity funds or other alternative investment products and the advisers thereto. It is impossible to determine the scope and extent of the impact of any new laws, regulations or initiatives that may be proposed, whether any of the proposals will become law or whether if enacted, any such laws, regulations or initiatives would apply to the Issuers. Compliance with any new laws or regulations could make compliance more difficult and expensive and affect the manner in which the Issuers operate. Moreover, as calls for additional regulation have increased, there may be a related increase in regulatory investigations of the investment activities of alternative asset management funds, including the Issuers. Such investigations may impose additional expenses on the Issuers and may require the attention of senior management and may result in fines if either of the Issuers are deemed to have violated any regulations.

If the Partnership is unable to complete the Project, it will dissolve, however amounts returned to Limited Partners may be less than the amounts they invested.

If one or more closings of this Offerings have occurred but the Partnership is not able to complete the Project for any reason, the General Partner will wind-up and dissolve the Partnership and distribute its assets in accordance with the Partnership Agreement. In those circumstances, the Issuers will have expenses related to, among other things, the formation of the Partnership and the Trust, the Offerings and its operations to the date of wind-up and dissolution and, accordingly, the amounts returned to the Limited Partners and Trust Unitholders will be less than the purchase price paid for the Units under this Offering.

The Partnership may have substantial amounts of debt

The Partnership may have substantial debt. This debt could result in an increased risk of potential insolvency of the Partnership, which will have a significant material impact on the Partnership and its ability to continue its operations. It is expected that the lenders of any debt financing entered into by the Partnership will, unless such lenders determine otherwise in their sole discretion, place restrictions on the Partnership's ability to make distributions on the Units until such financing has been paid in full. In addition, lenders providing Financing with respect to the Project may require that the Partnership provide to such lender's security in the Property and the Project and other assets of the Partnership to secure the indebtedness of the Partnership under any such lender's financing. This may further delay the Issuers' ability to make distributions on the Units.

Default on indebtedness

If the Partnership defaults in the repayment of any indebtedness, or becomes insolvent, the creditors holding such indebtedness will be entitled to exercise available legal remedies against the Partnership, including among other things, preventing any distributions on the Units, declaring the full amounts of such loans immediately repayable and exercising their rights against the assets of the Partnership, including the Property and the Project. There is no assurance that there will be assets available to recover any portion of a Limited Partner's investment.

Accounting Estimates

International Financial Reporting Standards used in connection with the accounting and auditing of the Trust, the Partnership and the General Partner requires that management apply certain accounting policies and make certain estimates and assumptions that affected reported amounts in their respective financial statements. Those assumptions may affect the reported amounts in the financial statements. The accounting policies may result in non-cash charges to net income and adjustments to net assets in the financial statements. Such non-cash charges and adjustments may be viewed unfavourably by the market and may result in a decline in the value of the Units. The carrying value of the Property is one of the items which are subject to valuation and potential non-cash adjustments.

General Partner has limited assets

The General Partner has unlimited liability for the obligations of the Partnership. The General Partner will indemnify and hold harmless the Partnership from and against all costs incurred and damages suffered by the Partnership as a result of negligence, a breach of its standard of care, wilful misconduct or a fraudulent act by the General Partner, or as a result of an act or omission by the General Partner not believed to be in good faith or within the scope of authority of the General Partner conferred by the Partnership Agreement. The General Partner has, and will continue to have, limited financial resources and will only have limited assets, which will affect its ability to indemnify the Partnership. The amount of any such indemnity will be limited to the extent of the assets of the General Partner and will not include, under any circumstance, the assets of an affiliate of the General Partner.

Business Risk

While the General Partner and Trustee believe that the Partnership will be successful over the long term in completing the Project, there can be no guarantee against losses resulting from an investment in the Units and there can be no assurance that the Issuers' investment approaches will be successful or that its investment objectives will be attained. No assurance can be given that the Project will generate any income or will appreciate in value. The Issuers could realize substantial losses, rather than gains, from its investments.

Possible Problems with Hires

The Partnership relies on competent honourable personnel internally and externally who have the skills necessary to fulfill the planning, construction and sales of the Property. As in other industries, but in some measure greater in construction, violations of contract, failure of talent and fraud can result in damage to the Project or even threaten the Project.

No Assurance of Return

Although the General Partner will use its best efforts to achieve superior rates of return for the Partnership, no assurance can be given in this regard. An investment in Units should be considered as speculative and investors must be able to bear the risk of a complete loss of their investment.

Limited Resources of General Partner

The General Partner has no obligation to fund any operating deficits resulting from the business of the Partnership or to advance funds to continue the business operations of the Partnership. Even if the General Partner should elect to do so voluntarily or be held individually accountable by Partnership creditors, there is no assurance that the available assets will be adequate to satisfy the capital needs of continuing business operations. If Partnership revenues are insufficient to pay Partnership expenses after expending the funds obtained from the Offerings and if the General Partner does not advance such additional funds as may be needed by the Partnership, the Partnership may not be able to continue its business operations in the absence of an alternative source of financing, and there can be no assurance that such financing will be available to the Partnership.

Dependence on Key Personnel

The success of the Issuers will be entirely dependent upon the efforts of the General Partner and, in particular, the efforts, knowledge and expertise of the General Partner's management team, who have substantial discretionary authority for the Partnership and the Project. The Trust and other Limited Partners have no right or power to take part in the management of the Partnership. Accordingly, no one should invest in Units unless they are willing to entrust all aspects of the management and all decisions of the Partnership to the General Partner and its management team.

Termination of the Trust

Although the Trust is expected to continue, Trust Unitholders may, by Extraordinary Resolution, vote to terminate the Trust at any meeting of Trust Unitholders duly called by the Trustee or the Trust Unitholders for the purpose of considering termination of the Trust, following which the Trustee will commence winding-up of the Trust. Such Extraordinary Resolution may contain directions to the Trustee as the Trust Unitholders determine, including a direction to distribute the securities held by the Trust, *in specie*. If the termination occurs earlier than the term of the Trust, the Trust may not have been in existence for the period of time necessary to achieve the business objectives of the Trust.

Possible Conflicts of Interest

The Issuers may be subject to various conflicts of interest.

Although the General Partner will have various obligations to the Partnership, situations may arise where the interests of the directors, officers, employees and shareholders of the General Partner (being the promoter of the Partnership) could conflict with the interests of the Partnership.

The General Partner and its respective officers, directors, employees, and shareholders are not limited or affected in their ability to carry on other business ventures for their own account, or for the account of others, and may be engaged in the development of, investment in, or management of businesses that may compete with the business of the Partnership. Management of the General Partner is presently involved in at least five start-up projects and their ability to manage the load and attract required talent may not occur in time for the Project needs.

The Partnership will not have an independent review committee or any other form of management oversight and will rely exclusively upon the General Partner to manage the business of the Partnership and to provide managerial skill. The directors, officers, employees and shareholders of the General Partner may have a conflict of interest in allocating their time between the business of the General Partner and the Partnership, and other businesses or projects in which they may become involved. The directors and officers of the General Partner have, however, agreed to devote as much time to the Partnership as is required for the effective management of the Partnership.

The Partnership pays the General Partner the Management Fee (ultimately borne by the holders of the Units as discussed elsewhere in this Offering Memorandum).

There may be occasions when the Acting Parties encounter conflicts of interest in connection with the Issuers' activities. There may be conflicts in allocating business opportunities among the Partnership and other Acting Parties. In a bankruptcy proceeding, it is possible that the Trust's interests may be subordinated or otherwise adversely affected by virtue of the involvement or actions of such other participants.

Broad Authority of the General Partner

The Partnership Agreement gives the General Partner broad discretion over the conduct of the Partnership's business including the Partnership's participation in the development of the Project.

Competition for Services

The Partnership will not have independent management and will rely upon the General Partner to manage the business of the Partnership and to provide investment managerial skill. The directors and officers of the General Partner may have a conflict of interest in allocating their time among the business of the General Partner and the Partnership, and other businesses or projects in which they may become involved. The directors and officers of the General Partner have, however, agreed to devote as much time to the Partnership as is required for the effective management of the Partnership.

No Obligation to Devote Full Time Efforts

The General Partner will devote such time as it believes, in its discretion, is necessary to carry out the operations of the Partnership. Moreover, officers and employees of the General Partner and its affiliates are not obligated to devote full time efforts to the Partnership's efforts, and they may have conflicts in their allocation of time between the Partnership and other unrelated activities.

The Partnership's Success is Dependent on Key Personnel

The Partnership believes that its success will depend to a significant extent upon the experience of key management personnel of the General Partner. The continued service of some of these key management personnel cannot be guaranteed. However, while the General Partner believes that it could replace these key personnel, the loss of any such persons or the loss of all of such persons at a single point in time could have a material adverse effect on the operations of the Partnership through a diminished ability to obtain investment opportunities and to structure and execute the Partnership's potential investments and business plan. In addition, the Partnership may not successfully recruit additional personnel and any additional personnel that are recruited may not have the requisite skills; knowledge or experience necessary or desirable to enhance the incumbent management.

Joint Ventures

The Partnership may enter into one or more joint ventures with strategic partners, including with affiliates of the General Partner. Investments with joint venture partners may involve carried interests and/or fees payable to such joint venture partners, as the General Partner may deem appropriate, in its sole discretion. Any joint venture contemplated by the Partnership will be reviewed and shall only proceed if approved by the board of directors of the General Partner, which shall require the approval of both independent members of the board of directors of the General Partner.

Lack of independent counsel representing Trust Unitholders and Limited Partners

The Trust and Partnership has consulted with and retained for its benefit legal counsel to advise them in connection with the formation and terms of the Trust and the offering of Trust Units. Trust Unitholders and Limited Partners (other than the Trust) have not, however, as a group been represented by independent legal counsel. Therefore, to the extent that such Trust Unitholders and Limited Partners could benefit by an independent review, such benefit will not be available unless such Trust Unitholders and Limited Partners retain their own legal counsel.

8.3 Real Estate Industry Risks

Risks of real property ownership and development

Real estate investments are generally subject to varying degrees of risk depending on the nature of the property. Such risks include the highly competitive nature of the real estate industry, changes in general economic conditions (such as the availability and costs of mortgage funds), local conditions (such as the supply of office and retail space or the demand for residential real estate in the area), government regulations and changes therein (such as zoning, taxation of property and environmental legislation), changes in governments and the attractiveness of property to potential purchasers, developers and renters. In addition, each segment in the real estate development industry is capital intensive and is typically sensitive to interest rates and economic conditions. The income generated by the Project, if any, is dependent upon general economic conditions and, accordingly, the return to Limited Partners may be affected by changes in those conditions. There is also no assurance that the Project can be expected to be leased or sold profitably. Economic conditions may also affect the municipalities and their ability and willingness to fund

infrastructure projects and support development. The market for real property can be affected adversely by economic factors, which may be regional, national or international in scope.

The Partnership will be required to make certain expenditures in respect of its activities, including, but not limited to, the payment of property taxes, maintenance costs, insurance costs and related charges regardless of whether or not the Project is producing sufficient income to service such expenses. If the Partnership is unable or unwilling to meet such payment obligations, losses could be sustained as a result of the exercise by creditors of rights of foreclosure or sale.

Various factors affect the timing and profitability real estate development and construction. The Partnership will be subject to risks inherent in the development of real estate including: (i) construction and other unforeseen delays; (ii) cost overruns; (iii) the inability to secure the appropriate development and other necessary approvals in a timely and cost effective manner; and (iv) fluctuations in demand and supply for developed properties.

Risk of Investment in Real Properties

The success of the Issuers is to a substantial extent dependent upon the General Partner's abilities to attract tenants or buyers to generate net income from the Project.

Construction Costs

The real estate industry is significantly impacted by fluctuations in the costs of construction and servicing of land. Any material increase in construction and/or servicing costs may have a materially adverse effect on the Issuers and on the timing and costs of completion of the Project.

Regulatory Approvals

From time to time the development of the Property will or may require re-zoning, environmental and other approvals from Provincial and local government agencies. The process of obtaining such approvals may take many months and there can be no assurance that the necessary approvals for the Project will be obtained. Holding costs accrue while regulatory approvals are being sought and delays can render real estate investments uneconomic at any given period.

Environmental Matters

Under various environmental laws, ordinances and regulations, the current or previous owner or operator of real property may be liable for the costs of removal or rededication of hazardous or toxic substances on, under or in such property. Such laws could impose liability whether or not the Partnership knew of, or was responsible for, the presence of such hazardous or toxic substances. The presence of hazardous or toxic substances, or the failure to remove or rededicate such substances, if any, could adversely affect the Partnership's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against the Partnership.

COVID 19 Pandemic

The world is experiencing a global viral pandemic whose like has not been seen since the 1918 flu. It is impossible to predict the ultimate damage to the world economy and the real estate market in British Columbia. To date the Issuers have been pleasantly surprised at the level of interest and investment it has received. However this may not continue and if the Issuers' funds dry up it would have a serious effect on the Issuers and may cause them to collapse. The Issuers' overhead is quite substantial and its ability to continue as a going concern would likely be measured only in months.

General Real Estate Risks

Various factors can affect the timing and profitability of real estate investment. While the General Partner has made certain plans for applying an effective strategy to the acquisition and development of the Property, there is no assurance that such plans will be met on a timely basis or at all. There is also no assurance that the Project can be leased profitably. The Issuers will be subject to risks inherent in the ownership of real estate intended for generating sustainable net rental income, and for future resale.

Builder contract risk

The success of any development project is to a certain extent dependent upon the ability of BKR to attract builders/contractors with successful track records in construction. In the event that any of the builders/contractors that are contracted with in connection with the Project should not comply with their obligations to the Issuers under the

applicable agreements, the financial performance of the Issuers will in part depend upon the Partnership's ability to find replacement builders/contractors. There can be no guarantee that the Partnership will find suitable builders/contractors on a timely basis or on terms that are advantageous to the Partnership.

The development industry is highly competitive

The real estate development industry is highly competitive. The Partnership will compete against land development companies, land speculators, numerous local, regional and national builders and others in the real estate business. Leasing of the Project will also compete with the existing rental market. The Partnership may compete for financing, raw materials and skilled labour with entities that possess greater financial, marketing and other resources.

Competition

The Partnership competes with other investors, developers and owners of properties for the sale or rental of commercial, retail and residential real estate. Some of the commercial, retail and residential properties of the competitors of the Partnership are better located and better capitalized than the Property. Certain of these competitors have greater financial and other resources and greater operating flexibility and efficiencies than the Partnership. The existence of competing developers and owners could have a material adverse effect on the ability of the Partnership to market the Project, and could adversely affect the profitability for the Issuers.

The future political and economic climate in British Columbia cannot be predicted

British Columbia presents social, economic and political conditions that are reasonably stable. However, these levels of government and the federal government could implement policies that could have a material adverse effect on the value of the Property and the Project.

Examples of such policies include tax reform, land use restrictions, land ownership restrictions, transportation policies, development moratoriums, annexation proceedings or other adverse economic or monetary policies.

In addition, the success of the Partnership will be highly dependent on the economy of the Province of British Columbia. The British Columbia economy may not sustain recent levels of growth and projections regarding its future growth may not be accurate. If the economy of British Columbia declines, this could have a material adverse impact on the value of the Partnership and the ability of the Partnership to carry out its proposed activities with respect to the Property and Project and return to investors their investment in the Partnership.

Changes in legislation and policies

There can be no assurances that provincial or municipal legislation will not be implemented or policies and frameworks will not be implemented by the applicable municipal bodies or other government regulators having jurisdiction over the Property which places new restrictions on the ability to develop the Property or which generally has the effect of significantly reducing the value, or the potential value, of the Property and the Project.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Issuers. Prospective investors should read this entire Offering Memorandum and consult their own counsel and financial advisors before deciding to invest in the Units.

Neither the Issuers, the Trustee, the General Partner, Administrator nor any other party or any affiliate or associate of the foregoing is responsible for, and undertakes no obligation to, determine the general or specific investment needs and objectives of a potential investor and the suitability of the Trust Units or LP Units having regard to any such investment needs and objectives of the potential investor.

ITEM 9 – REPORTING OBLIGATIONS

The Issuers will send to Unit holders within six months of the Fiscal Period end and, in any event, on or before any earlier date prescribed by Applicable Laws or as generally required for tax reporting, annual financial statements for the Fiscal Period ended immediately prior to such period, which information shall consist of a balance sheet, income statement and statement of cash flows, which, at the General Partner's discretion or required by law include audited statements prepared in accordance with International Financial Reporting Standards (IFRS).

The Issuers will, within the time frame required under the Tax Act, forward to each Unit holder such information and forms as may be needed by the Unit holder in order to complete its income tax return in respect of the prior calendar year under the Tax Act and equivalent provincial legislation in Canada.

The Issuers will make reasonably available to Trust Unitholders and Limited Partners such other information as required by applicable securities laws for a non-reporting issuer that distributes securities using the “offering memorandum” exemption (including, where required, audited annual financial statements, annual notices of use of proceeds and notices of certain key events, if and when applicable). Generally, disclosure documents will be considered to have been “made reasonably available” if the documents are mailed to Trust Unitholders and Limited Partners, or if they receive notice that the disclosure documents can be viewed on a public website of the Issuers or a website accessible by all Trust Unitholders and Limited Partners (such as a password-protected website).

None of the Issuers is a “reporting issuer” or equivalent under the securities legislation of any jurisdiction. Accordingly, the Issuers are not subject to the “continuous disclosure” requirements of a reporting issuer under securities legislation. **Other than the documents described above, we are not required to send you any documents on an annual or ongoing basis but the Partnership intends to provide quarterly reports.**

The Issuers will deliver to prospective investors certain documents, including this Offering Memorandum, a subscription agreement and any updates or amendments to the Offering Memorandum required by law, from time to time by way of delivery or e-mail. In accordance with the terms of the subscription agreement provided to prospective investors, delivery of such documents by email shall constitute valid and effective delivery of such documents unless the Issuers receive actual notice that such electronic delivery failed. Unless the Issuers receive actual notice that the electronic delivery failed, the Issuers are entitled assume that the facsimile or e-mail and the attached documents were actually received by the prospective investor and the Issuers will have no obligation to verify actual receipt of such electronic delivery by the prospective investor.

ITEM 10 – RESALE RESTRICTIONS

10.1 General

The Trust Units and LP Units will be subject to a number of resale restrictions, including restrictions on trading. Until the restriction on trading expires, you will not be able to trade the Trust Units or LP Units unless you comply with an exemption from the prospectus requirements under securities legislation. Additionally, investors will not be permitted to transfer their Trust Units or LP Units without the consent of the Trustee or General Partner (as applicable). Moreover the General Partner has a right of first refusal for any LP Unit trades.

10.2 Restricted Period

Unless permitted under securities legislation, a holder cannot trade the Trust Units or LP Units before the date that is four months and a day after the date the Trust or Partnership (as applicable) becomes a reporting issuer in any province or territory in Canada. Since the Issuers are not, and do not intend to be, reporting issuers in any province or territory, the applicable hold period may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, this could result in an investor having to hold the Trust Units or LP Units acquired under the Offerings for an indefinite period of time.

10.3 Manitoba Resale Restrictions

In addition to the above, for subscriber’s resident in Manitoba, unless permitted under securities legislation, a holder must not trade the Trust Units or LP Units without the prior written consent of the regulator in Manitoba, unless:

- (a) the Trust or Partnership (as applicable) has filed a prospectus with the regulator in Manitoba with respect to the Trust Units or LP Units (as applicable) and the regulator in Manitoba has issued a receipt for that prospectus, or
- (b) the holder has held the Trust Units or LP Units for at least 12 months.

The regulator in Manitoba will consent to such a trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

The Administrator must approve of any proposed disposition of Trust Units and the General Partner must approve any proposed disposition of LP Units. It is the responsibility of each individual holder to ensure that all forms required by the applicable securities legislation are filed as required upon disposition of the Trust Units or LP Units.

The foregoing is a summary only of resale restrictions relevant to an investor of the securities offered hereunder. It is not intended to be exhaustive. All investors under this Offering should consult with their legal advisors to determine the applicable restrictions governing resale of the securities purchased hereunder including the extent of the applicable hold period and the possibilities of utilizing any further statutory exemptions or obtaining a discretionary order.

ITEM 11 – PURCHASERS’ RIGHTS

If you purchase Trust Units or LP Units you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

11.1 Two Day Cancellation Right

You can cancel your agreement to purchase these Trust Units or LP Units. To do so, you must send a notice to us by midnight on the second business day after you sign the agreement to buy the Trust Units or LP Units (as applicable).

11.2 Statutory Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the provinces of Canada provides purchasers with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a “misrepresentation”). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by purchasers within the time limits prescribed and are subject to the defences and limitations contained under the applicable securities legislation. Purchasers of Trust Units or LP Units resident in provinces of Canada that do not provide for such statutory rights will be granted a contractual right similar to the statutory right of action and rescission described below for purchasers resident in Ontario and such right will form part of the subscription agreement to be entered into between each such purchaser and the Issuers in connection with these Offerings.

The following summaries are subject to the express provisions of the securities legislation applicable in each of the provinces of Canada and the regulations, rules and policy statements thereunder. Purchasers should refer to the securities legislation applicable in their province along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor. The contractual and statutory rights of action described in this Offering Memorandum are in addition to and without derogation from any other right or remedy that purchasers may have at law.

11.3 Rights of Purchasers in Alberta

If you are a resident of Alberta, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuers to cancel your agreement to buy these securities, or
- (b) for damages against the Issuers, every person who was a director or acting in a similar capacity of the Issuers at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Issuers, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

11.4 Rights of Purchasers in British Columbia

If you are a resident of British Columbia, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuers to cancel your agreement to buy these securities, or
- (b) for damages against the Issuers, every person who was a director or acting in a similar capacity of the Issuers at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Issuers, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

11.5 Rights of Purchasers in Saskatchewan

If you are a resident of Saskatchewan, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuers to cancel your agreement to buy these securities, or
- (b) for damages against the Issuers, every promoter of the Issuers, every person who was a director or acting in a similar capacity of the Issuers at the date of this Offering Memorandum, every person whose consent has been filed respecting the offering but only with respect to reports, opinions and statements made by that person, and every other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Issuers, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

11.6 Rights of Purchasers in Manitoba

If you are a resident of Manitoba, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuers to rescind your agreement to buy these securities, or
- (b) for damages against the Issuers, every person who was a director or acting in a similar capacity of the Issuers at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense

if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Issuers, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to rescind the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

11.7 Rights of Purchasers in Ontario

If you are a resident of Ontario, and if there is a misrepresentation in this Offering Memorandum, a purchaser who purchases a security offered by this Offering Memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, the following rights:

- (a) the purchaser has a right of action for damages against the Issuers, or
- (b) where the purchaser purchased the securities from a person or the Issuers referred to in clause (a), the purchaser may elect to exercise a right of rescission against the person or the Issuers, in which case the purchaser has no right of action for damages against such person or the Issuers.

The Issuers will not be held liable under this paragraph if the subscriber purchased the securities with the knowledge of the misrepresentation. In an action for damages, the Issuers will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon and in no case will the amount recoverable under this paragraph exceed the price at which the securities were sold to the subscriber.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

11.8 Rights of Purchasers in Quebec

In addition to any other right or remedy available to you at law, if this Offering Memorandum is delivered to an investor resident in Québec and contains a misrepresentation, the investor will have: (1) statutory rights under Québec legislation; or (2) contractual rights in circumstances where the Québec legislation does not provide such rights, as follows:

- (a) a right of action for damages against the Issuers, every person acting in a capacity with respect to the Issuers which is similar to that of a director or officer of a company, any expert whose opinion, containing a misrepresentation, appeared, with his consent, in this Offering Memorandum, the dealer (if any) under contract to the Issuers and any person who is required to sign the certificate of attestation in this Offering Memorandum; or
- (b) a right of action against the Issuers for rescission of the purchase contract or revision of the price at which Trust Units or LP Units (as applicable) were sold to the investor.

However, there are various defenses available to the persons or companies that you have a right to sue. Among other defenses, no person or company will be liable if it proves that:

- (a) the investor purchased the Trust Units with knowledge of the misrepresentation; or
- (b) in an action for damages, that they acted prudently and diligently (except in an action brought against the Issuers).

No action may be commenced to enforce such a right of action:

- (a) for rescission or revision of price more than three years after the date of the purchase; or
- (b) for damages later than the earlier of:

- (i) three years after the purchaser first had knowledge of the facts giving rise to the cause of action, except on proof of tardy knowledge imputable to the negligence of the purchaser; or
- (ii) five years from the filing of this Offering Memorandum with the Autorité des marchés financiers de Québec.

11.9 Rights of Purchasers in Nova Scotia

If you are a resident of Nova Scotia, and if there is a misrepresentation in this Offering Memorandum, or any amendment thereto, you have a statutory right to sue:

- (a) the Issuers to cancel your agreement to buy these securities, or
- (b) for damages against the Issuers, every person who was a director or acting in a similar capacity of the Issuers at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Issuers, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

11.10 Rights of Purchasers in New Brunswick

If you are a resident of New Brunswick, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuers to cancel your agreement to buy these securities, or
- (b) for damages against the Issuers or the seller.

The Issuers will not be held liable under this paragraph if the subscriber purchased the securities with the knowledge of the misrepresentation. In an action for damages, the Issuers will not be liable for all or any portion of such damages that they prove do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon and in no case will the amount recoverable under this paragraph exceed the price at which the securities were sold to the subscriber. Additionally, if you elect to exercise a right of rescission against the Issuers, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and six years after the day you purchased the securities.

11.11 Rights of Purchasers in Newfoundland and Labrador, Nunavut or Prince Edward Island

If you are a resident of Newfoundland and Labrador, Nunavut or Prince Edward Island, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuers to rescind your agreement to buy these securities, or
- (b) for damages against the Issuers, every person who was a director or acting in a similar capacity of the Issuers at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Issuers, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

11.12 Opinion of Experts

This Offering Memorandum includes or may include opinions of experts or commentators. You do not have a statutory right of action against such parties for misrepresentation. You should consult legal counsel for further information.

ITEM 12 – SCHEDULE 1

Additional Disclosure Requirements for an Issuer Engaged in Real Estate Activities

The disclosure herein is formatted in line with disclosures which comply with requirements of Schedule 1.

1. Application

(1) This schedule applies to the following:

(a) each interest in real property held by the issuer;

Disclosure

The two contiguous properties disclosed in this Offering Memorandum have been acquired fully by the Partnership by payment of an aggregate of \$2,225,000. The properties are civic addresses 528 and 532 Goldstream Road, Langford, BC.

(b) each interest in real property proposed to be acquired by the issuer, if the proposed acquisition has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high.

Disclosure

None

2. Description of Real Property

(1) Describe the following with respect to each interest in real property:

(a) the real property's location, by address or other description;

Disclosure

Property addresses - 528 and 532 Goldstream Road, Langford BC.

(b) the nature of the interest;

Disclosure

Fee simple

(c) any encumbrances that would be material to a reasonable investor;

Disclosure

See Offering Memorandum Item 2.8.4 mortgages page 31

(d) any restriction on sale or disposition;

Disclosure

None

(e) any environmental liabilities, hazards or contamination;

Disclosure

None

(f) any tax arrears;

Disclosure

None

- (g) if utilities and other services are not currently being provided, describe how they will be provided and who will provide them;

Disclosure

Utilities and services will be provided by the standard suppliers such as BC Hydro

- (h) the current use;

Disclosure

When purchased the development site had two family homes which have now been demolished.

- (i) the proposed use and why the issuer considers the real property to be suitable for its plans; -

Disclosure

The issuer intends to build a 76 unit six-storey wood frame building with two levels of underground parking which has a development permit issued. The assembled properties and the development application were calculated using the maximum allowable buildable under the existing zoning guidelines without asking for any variances;

- (j) with respect to any buildings affixed to the real property, the type of construction, age and condition, and a description of any units for sale or rental;

Disclosure

The older homes that were on the property have been demolished

- (2) Describe any current legal proceedings, or legal proceedings that the issuer knows to be contemplated, relating to each interest in real property, that would be material to a reasonable investor, including, for each proceeding, the name of the court, the date instituted, the parties to the proceeding, the nature of the claim, any amount claimed, whether the proceeding is being contested, and the present status of the proceeding.

Disclosure

There are no legal proceedings regarding the issuer or the Property, actual or contemplated, to the Issuer's knowledge

3. Appraisal

- (1) If subsection 2.9 (19.6) of the Instrument applies, disclose the following for any appraisal:

Disclosure

Please refer to appraisal highlights in the Offering Memorandum or see the full appraisal.

- (a) the appraised fair market value of the interest in real property that is the subject of the appraisal;

Disclosure

Appraised value of the project as is with Development permit is \$4,681,000

- (b) the effective date of the appraisal;

Disclosure

Appraisal date June 7, 2022.

- (c) that the appraisal is required to be delivered to the purchaser at the same time or before the offering memorandum is delivered to the purchaser.

Disclosure*See attached appraisal*

- (2) For each interest in real property to which subsection (1) applies, provide the most recent assessment by any assessing authority.

Disclosure*Awaiting updated assessment from City of Langford.***4. Purchaser's Interest in Real Property**

- (1) If the purchaser will acquire an interest in real property, disclose the following:

- (a) a description of the interest;

Disclosure*The Property interest being acquired by the issuer is fee simple*

- (b) how the interest will be evidenced in a public registry;

Disclosure*The interests will be filed in the BC land registry*

- (c) any existing or anticipated encumbrances on the interest.

Disclosure*It is anticipated that the Issuer will issue and register on the Property construction loans*

5. Developer, or Manager under a Rental Management Agreement or Rental Pool Agreement, Organization, Occupation and Experience, and Penalties, Sanctions, Bankruptcy, Insolvency and Criminal or Quasi-Criminal Matters

- (1) Subsection (2) applies for the following persons:

- (a) a person other than the issuer that is or will be acting in the role of developer in respect of an interest in real property;

Disclosure*The General Partner's shareholder and manager, Robert Fraser will be acting in the role of developer and is planning on hiring an experienced General Contractor to complete the construction,*

- (2) For each person described in subsection (1)

- (a) state the legal name of the person, describe the business of the person and any experience that the person has in similar projects or a similar business, and, if the person is not an individual, the laws under which the person is organized or incorporated and the date that the person was organized or incorporated,

Disclosure*Please see section "3.2 Management Experience"*

- (b) if the person is not an individual, in the form of the following table, provide the specified information for any directors and executive officers of the person for the 5 years preceding the date of the offering memorandum,

Disclosure

<i>Full legal name</i>	<i>Principal occupation and description of experience associated with the occupation</i>
<i>Robert Aird Fraser</i>	<i>Robert has been involved in the real estate development industry for more than 30 years. See section "3.2 Management Experience"</i>

(c) if any of the following have occurred during the 10 years preceding the date of the offering memorandum with respect to the person, a director, executive officer or control person of the person, or an issuer of which any of those persons was a director, executive officer or control person at the time, describe the details of the penalty, sanction or order, including the reason for it and whether it is currently in effect:

- (i) a penalty or other sanction imposed by a court relating to a contravention of securities legislation;

Disclosure

None

- (ii) a penalty or other sanction imposed by a regulatory body relating to a contravention of securities legislation;

Disclosure

None

- (iii) an order restricting trading in securities, not including an order that was in effect for less than 30 consecutive days,

Disclosure

None

(d) if any of the following have occurred during the 10 years preceding the date of the offering memorandum with respect to the person, a director, executive officer or control person of the person, or an issuer of which any of those persons was a director, executive officer or control person at the time, state that it has occurred:

- (i) a declaration of bankruptcy;

Disclosure

None

- (ii) a voluntary assignment in bankruptcy;

Disclosure

None

- (iii) a proposal under bankruptcy or insolvency legislation;

Disclosure

None

- (iv) a proceeding, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, and

Disclosure

None

(e) disclose and describe the details of the offence, if the person, or a director, executive

officer or control person of the person has ever pled guilty to or been found guilty of any of the following:

Disclosure

None

- (i) a summary conviction or indictable offence under the Criminal Code (Canada);

Disclosure

None

- (ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction;

Disclosure

None

- (iii) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory of the United States of America;

Disclosure

None

- (iv) an offence under the criminal legislation of any other foreign jurisdiction.

Disclosure

None

6. Approvals

- (1) For each interest in real property, if that real property is being developed, disclose the following:

- (a) any approval required from a regulatory body or any level of government that would be material to a reasonable investor;

Disclosure

Development permit and Building permit for the project will be required to commence construction.

- (b) the anticipated cost and timing of the approval; Now that development permit has been issued it is expected that building permit will happen with 60 days of submission of technical working drawings.

Disclosure

Drawings are expected to be submitted within 2 months. Once submitted the Developer has to pay the Development Cost Charge fees which are expected to be \$1,326,361. Bancorp the land lender has \$665,000 held in trust to contribute to the Development Cost Charge fees. Further Architects and Professional design to completion of submission are expected to be approximately \$100,000.

- (c) any reports required as part of the approval process, including the anticipated cost and timing of producing or procuring those reports;

Disclosure

There are multiple reports that were needed such as environmental, geotechnical, landscape design etc have been obtained and submitted for the Development Permit. Now that development permit has been issued we are completing working drawings to obtain Building Permit so we can complete financing and begin construction.

- (d) what will happen if the approval is not obtained, including the effect on the following:

- (i) the project;

Disclosure

As Development Permit has been issued if there was a problem with the working drawings and the submitting professional design (civil, mechanical, electrical, etc.) for Building Permit the City of Langford would require a technical redesign from the professional until Building Permit requirement is resolved.

- (ii) the purchaser's investment;

Disclosure

There would be residual value in the land with development permit issued.

- (iii) if applicable, the purchaser's interest in the real property.

Disclosure

The purchaser's interest in the property would stay in place.

7. Costs and Objectives

- (1) For each interest in real property, if that real property is being developed, disclose the following:

- (a) estimated costs to complete the development.

Disclosure

See section "1.2 - Use of Available Funds".

- (b) any significant assumptions that underlie the cost estimates;

Disclosure

The aforementioned costs are based on discussions with General Contractors, Industry Associations and the developers costs on existing projects. Also, lenders active in the jurisdiction have verbally stated that the Partnerships cost projections are consistent with what they are seeing in similar projects in the jurisdiction. Multiple lenders have verbally stated that they are interested in funding the project.

- (c) when significant costs will be incurred;

Disclosure

The costs needed to get to Construction Financing which will complete the project construction are the professional fees estimated at \$100,000 and the payment of Development Cost Charge Fees Estimated at \$661,000. In addition, internal costs of \$200,000 for the next two months.

- (d) the objectives of the project that are expected to be met within the 24 months following the date of the offering memorandum, including the following:

- (i) the expected timeline for meeting each objective;

Disclosure

The 24-month timeline for completion of the project are expected to be 2 months for Building Permit submission and review. Another one month for lender review and construction draw submission. 18 months for construction, two months for sales closings and one month for financial review and pay out to investors.

- (ii) how the issuer will meet each objective;

Disclosure

The developer and their professional and construction team work to the dates with lenders and realtors on a daily basis.

- (iii) the estimated cost of meeting each objective;

Disclosure

The costs are outlined above with the majority coming from lenders which are co-ordinated on an ongoing basis with third party quantity surveyors and the lenders.

- (iv) how the issuer will fund the cost of meeting each objective;

Disclosure

The capital required to get the project construction ready will come through listed partners and capital raising efforts and the balance from construction financing.

- (e) the objectives for the project that are expected to be met after the 24- month period following the date of the offering memorandum, including the following: It is expected that the project will take approximately 24 months to completion.

- (i) the expected timeline for meeting each objective;

Disclosure

There is not expected to be any further work required. In the event that the project takes longer it would change the profit potential of the project which could increase the profitability, if the residential unit values go up, or decrease the profitability due to addition construction time which would increase funding costs, or general cost increases eroding the profit.

- (ii) how the issuer will meet each objective;

Disclosure

The project is well through the development process including having sold almost enough units to satisfy lender requirements.

- (iii) if the objectives are to be completed in phases, details about each phase;

Disclosure

There are no development phases.

- (iv) the estimated cost of meeting each objective;\

Disclosure

The bank funding will complete the capital requirement for the project.

- (v) how the issuer will fund the cost of meeting each objective;

Disclosure

The issuer will continue to raise the equity funding through this offering until it has satisfied its requirements and will then complete construction with construction financing.

- (f) what reasonably might happen if any of the stated objectives are not met, including the effect of not meeting the objective on the following:

- (i) the project;

Disclosure

If there are cost overruns or the project takes longer to complete it will affect the project profitability. The developer and lenders want to see prices locked on 75% of the trades before construction begins for cost certainty.

- (ii) the purchaser's investment;

Disclosure

There would have to be a significant time line increase for the project to become not profitable. Also, if there is a significant price increase in costs there is usually a corresponding increase in the value of the remaining units to be sold.

- (iii) if applicable, the purchaser's interest in the real property.

Disclosure

The Limited Partner/General Partner interest in the property would remain intact unless there was a default and bank foreclosure.

8. Future Cash Calls

Disclosure

There are no future cash flows contemplated.

- (1) If the purchaser is required to contribute additional funds in the future, disclose the following:

Disclosure

The purchaser of the Issuer's securities are not obliged to advance any further funds.

- (a) the amount the purchaser is required to contribute;
- (b) when the purchaser will be required to contribute;
- (c) the effect on the purchaser's investment and, if applicable, the purchaser's interest in the real property, if the purchaser fails to contribute;
- (d) the effect on the purchaser's investment and, if applicable, the purchaser's interest in the real property, if the purchaser contributes, but other purchasers fail to contribute.

9. Rental Pool Agreement or Rental Management Agreement

- (1) If the purchaser will acquire an interest in real property, and that interest will be or could be subject to a rental pool agreement or a rental management agreement, disclose the following:

Disclosure

The Issuer does not anticipate developing any Rental Pool or Rental Management agreements.

- (a) the key terms of the agreement, including, for certainty, those provisions dealing with whether the agreement is mandatory or optional, the duration of the agreement, opting out of the agreement, termination of the agreement, the sharing of revenues and losses, the payment of expenses, and any fees payable under the agreement;
- (b) whether financial or other information about the rental pool or the results arising from the rental management agreement will be made available to purchasers, and if so, include the following:
 - (i) a description of the information;
 - (ii) if the information will include financial information, whether that financial information will be audited or subject to an independent review;
 - (iii) the frequency with which the information will be made available;
 - (iv) whether the information will be delivered to purchasers or whether access will be provided to it;

- (v) if purchasers are to be provided access to the information, a description of the means of gaining access to it;
- (c) the following statement, with the bracketed information completed as applicable:
 “The success or failure of the [rental pool][arrangement resulting from the rental management agreement] will depend in part on the abilities of the manager.”;
- (d) if the purchaser will be responsible for paying any loss arising pursuant to the rental pool agreement or rental management agreement, the following statement, with the bracketed information completed as applicable:
 “If the [rental pool][rental management agreement] generates a loss, the purchaser must contribute further funds in addition to the purchaser’s initial investment.”.

10. Information Statements

- (1) If the purchaser will acquire an interest in real property, state the following in bold type:

Disclosure

“Your rights relating to your interest in real property will be those provided under the laws of the jurisdiction in which the real property is located. Therefore, it is prudent to consult a lawyer who is familiar with the laws of that jurisdiction before making an investment. You will not acquire a direct interest in real property , rather your interest is indirect through ownership of LP and Trusts Units.

All real estate investments are subject to significant risk arising from changing market conditions.”

11. Risk Factors Relating to Real Property

- (1) With respect to the issuer’s interests in real property, and any interest in real property to be acquired by the purchaser, describe the risk factors that would influence a reasonable investor’s decision whether to invest, including, if applicable:

Disclosure

Please see the description of the risk factors described below and additional risk factors in Item 9 of the OM

- (a) risks associated with the following:
 - (i) the development of undivided real property into subdivisions;
 - (ii) the leasing of real property;
 - (iii) the holding of real property for sale or development;
- (b) risks associated with encumbrances, conditions or covenants on the real property that could affect the following:
 - (i) the purchaser’s interest in the real property, if applicable;
 - (ii) the completion of the development of real property;
- (c) risks pertaining to the development of real property, including the following:
 - (i) a right or lack of right of the purchaser with respect to the management and control of the real property;

- (ii) a right or lack of right of the purchaser to change the developer of the property;
- (d) risks pertaining to potential liability for the following:
 - (i) environmental damage;
 - (ii) unpaid obligations to builders, contractors and tradespersons;
- (e) risks associated with litigation that relates to the real property.

ITEM 13 – PROPERTY APPRAISAL

The following is an excerpt of the Property Appraisal Concerning: Lot 1 & 2, Plan VIP35979, Section 1, Land District 21 - PID: 000-145-505 & 000-188-44 dated June 7, 2022.

A copy of the complete property appraisal is available from the Issuer upon request.

File No. 84179-MF

June 7, 2022

Cynterra Projects Inc.
 1201-750 West Pender Street
 Vancouver, British Columbia
 V6C 2T8

Attention: John Kos

Re: Property Appraisal Concerning: Lot 1 & 2, Plan VIP35979, Section 1, Land District 21 - PID: 000-145-505 & 000-188-441

As requested, we have prepared an appraisal report concerning the above described property, which is identified as 528 & 532 Goldstream, Avenue, Langford, BC.

It is our opinion, as a result of our studies and subject to the Assumptions and Limiting Conditions contained in the attached report that value of the subject property "as if complete" as at May 5, 2022 is estimated at:

THIRTY NINE MILLION FOUR HUNDRED FORTY TWO THOUSAND DOLLARS

(\$39,442,000.00) – GROSS-SELL-OUT - "AS IF COMPLETE"

FOUR MILLION SIX HUNDRED EIGHTY ONE THOUSAND DOLLARS

(\$4,681,000.00) – LAND VALUE – "AS IF VACANT & REZONED CC1"

THREE MILLION THREE HUNDRED FORTY FOUR THOUSAND DOLLARS

(\$3,344,000.00) – LAND VALUE – "AS IS"

The data and procedures used in determining this value estimate is contained in the attached report. Thank you for this opportunity to be of service. We remain,

Yours truly,

Baker & Osland Appraisals Ltd.



Spencer Stewart
 AIC, Candidate
 CD/SAS/SS



Sophia Schmidt, AACI, P.App.
 Appraisal Supervisor
 Attachments

PHOTOGRAPHS OF THE SUBJECT PROPERTY



1. Southeast view of the subject lot from Goldstream Avenue.



2. 528 Goldstream Avenue – Southeast View.

PHOTOGRAPHS OF THE SUBJECT PROPERTY



3. 532 Goldstream Avenue – South View.



4. 528 Goldstream Avenue – Interior Lot View.

PHOTOGRAPHS OF THE SUBJECT PROPERTY



5. 528 Goldstream Avenue – Interior Lot View.



6. 528 Goldstream Avenue – Interior Lot View.

PHOTOGRAPHS OF THE SUBJECT PROPERTY



7. 528 Goldstream Avenue – Interior Lot View.



8. Street View - Vantilburg Crescent – North View.

PHOTOGRAPHS OF THE SUBJECT PROPERTY



9. Street View – Goldstream Avenue – West View.



10. Street View – Goldstream Avenue – East View.

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AERIAL MAP

SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

<u>Type of Property:</u>	77 Unit – Multi-Family Complex - Proposed																
<u>Legal Description:</u>	Lot 1 & 2, Plan VIP35979, Section 1, Land District 21 - PID: 000-145-505 & 000-188-441																
<u>Civic Address:</u>	528 & 532 Goldstream Avenue, Langford, BC																
<u>Effective date of Appraisal:</u>	May 5, 2022																
<u>Site Size:</u>	22,290 Sq. Ft – 0.51 Ac. - (Source: BC Assessment)																
<u>Building Area:</u>	66,078 – Sq. Ft. Gross Floor Area (Excluding parking area)																
<u>Unit Mix:</u>	<table> <tr> <td>1-Bedroom</td><td>44</td></tr> <tr> <td>1-Bedroom + Den</td><td>11</td></tr> <tr> <td>2-Bedroom</td><td><u>22</u></td></tr> <tr> <td>Total Suites</td><td>77</td></tr> </table>	1-Bedroom	44	1-Bedroom + Den	11	2-Bedroom	<u>22</u>	Total Suites	77								
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1-Bedroom + Den	11																
2-Bedroom	<u>22</u>																
Total Suites	77																
<u>Zoning:</u>	R2 – (One and Two-Family Residential Zone) – Current CC1 – (City Centre Zone) - *Proposed																
<u>Highest & Best Use:</u>	Multi-Family Development																
<u>Values Estimated By:</u>	<table> <tr> <td>Income Approach.....</td><td>\$ 36,135,000</td></tr> <tr> <td>Direct Comparison Approach.....</td><td>\$ 36,960,000</td></tr> <tr> <td>DCA-Gross-Sell-Out.....</td><td>\$ 39,442,000</td></tr> <tr> <td>“As If Complete”</td><td></td></tr> <tr> <td>Direct Comparison Approach.....</td><td>\$ 4,681,000</td></tr> <tr> <td>Land Value – “As If Vacant & Rezoned CC1”</td><td></td></tr> <tr> <td>Direct Comparison Approach.....</td><td>\$ 3,344,000</td></tr> <tr> <td>Land Value – “As Is”</td><td></td></tr> </table>	Income Approach.....	\$ 36,135,000	Direct Comparison Approach.....	\$ 36,960,000	DCA-Gross-Sell-Out.....	\$ 39,442,000	“As If Complete”		Direct Comparison Approach.....	\$ 4,681,000	Land Value – “As If Vacant & Rezoned CC1”		Direct Comparison Approach.....	\$ 3,344,000	Land Value – “As Is”	
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<u>Final Value Estimate:</u>	\$ 39,442,000 “As If Complete”																
<u>Date of Report:</u>	June 7, 2022																

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject of this appraisal is a multi-family development located on north side of Goldstream Avenue existing west of Sooke Road and east of Veterans Memorial Parkway within the City of Langford, British Columbia.

The subject property is legally described as follows:

Lot 1 & 2, Plan VIP35979, Section 1, Land District 21
PID: 000-145-505 & 000-188-441

Having a civic address of:

528 & 532 Goldstream Avenue, Langford, BC

REGISTERED OWNER AND TITLE

The subject properties are registered under Certificate of Title Numbers CA9757169 & CA9757170 in the name of:

Goldstream Residences Corp., Inc. No. BC1319322
1201-750 West Pender Street, Vancouver, BC

Our review of the subject title document reveals the following Charges:

The subject title documents indicated under surface rights. This charge is typical of properties within the City of Langford and surrounding areas and is not considered to have any impact on the market value of the subject property as of the effective date. All remaining charges are financial in nature. Copies of the title documents is located in the addenda section of this report.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the proposed development "as if complete", as a basis on which to support first mortgage financing. In the context of this appraisal report, the term "Market Value" may be defined as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1) buyer and seller are typically motivated;**
- 2) both parties are well informed or well advised, and acting in what they consider their best interest;**
- 3) a reasonable time is allowed for exposure in the open market;**
- 4) payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and**
- 5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions by anyone associated with the sale."**

This is the accepted definition of market value and should reflect all of the benefits of present ownership as well as anticipated future benefits which may reasonably be expected.

PROPERTY RIGHTS APPRAISED

The property rights being appraised are those of the fee simple interest in the deeded subject property “as if complete”.

INSPECTION AND EFFECTIVE DATE

The effective date of the valuation will be May 5, 2022, being the date the appraiser inspected the subject property.

INTENDED USE OF THE APPRAISAL

The intended use of this appraisal by our client is for first mortgage financing only and no other use with an unknown lender.

ASSUMPTIONS AND LIMITING CONDITIONS

This report involves a professional and confidential relationship between the appraiser and client and has been made in accordance with the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.

The certification that appears in this appraisal report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP") and the following conditions:

1. This report is prepared at the request of the client and for the specific use referred to herein. It is not reasonable for any other party to rely on this appraisal without first obtaining written authorization from the client, the authors, subject to the qualification below. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.
2. Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this appraisal cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.
3. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No registry office search has been performed and the appraiser assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in this report. The property is appraised on the basis of it being under responsible ownership.
4. The subject property is presumed to comply with government regulations including zoning, building codes and health regulations and, if it doesn't comply, its non-compliance may affect market value.
5. No survey of the property has been made. Any sketch in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property.
6. This report is completed on the basis that testimony or appearance in court concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.

ASSUMPTIONS AND LIMITING CONDITIONS- continued

8. The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues, then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the subject property.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client-supplied information, which we believed to be correct.
10. The term "inspection" refers to observation and reporting of the general material finishing and conditions seen for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only, in accordance with the CUSPAP.
11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The appraiser has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The appraiser has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this physical inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the appraiser.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the PIPEDA.
13. The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use.
14. Written consent from the authors must be obtained before any part of the appraisal report can be used for any use by anyone except the client and other intended users identified in the report. Where the client is the mortgagee and the loan are insured, liability is extended to the mortgage insurer. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee.
15. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright. This appraisal report, its content and all attachments/addendums and their content are the property of the author. The client, intended users and any appraisal facilitator are prohibited, strictly forbidden and no permission is expressly or implicitly granted or deemed to be

ASSUMPTIONS AND LIMITING CONDITIONS- continued

granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.

16. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.
17. The coronavirus pandemic is causing a significant degree of uncertainty in capital markets and could have an effect on real estate values depending on the duration and severity of the crisis. At present, it is too early to predict how values may be affected. Should there be unforeseen negative impacts to the real estate market we reserve the right to amend our estimates of value.
18. The values concluded within this report assume the subject's application for rezoning from R2 to CC1 is approved and the guidelines for increased density are met.
19. The Income and Direct Comparison Approaches assume the proposed development receives all permits, is 100% complete with good quality materials and workmanship as proposed by the client.

Extraordinary Assumption

20. The market value estimates assume the subject development is complete as proposed within the plans provided by Nick Bray Architecture. This is a critical assumption and any change of the development as proposed would result in an impact to the values concluded within the Income and Direct Comparison Approaches. The estimates assume the proposed development receives all necessary permits, is 100% complete with good quality materials and workmanship as proposed by the client.
21. The land value concluded in this report is based on the assumption that the subject properties are vacant and zoned CC1 – (City Centre 1).

Hypothetical Condition

22. The 'as if complete' value is a hypothetical condition assuming the development is completed as proposed, receives all necessary permits, is built to modern codes using good quality materials and labor and is available for sale in current market conditions. The subject improvement descriptions as proposed were provided in the same format as provided to the municipality and are assumed correct. Details of the development proposal were provided by the client via architectural plans by Nick Bray Architecture.
23. It is a hypothetical condition of this report that the subject property is zoned CC1 – (City Centre Zone) under the current bylaw and meets all requirements for an increased density as outlined in Section 6.57.05 (2). This hypothetical condition has a material impact to the values concluded within the Income Approach, Direct Comparison Approach & Direct Comparison Approach – Land Value "As if Vacant". Should the subject property not achieve this zoning standard and increased density, the appraiser reserves the right to amend this report accordingly.
24. The land value concluded in this report is based on the hypothetical condition that the subject properties are vacant and zoned CC1 – (City Centre 1).

EXPOSURE TIME

A reasonable exposure time is a significant condition within the definition of market value. Exposure time is always presumed to precede the effective date of the appraisal. It is defined in the Canadian Uniform Standards of Professional Appraisal Practice as:

“The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.”

The most recent MLS statistics indicate that 563 condo units transacted in the City of Langford in 2021. These units had a DOM or days on market range between 0 to 128 days with an average of 20 days. However, given the scale of the subject development a larger range would apply for 100% absorption. Accordingly, assuming the subject units are complete as proposed, a reasonable exposure time would be 1 to 20 months if marketed and listed appropriately.

SALES HISTORY

The only transactions involving the subject properties within the past 3 years have been outlined below:

528 Goldstream Avenue – January 5th, 2021 - \$1,200,000.00

532 Goldstream Avenue – December 9th, 2020 - \$775,000.00

Both properties were purchased by “Goldstream Residences Corp., Inc. No. BC1319322” and were private transactions. It is the appraisers understanding that the subject property is not currently listed for sale.

SCOPE OF THE REPORT

This appraisal report is not limited in scope with respect to estimating the market value of the subject property except as limited by the stated Assumptions and Limiting Conditions. That is to say, the appraiser, in the preparation of this appraisal report, has considered all available, relevant market data identified as impacting the market value of the subject property. As identified in the Assumptions and Limiting Conditions, the appraiser assumes a marketable title that is free and clear of encumbrances unless otherwise stated. Data sources relied upon include, but are not limited to, discussions had with knowledgeable area real estate professionals/industry sales persons, listing agents, other property owners, and municipal planning officials. The market data which the appraiser has assembled has been confirmed, whenever possible, by personal contact with the buyer, seller or agent handling the particular transaction and/or other knowledgeable parties.

In preparing this appraisal report the principal steps undertaken by the appraiser have included:

- ✓ Received initial appraisal request from John Kos - Cynterra Projects Inc., the client;
- ✓ Reviewed Assessment information and The City of Langford Zoning Bylaw;
- ✓ Inspected the subject property on May 5, 2022;
- ✓ Observed area and neighbourhood activity;
- ✓ Researched market conditions;
- ✓ Researched market data. The appraiser has relied on sales and listings reported by the Victoria Real Estate Board and Vancouver Island Real Estate Board, Realtors, and office files; and
- ✓ Estimated the market value of the subject property on the basis of the Income and Direct Comparison approaches to value.

SCOPE OF THE REPORT - continued

The appraiser did not complete technical investigations such as:

- × Structural, mechanical, electrical inspection of the improvements;
- × An environmental review of the property; or
- × Detailed investigations into the nature of the soil.

This appraisal report complies with the appraiser's understanding of the requirements of the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.

ITEM 14 – INVESTOR PRESENTATION



Investor Presentation 2023





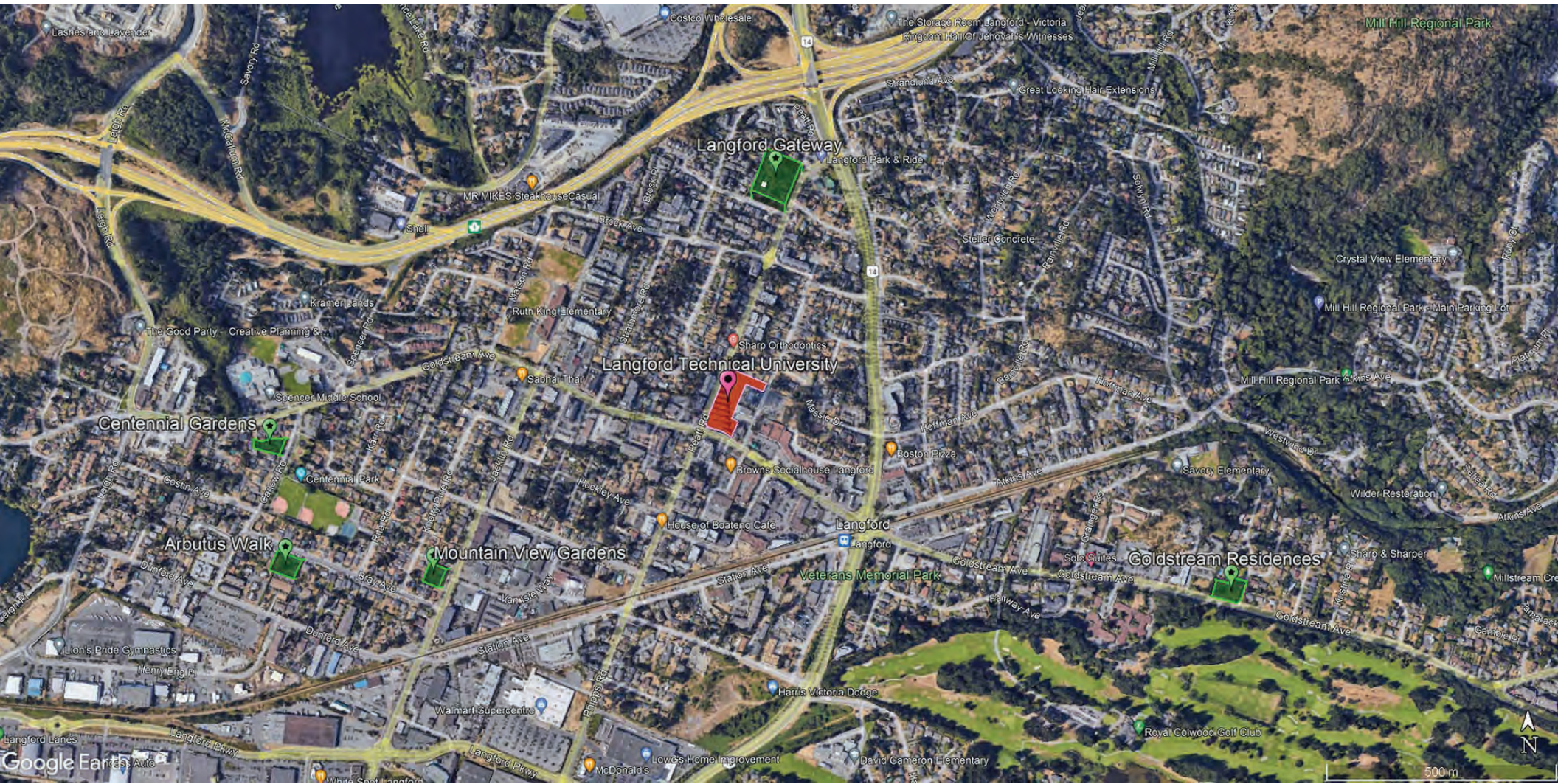
Let us Build for you.

Goldstream Residences

76 homes located in the central density area of Langford, BC. One of Canada's fastest growing communities. A few blocks away from Langford's announced technical university.



Acknowledging the traditional territories of the Lekwungen (Songhees)
and Sc'ianew (Beecher Bay) ancestors and families.





Opportunity / The Investment Strategy



Limited Partnership

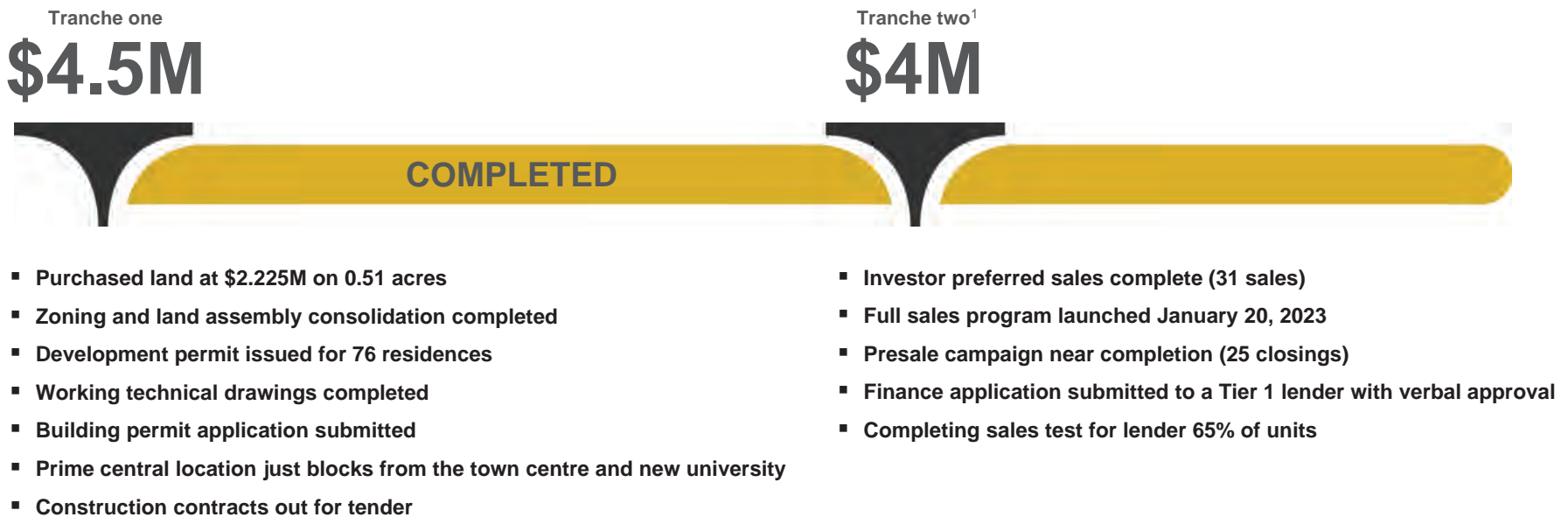
**Contracted Preferred
Annualized Return of 15%**

TFSA & RRSP Eligible



Opportunity / The Investment Strategy

A two-stage equity raise – Phase 1 Completed





Investment Summary

PROJECT COSTS

Land Purchase	\$2,276,593
Hard Costs	\$20,226,400
Soft Costs	\$2,619,525
GP Costs	\$2,001,704
Contingency	\$998,820
Finance and Capital Costs	\$3,021,406
Total	\$31,144,448

CAPITAL FINANCE

Equity Sources	\$8,450,000
Debt Financing	\$22,694,448
Total	\$31,144,448

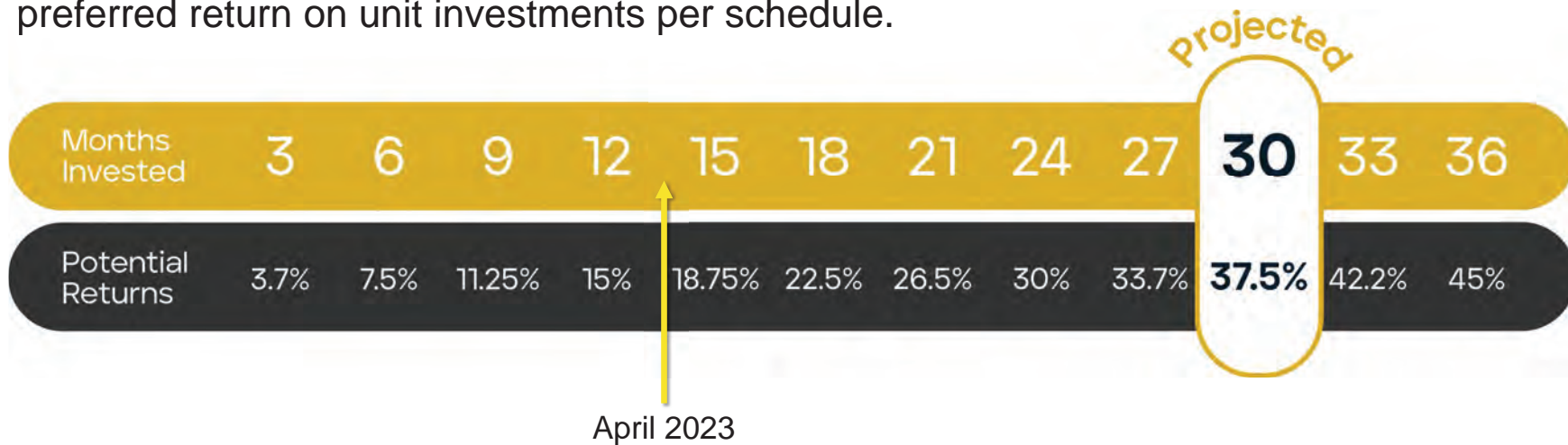
Projected Profit	\$6,582,291
Projected Return on Cost	21.1%
Projected Project IRR	20.3%



Opportunity / The Goldstream Residences

Limited Partnership Return On Equity:

Investors will receive a targeted annualized 15%* preferred return on unit investments per schedule.



*Exit upon sale of real estate and distribution of profits



Investment / Proforma – 76 Units

REVENUE PROJECTIONS				
	Total	/Unit	/sf (sale)	/sf (build)
Gross Revenue *	\$38,893,545	\$511,757	\$762.87	\$584.09
Sales Commission	\$1,166,806	\$15,353	\$22.89	\$17.52
Net Sales Proceeds	\$37,726,739	\$496,404	\$739.99	\$566.57
PROJECT COSTS				
Land Purchase	\$2,276,593	\$29,955	\$44.65	\$34.19
Hard Costs	\$20,226,400	\$266,137	\$396.73	\$303.75
Soft Costs	\$2,619,525	\$34,467	\$51.38	\$39.34
GP Costs	\$2,001,704	\$26,338	\$39.26	\$30.06
Contingency	\$998,820	\$13,142	\$19.59	\$15.00
Finance and Capital Costs	\$3,021,406	\$39,755	\$59.26	\$45.37
Totals	\$31,144,448	\$409,795	\$610.88	\$467.72
PROFIT				
	\$6,582,291	\$86,609	\$129.11	\$98.85

* Gross Revenue based on 50,983 saleable sq. ft.

Note 1: Hard costs include off-site and on-site services, civil works, building construction and landscaping.

Note 2: Soft costs include insurance, taxes, levies, home warranty, permitting, architectural, engineering, quantity surveyor, legal and accounting.



Project / Goldstream Residences

Development permit issued for **76 condominium** homes with a total of approx. 50,953 SF saleable.

1 bedroom: 560 sf average
2 bedroom: 830 sf average



THE GOLDSTREAM RESIDENCES



Innovative Design



Rooftop common area including:

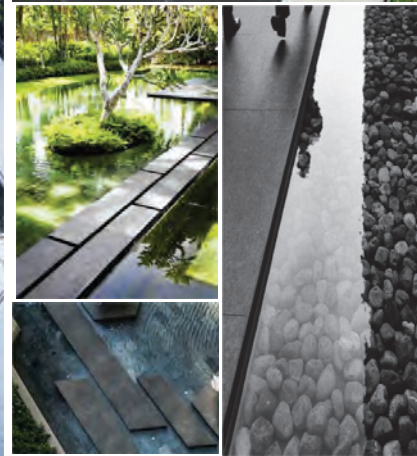
- Common sitting area
- Fire pit
- Landscaped areas with potential for personal gardens
- Views of green areas and Royal Colwood Golf Course
- Great sunsets



Developer Designs and Images

Creative common area usage:

- Common sitting area at the entrance with welcoming appeal
- First Nations art enhancing the entrance area
- Floating entrance walkway with unique water feature design
- Thoughtful and innovative landscape design
- High tech innovation where possible





Project / Location Amenities



Local Fun For The Old and The Young



Parks and Recreation

Goldstream Provincial Park almost 1000 acres
4 Lakes – Langford Lake, Glen Lake, Florence Lake and Lake Ida Anne



Sports Team

Pacific FC, Canadian Premier League (granted ownership 2019)
Starlight Stadium (6,200 seats and Home of Rugby Canada)



Golf & Tennis

Private Royal Colwood Golf Club across the street from Goldstream Residences est. 1913.
Bear Mountain Golf & Tennis Resort.
36 holes designed by Jack Nicklaus, indoor/outdoor red clay tennis courts
Olympic View Golf Club



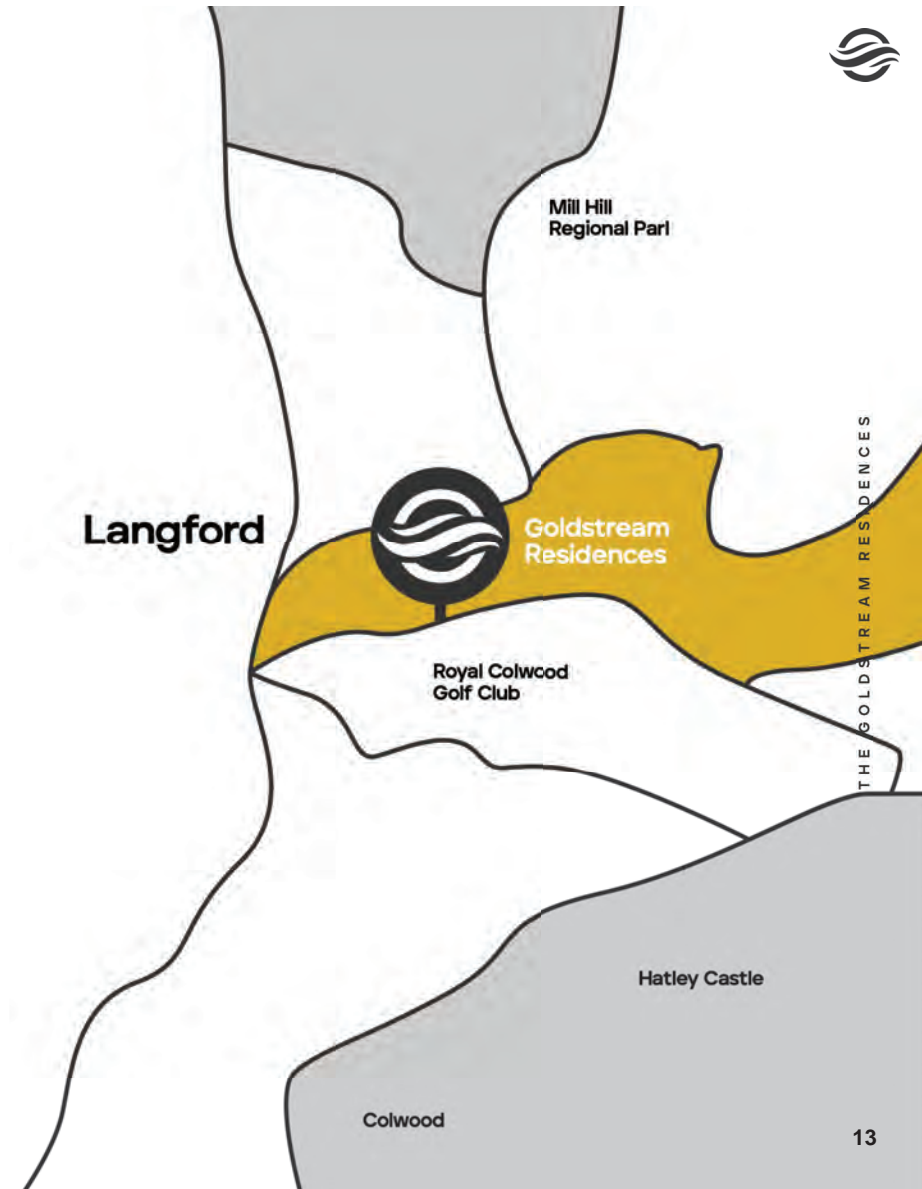
Skiing

Mount Washington-2.5 hour drive



Surfing

Sombrio Beach – 1.3 hour drive, Jordan River – 1 hour drive





Langford and downtown Victoria are becoming the main density corridors of the capital regional district, attracting young people and new residents from across Canada.





In 2020 and 2021, Langford voted as the most liveable community in Canada, the most resilient city & best place to work in BC. In 2022, Langford ranked 3rd fastest growing city in Canada.

Langford

Langford #1 on top-10 list of fastest-growing cities in B.C.

Attracting businesses, offices and jobs is by design, to allow families to live and work in one place.

Langford ranked best community in B.C. by Maclean's magazine

Through strong partnerships with the business, recreation and development community, the City of Langford has been able to keep property taxes low, allowing residents an affordable and well-rounded quality of life.

Langford was ranked the most liveable place in Canada by rates.ca

It is an attractive, small but fast-growing west coast city.

Langford top list of B.C.'s most resilient cities amid the pandemic from BC Business and Environics Analytics

Based on demographic, workforce composition, real estate, and employment trends.



THE GOLDSTREAM RESIDENCES



Langford

Since its incorporation in 1992

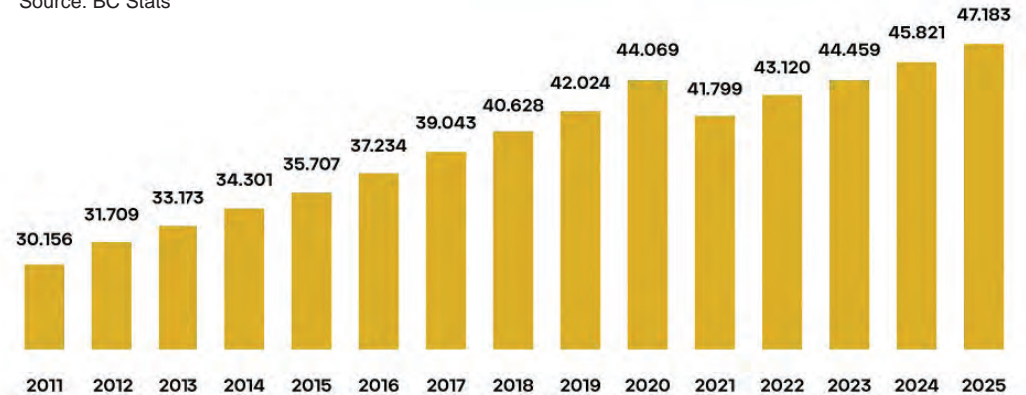
Long-time Mayor of 30 years, Stew Young – committed to densifying Langford's city centre in an effort to keep up with the demand of a rapidly growing population.

"We put in sewers, we put in the infrastructure, twenty years ago there was nothing to do and no jobs in Langford. Now there's good jobs, government offices are moving here, we have new schools, playing fields and all the things that go along with development."

The current Mayor, Scott Goodmanson (Oct '22) continues to support development in a way that "builds communities". The Mayor wants to ensure that the "transit infrastructure is keeping up to the pace with the development."

Population Estimates

Source: BC Stats



BUSINESS GROWTH

Recently voted Best Place for Work in BC - BC Business Magazine

"We roll out the red carpet for anybody with a new business, and we make sure that we look after them....
I phoned Costco to come, I phoned Home Depot, and we went after a lot of the big boxes in the beginning to create a tax base." **Mayor Stew Young**

\$44 million

Sep. 2021-\$44 million tech investment, Plexxis Software relocates headquarters from Ontario, opening August 2022.



THE GOLDSTREAM RESIDENCES



Team / Cynterra



Robert Fraser **CEO and President**

Bob provides for Goldstream Residences Corp. a 40-year career of expertise in real estate acquisition, finance, and development. After entering the corporate world as a business analyst with Dun & Bradstreet Corporation growing to senior management, Bob moved to a more entrepreneurial role in the real estate industry. Bob continues to be active in all facets of real estate development in the U.S., Mexico and Canada.

His time and tenure as a specialist in finance and real estate brings proficiency to facilitate and manage a debt fund and specifically to analyze the value of the real estate assets being funded.





Disclaimer & Forward Looking Statement

This document has been prepared by Goldstream Residences Corp. (“the Company”), the general partner of Goldstream Residences Limited Partnership (together the “Issuers”), and is being provided solely as a guide to give background information to enable recipients to assess whether they wish to enter into discussions with the Company regarding this development project. *All statements or views expressed and all statements relating to expectations regarding future events or the possible future performance of the proposed transaction represent the Issuers’ assessment and interpretation of information available as of the date of this document. Prospective Investors must determine for themselves what reliance (if any) they should place on such views, and the Issuers accept no responsibility in respect thereof. Prospective investors are strongly advised to conduct their due diligence, including, without limitation, the legal and tax consequences of investing in the proposed transaction. *No representation or warranty, expressed or implied, is or will be given by the Issuers or any of their advisors. Should any views be given as to expectations, these are illustrative only; none of the opinions should be taken as forecasts or promises on the part of the Issuers, nor should they be taken as implying any indication, assurance or guarantee that those assumptions are correct or exhaustive. *All liability for reliance on the contents hereof is expressly excluded. *This document does not constitute investment advice. This document does not amount to an invitation or inducement to buy or sell an investment, nor does it solicit any such offer or invitation in any jurisdiction as it is only provided for information purposes. *Should participation occur such participation may expose potential investors to a significant risk of losing their investment.

Forward-looking Statement

*This document may contain forward-looking information that is or may not be complete. Any project analysis and forward-looking information is the Issuers’ projections based on project planning and analysis using industry-accepted assumptions and analysis techniques for the real estate market for the Project and is subject to error. While the Issuers’ management believes its assumptions and analysis are valid and reasonable, actual results may vary from the forward-looking information and there are a number of inherent risk factors, such as variability in real estate pricing, prices for construction materials, and government policy that could have a negative impact on the Issuers or project and could cause actual results to differ materially from the forward-looking information. The Issuers undertake no responsibility to update their forward-looking information. The reader is directed to the Issuer’s current disclosure document, if any, for full consideration of the risks, assumptions, and forward-looking information.



Cynterra Projects Inc.
1201-750 West Pender
Vancouver, BC V6C 2T8
1-888-823-3558
cynterragroup.com



CHARTERHOUSE
PRIME INVESTMENTS

Charterhouse Prime Investments Ltd.
404-999 Canada Place
Vancouver, BC V6C 3E2
1-778-945-3006
charterhouseprime.com

ITEM 15 – AUDITED FINANCIAL STATEMENTS

The following audited financial statements are provided as part of this Offering Memorandum:

- (a) in respect of the Partnership, audited financial statements prepared in accordance with International Financial Reporting Standards for the period from inception to December 31, 2022; and
- (b) in respect of the Trust, audited financial statements prepared in accordance with International Financial Reporting Standards at December 31, 2022.

15 (a) Goldstream Residences Limited Partnership

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP
Financial Statements
(Expressed in Canadian Dollars)
Year Ended December 31, 2022



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

200 – 1688 152 Street
Surrey, BC V4A 4N2
TEL 604.531.1154 | FAX 604.538.2613

INDEPENDENT AUDITOR'S REPORT

To the Partners of Goldstream Residences Limited Partnership

Opinion

We have audited the financial statements of Goldstream Residences Limited Partnership (the Limited Partnership), which comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets attributable to unit holders, comprehensive loss and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Limited Partnership as at December 31, 2022, and the financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Limited Partnership in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the financial statements, which indicates that the financial statements have been prepared on the basis that the Limited Partnership will continue as a going concern with the assumption that the Limited Partnership will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Limited Partnership's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

(continues)

Independent Auditor's Report to the Partners of Goldstream Residences Limited Partnership (*continued*)

In preparing the financial statements, management is responsible for assessing the Limited Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Limited Partnership or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Limited Partnership's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Limited Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Limited Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Limited Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Surrey, BC
April 30, 2023

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP**Statement of Financial Position
(Expressed in Canadian Dollars)****December 31, 2022**

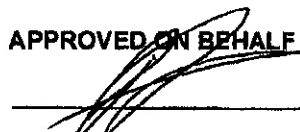
	2022	2021
ASSETS		
CURRENT		
Cash	\$ -	\$ 43,821
Accounts receivable	83,091	34,231
Inventory (Note 4)	5,558,395	2,516,888
Prepaid expenses	-	4,200
Due from general partner (Note 8)	-	100
Due from limited partner (Note 8)	25,000	100
	5,666,486	2,599,340
DUE FROM RELATED PARTIES (Note 11)	-	478,495
DEPOSITS HELD IN TRUST (Note 5)	564,510	-
TOTAL ASSETS	\$ 6,230,996	\$ 3,077,835
LIABILITIES AND NET LIABILITIES ATTRIBUTABLE TO UNIT HOLDERS		
CURRENT LIABILITIES		
Bank indebtedness	\$ 658	\$ -
Accounts payable and accrued liabilities	470,496	612,782
Mortgages payable (Note 6)	2,246,381	1,608,292
Due to related parties (Note 11)	124,106	247,362
Sales deposits (Note 5)	564,510	-
	3,406,151	2,468,436
NET LIABILITIES ATTRIBUTABLE TO UNIT HOLDERS		
General partner interest	100	100
Limited partnership units, net (Note 9)	3,041,580	708,100
Net liabilities attributable to unit holders	(216,835)	(98,801)
	2,824,845	609,399
LIABILITIES AND NET LIABILITIES ATTRIBUTABLE TO UNIT HOLDERS	\$ 6,230,996	\$ 3,077,835

DESCRIPTION OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENT AND CONTINGENCIES (Note 13)

SUBSEQUENT EVENTS (Note 15)

APPROVED ON BEHALF OF THE PARTNERSHIP



 _____ Director

The accompanying notes are an integral part of these financial statements

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP**Statement of Comprehensive Loss****(Expressed in Canadian Dollars)****Year Ended December 31, 2022**

	2022	2021 <i>(3 months)</i>
RENTAL REVENUE	\$ 13,800	\$ 7,350
EXPENSES		
Accounting fees	38,700	15,000
Advertising and promotion	54,782	-
Consulting fees	-	85,000
Interest and bank charges	5,363	363
Interest on long term debt	10,422	-
Meals and entertainment	-	154
Office and miscellaneous	7,145	26
Professional fees	15,422	4,680
Travel	-	928
	131,834	106,151
NET AND COMPREHENSIVE LOSS	\$ (118,034)	\$ (98,801)

The accompanying notes are an integral part of these financial statements

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP
Statement of Changes in Net Liabilities Attributable to Unit holders
(Expressed in Canadian dollars)

	<u>Class A Units</u>				
	<u>Number of Units</u>	<u>Amount</u>			<u>Total</u>
BALANCE AT SEPTEMBER 28, 2021 (inception)	200	\$ 200	\$ -	\$	200
Issuance of partnership units		785,000	-		785,000
Cost of issuance of partnership units	826,317	(77,000)	-		(77,000)
Net and comprehensive loss	-	-	(98,801)		(98,801)
BALANCE AT DECEMBER 31, 2021	826,517	\$ 708,200	\$ (98,801)	\$	609,399
Issuance of partnership units		2,586,667	-		2,586,667
Cost of issuance of partnership units	2,634,408	(253,187)	-		(253,187)
Net and comprehensive loss	-	-	(118,034)		(118,034)
BALANCE AT DECEMBER 31, 2022	3,460,925	\$ 3,041,680	\$ (216,835)	\$	2,824,845

The accompanying notes are an integral part of these consolidated financial statements.

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP

Statement of Cash Flows
(Expressed in Canadian Dollars)
Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Net and comprehensive loss	\$ (118,034)	\$ (98,801)
Changes in non-cash working capital:		
Accounts receivable	(48,860)	(34,231)
Inventory	(3,041,507)	(2,516,888)
Accounts payable and accrued liabilities	(142,287)	612,783
Prepaid expenses	4,200	(4,200)
Due from unitholders	(24,800)	(200)
	<u>(3,253,254)</u>	<u>(1,942,736)</u>
Cash flow used by operating activities	<u>(3,371,288)</u>	<u>(2,041,537)</u>
FINANCING ACTIVITIES		
Net advances (to) from related parties	355,240	(231,134)
Proceeds from issuance of partnership units	2,586,667	785,200
Partnership unit issuance costs	(253,187)	(77,000)
Reduction of interest reserve holdback	96,381	8,292
Proceeds from long term financing	2,400,000	1,600,000
Interest reserve holdback from long term financing	(250,000)	-
Repayment of long term debt	<u>(1,608,292)</u>	<u>-</u>
Cash flow from financing activities	<u>3,326,809</u>	<u>2,085,358</u>
INCREASE (DECREASE) IN CASH FLOW	<u>(44,479)</u>	<u>43,821</u>
Cash - beginning of year	<u>43,821</u>	<u>-</u>
	<u>\$ (658)</u>	<u>\$ 43,821</u>
CASH (DEFICIENCY) CONSISTS OF:		
Cash	\$ -	\$ 43,821
Bank indebtedness	<u>(658)</u>	<u>-</u>
	<u>\$ (658)</u>	<u>\$ 43,821</u>

The accompanying notes are an integral part of these financial statements

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP

Notes to Financial Statements

(Expressed in Canadian Dollars)

Year Ended December 31, 2022

1. DESCRIPTION OF OPERATIONS AND GOING CONCERN

Goldstream Residences Limited Partnership (the "Limited Partnership" or "GRLP") was formed in Canada under the Partnership Act (British Columbia) on September 28, 2021. The Limited Partnership was established for the purpose of acquiring and developing real estate for resale in Langford, British Columbia. The term of the Limited Partnership is until December 31, 2050 unless dissolved earlier by special resolution. The general partner of the Limited Partnership is Goldstream Residences Corp. ("the General Partner").

These financial statements have been prepared on the basis that the Limited Partnership will continue as a going concern with the assumption that the Limited Partnership will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The proposed business of the Limited Partnership involves a high degree of risk and there is no assurance that the Limited Partnership will be able to finance the proposed real estate development. Additional funds will be required to enable the Limited Partnership to pursue the development and the Limited Partnership may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Limited Partnership's ability to continue as a going concern. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Limited Partnership be unable to continue operations. Continued operations of the Limited Partnership are dependent on the Limited Partnership's ability to receive financial support, necessary financing, and to generate profitable operations in the future.

The head office and principal address of the Limited Partnership is located at 1201 - 750 West Pender Street Vancouver, BC. The registered and records office of the Limited Partnership is 1201 - 750 West Pender Street Vancouver, BC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements of the Limited Partnership have been prepared in accordance with financial reporting framework specified in paragraph 3.2(3)(a) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for financial statements delivered by registrants. This framework incorporates International Financial Reporting Standards ("IFRS") with the exception that any investments in subsidiaries, jointly controlled entities or associates are accounted for in separate financial statements, regardless of whether the Limited Partnership meets the criteria set out in International Financial Reporting Standard 27. As at December 31, 2022, the Limited Partnership did not have any investments in subsidiaries, jointly controlled entities or associates.

The financial statements were authorized for issue on April 30, 2023 by the director of the Limited Partnership.

(continues)

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP

Notes to Financial Statements

(Expressed in Canadian Dollars)

Year Ended December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Significant estimates and assumptions

The preparation of the Limited Partnership's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of net assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, and the recoverability of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

Significant judgements

The preparation of financial statements in accordance with IFRS requires the Limited Partnership to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applied in preparing the Limited Partnership's financial statements include the assessment of the Limited Partnership's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty and the classification of financial instruments.

Revenue recognition

The Limited Partnership's revenues are derived principally from the sale of residential real estate. Revenue is recognized when all of the following criteria have been met:

- when a formal arrangement exists,
- the price is fixed or determinable,
- the delivery of title, possession and other attributes of ownership have been transferred to the buyer is completed,
- the Limited Partnership has no other significant obligations after the sale and collectability is reasonably assured.

The Limited Partnership generally requires a minimum down payment of at least 10% of the sales price. Payments received before all of the relevant criteria for revenue recognition are met, are recorded as sales deposits.

(continues)

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP

Notes to Financial Statements

(Expressed in Canadian Dollars)

Year Ended December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

i. Classification

The Limited Partnership classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Limited Partnership determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Partnership's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Limited Partnership can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Partnership has opted to measure them at FVTPL.

ii. Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

(continues)

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP

Notes to Financial Statements

(Expressed in Canadian Dollars)

Year Ended December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

iii. Impairment of financial assets at amortized cost

The Limited Partnership recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Partnership measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Partnership measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Limited Partnership shall recognize in the consolidated statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

iv. Derecognition

Financial assets

The Limited Partnership derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Limited Partnership derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Limited Partnership also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Limited Partnership Units

Limited Partnership Units are classified as equity. Transaction costs directly attributable to the issue of these Units are recognized as a deduction from the proceeds received.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost includes land acquisition costs, direct development and construction costs, borrowing costs, property taxes and other construction overheads. Net realizable value is the estimates selling price in the ordinary course of the business at the balance sheet date, less costs to complete and estimated selling costs.

(continues)

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP

Notes to Financial Statements

(Expressed in Canadian Dollars)

Year Ended December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Unit issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely, otherwise they are expensed as incurred. Unit issuance costs are charges to share capital when the related units are issued. Deferred financing costs related to financing transactions that are not completed are charges to the profit in calculation of net and comprehensive income (loss).

Income taxes

These financial statements represent the assets and liabilities of the Limited Partnership and do not include other assets, liabilities, income and expenses of the partners. Income taxes are the responsibility of the partners and not the Limited Partnership. Accordingly, no provisions for income taxes have been recorded in these financial statements.

Comparative figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Various pronouncements have been issued by the International Accounting Standards Board (IASB) or IFRS Interpretations Committee that will be effective for future accounting periods. The Limited Partnership closely monitors new accounting standards as well as amendments to existing standards and assesses what impact, if any, they will have on the financial statements. Most of the standards are not expected to have a material impact to the Limited Partnership but one standard that is applicable and currently being evaluated is summarized below.

In February 2021, the IASB issued narrow-scope amendments to IAS 1, Presentation of Financial Statements, IFRS Practice Statement 2, Making Materiality Judgements, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies, and clarify how to distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023, although earlier application was permitted. We are currently assessing the impacts of the amended standards but do not expect a significant impact to our financial disclosures.

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP**Notes to Financial Statements****(Expressed in Canadian Dollars)****Year Ended December 31, 2022****4. INVENTORY**

On October 6, 2021, Goldstream Residences Corp., the general partner, purchased property at 528 Goldstream Avenue, Langford BC and 532 Goldstream Avenue, Langford BC for development.

On October 6, 2021 the Goldstream Residences Corp. entered into a Bare Trust, Agency and Nominee Agreement ("trust agreement") with Goldstream Residences Limited Partnership. Goldstream Residences Corp. has been named the trustee and Goldstream Residences Limited Partnership as the beneficial owner of the properties purchased for development, with the sole use, benefit and advantage for the Limited Partnership and not the General Partner. The agreement acknowledges that the trustee in its capacity as trustee will hold all proceeds, rents, income, profits, losses, benefits and advantages accruing or to accrue from the properties in trust as bare trustee, exclusively for the beneficial owner.

The balance of inventory consists of the following:

	2022	2021
Acquisition of land	\$ 2,276,593	\$ 2,281,156
Development costs	2,798,613	139,788
Financing fees	154,881	60,000
Borrowing costs	328,308	35,944
	\$ 5,558,395	\$ 2,516,888

Financing fees are related to the mortgages obtained in the current year.

Borrowing costs consist of interest on financing.

The inventory has been pledged as collateral for the mortgage loan.

5. DEPOSITS HELD IN TRUST AND SALES DEPOSITS

During the year ended December 31, 2022, the Limited Partnership sold 44 (2021 - nil) property units on a pre-sale basis. The construction completion date is yet to be determined. As of December 31, 2022, deposits held in trust on these sales are \$564,510 (2021 - \$nil) and are presented on the statement of financial position.

6. MORTGAGES PAYABLE

	2022	2021
First Accredit Mortgage	\$ -	\$ 1,008,292
Camilla Holdings Ltd.	-	600,000
Bancorp Financial Services Inc.	2,400,000	-
Subtotal	2,400,000	1,608,292
Interest Reserve	(153,619)	-
	\$ 2,246,381	\$ 1,608,292

(continues)

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP

Notes to Financial Statements

(Expressed in Canadian Dollars)

Year Ended December 31, 2022

6. MORTGAGES PAYABLE (continued)

	2022	2021
--	-------------	-------------

First Accredit Mortgage

The General Partner entered into a \$1,000,000 mortgage agreement with First Accredit Mortgage Corporation on September 24, 2021, to facilitate the purchase of property. This loan agreement specifies the use of proceeds to assist in the purchase of the following:

(a) 528 Goldstream Ave, Langford BC, Lot 1 VIP35979 Sec LD 21, PID 000-145-505.

(b) 532 Goldstream Ave. Langford BC, Lot 2 VIP35979 Sec 1 LD 21, PID 000-188-441.

This mortgage bears interest of 9.95% per annum and is compounded monthly. Interest is charged and paid by this entity on the full amount of the loan which has been entered into solicitors trust account, notwithstanding that the actual advance of the full loan to the borrower may occur at a later date or dates or from time to time, as the case may be. This loan is payable in interest only payments of \$8,291.67 monthly and matured on November 1, 2022.

The loan is secured by a valid registered charge over the properties noted above, to be registered as a demand mortgage, in an unspecified amount which will secure all debts and liabilities present or future owing be the borrower to the Lender at any time during the term of the loan or any renewal thereof.

This loan is subject to a brokerage fee of \$20,000 and a \$10,000 lenders fee which was deducted from the first advance of the Loan proceeds.

These funds were subsequently advanced to the Limited Partnership to acquire the properties.

The mortgage was paid out during the year and refinanced by Bancorp Financial Services Inc.

Camilla Holdings Ltd.

The General Partner entered into a \$600,000 mortgage agreement with Camilla Holdings Ltd. on September 28, 2021, to facilitate the purchase of property. This loan agreement specifies the use of proceeds to assist in the purchase of development property.

This mortgage bears interest of 12% per annum and is compounded monthly. Interest is charged and paid by this entity on the full amount of the loan which has been entered into solicitors trust account, notwithstanding that the actual advance of the full loan to the borrower may occur at a later date or dates or from time to time, as the case may be. This loan is payable in interest only payments of \$6,000 monthly and matured on January 6, 2022.

The loan is secured by a valid registered charge over the properties noted above, to be registered as a demand mortgage, in an unspecified amount which will secure all debts and liabilities present or future owing be the borrower to the Lender at any time during the term of the loan or any renewal thereof.

This loan is subject to a brokerage fee of \$18,000 and a \$12,000 lenders fee which was deducted from the first advance of the Loan proceeds.

These funds were subsequently advanced to the Limited Partnership to acquire the properties.

The mortgage was paid out during the year and refinanced by Bancorp Financial Services Inc.

(continues)

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP

Notes to Financial Statements

(Expressed in Canadian Dollars)

Year Ended December 31, 2022

6. MORTGAGES PAYABLE (continued)

	2022	2021
--	------	------

Bancorp Financial Services Inc.

The General Partner entered into a \$3,065,000 mortgage agreement with Bancorp Financial Services Inc. on August 2, 2022, to assist in the refinancing for the purchase and development of property.

This mortgage bears interest that is calculated monthly at the greater of 8.75% per annum or the Canadian Imperial Bank of Commerce prime lending rate as established from time to time plus 5.05% per annum and is compounded monthly. Interest is charged and paid by this entity on the full amount of the loan which has been entered into solicitors trust account, notwithstanding that the actual advance of the full loan to the borrower may occur at a later date or dates or from time to time, as the case may be. This loan matures on November 01, 2023.

The loan is secured by a valid registered charge over the properties noted above, to be registered as a demand mortgage, in an unspecified amount which will secure all debts and liabilities present or future owing be the borrower to the Lender at any time during the term of the loan or any renewal thereof.

This loan is subject to a commitment fee of \$61,300 which are deducted in three stages:

1. At the time of acceptance of the letter of intent (\$10,000);
2. At the time of acceptance of the Commitment Letter (\$10,000);
3. At the time of the initial disbursement of funds provided that the deferred payment is secured by a promissory note (\$41,300).

These funds were subsequently advanced to the Limited Partnership to refinance the properties.

7. GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP AGREEMENT

On September 28, 2021, the General Partner Goldstream Residences Corp. ("GRGP") and the Initial Limited Partner entered into a Limited Partnership Agreement which provided GRGP full power and authority to administer, manage, control and operate the business of Goldstream Residences Limited Partnership ("GRLP"). Additionally, GRGP will always have 50% of voting rights, regardless of the number of GRLP units issued. According to the Offering Memorandum dated February 16, 2022, GRGP and its management companies (together "MC") will charge the costs of land administration, servicing and development to the Partnership on a monthly basis:

- (i) General partner fee at 3.00% of gross sales;
- (ii) G&A fee at 1.50% of gross sales;
- (iii) Office overhead at 1.50% of gross sales; and
- (iv) Marketing fee at 2.00% of gross sales.

(continues)

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP

Notes to Financial Statements

(Expressed in Canadian Dollars)

Year Ended December 31, 2022

7. GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP AGREEMENT *(continued)*

The GRGP is also entitled to a refund of all amounts expended by the General Partner for the Partnership both before and after incorporation in respect to the Project; and other adjustments, if any, shall be made from time to time and final adjustment upon the sale or lease of the last of the Real Property. If the General Partner assumes management of Real Property or leases after completion of the Project construction, then the General Partner shall also charge industry fee levels for such on-going services.

Project costs include all amounts paid or payable on account of expenses in the operation of the Limited Partnership including, but not limited to expenses related to preparation and negotiation of all agreements related to the Project, appraisal costs, geotechnical engineering, environmental investigations, site preparation, remediation, testing, consulting, professional fees, constructions costs, soft costs related to the Project and any costs related to the sale of the Property.

The general partner may also charge a Guarantee Fee as follows:

"Guarantee Fee" means a fee to a guarantor of up to 3%, or a greater amount if deemed necessary by the General Partner, of the principal amount of an applicable loan which shall be payable on terms to be determined and negotiated by the General Partner in the sole discretion of the General Partner.

Distributions

After the payment of all current obligations of the Limited Partnership, all management fees owing to GRGP, all operating expenses and project costs, monies owing to third party lenders, distributions would be determined as follows:

- (i) **Equity Return:** The cumulative distribution of an amount equal to a total return of Capital Contributions;
- (ii) **Preferred Return on Equity:** The payment to Unit holder, after distribution of the Equity Return, of a cumulative distribution equal to the Investment Product Preferred Return Rate on Unit Capital Contribution over the time period covered by each Unit holder's investment. (Calculated as the total of all Unit Capital Contribution amount multiplied by the Investment Product Preferred Return Rate by (the Unit Investment Product Return Date minus the Unit Investment Product Commencement Date)); and
- (iii) **After payment to the Limited Partners of the above distributions, all remaining Distributable Cash shall be distributed to the General Partner.**

Allocation of net income and net loss

Net income of the Limited Partnership in a fiscal year shall be allocated on the same fiscal year among the partners, in the same proportions as distributions are to be made above. Allocation of the net loss of the Limited Partnership shall be the same as allocation of net income, except that the allocation of losses to any Limited Partner shall not exceed the subscription price for its units plus income previously allocated, less distributions made.

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP

Notes to Financial Statements

(Expressed in Canadian Dollars)

Year Ended December 31, 2022

8. DUE FROM GENERAL AND LIMITED PARTNER

As at period ended December 31, 2022, an amount receivable of \$25,000 is owing from the Limited Partner for the subscription of Class A Series 1 Limited Partnership Units. In the prior period, a subscription receivable of \$100 is owing from the General Partner for its 100 General Partner Units and a subscription receivable of \$100 is owing from the Limited Partner for the initial subscription of the Limited Partner Units. The balances receivable are non-interest bearing, unsecured and with no set terms of repayment.

9. PARTNERSHIP UNITS

General Partnership Units:

During the prior period, GRLP issued 100 Class A Partnership Units to Goldstream Residences Corp. for proceeds of \$100.

Limited Partnership Units:

Unlimited number of Limited Partnership Units at a subscription price of \$1.00 per unit or as discounted or increased by the General Partner pursuant to subscription agreement terms. The units are treated as equity as they are not redeemable at the option of the Limited Partners.

Rights and restrictions:

- Each Limited Partner has the right to exercise one vote for each whole unit held by the Limited Partner, with a total of 50% votes to the Limited Partnership unit holders. The General Partner is entitled to the remaining 50% votes;
- Limited Partners are entitled to receive allocations of income or loss, distributions on wind-up or other dissolution, or any return of capital, pro rata in accordance with their respective proportionate Units;
- No Unit shall have any preference or right over any other Unit unless specifically stated in the Limited Partnership Agreement;
- Limited Partners are not entitled to receive interest on the amount of capital contribution from the Limited Partnership; and
- The liability of each Limited Partner for the debts, liabilities, losses and obligations of the Limited Partnership is limited to the amount of the capital contributed.

Issued and outstanding limited partnership units:

- During the year ended December 31, 2022, the Limited Partnership has issued, net of redemptions Class A LP units, Series 1 with a subscription price of \$0.95 per share and outstanding Class A LP units, Series 1 of 954,641 (2021 - 826,117) with gross proceeds of \$906,900 (2021 - \$785,000).
- During the year ended December 31, 2022, the Limited Partnership has issued, net of redemptions Class A LP units, Series 2 with a subscription price of \$1.00 per share and outstanding Class A LP units, Series 2 of 1,679,767 (2021 - 200) with gross proceeds of \$1,679,767 (2021 - \$200).

(continues)

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP

Notes to Financial Statements

(Expressed in Canadian Dollars)

Year Ended December 31, 2022

9. PARTNERSHIP UNITS (continued)

- GRLP incurred unit issuance cost of \$253,187 (2021 - \$77,000) with respect to the offering of limited partner units.

Authorized:

Unlimited Class A Partnership Units
 Unlimited Class B Partnership Units
 Unlimited Class C Partnership Units
 Unlimited Class D Partnership Units

		2022	2021
Issued:			
100	General Partnership Class A units - Series 2	\$ 100	\$ 100
1,780,958	Limited Partnership Class A units - Series 1	1,691,900	785,000
1,679,867	Limited Partnership Class A units - Series 2	1,679,867	100
	Share issuance costs	(330,187)	(77,000)
		\$ 3,041,680	\$ 708,200

The capital of the Limited Partnership shall consist of an unlimited number of Class "A", Class "B", Class "C", and Class "D" Units which shall have the terms set forth herein and in the Partnership's subscription agreements. Each Class may be subdivided into series by the General Partner. Offered Units shall have their terms set by the subscription agreement including price, revenue or economic share, interest and any other term considered in the best interest of the Partnership. The rights or restrictions of each Class or series may vary between the classes and series.

10. CAPITAL MANAGEMENT

The Limited Partnership's capital structure consists of limited partnership units outstanding. The Limited Partnership's primary objectives in capital management are to safeguard the Limited Partnership's ability to continue as a going concern in order to provide returns for unitholders and to maintain sufficient funds to finance the proposed purchase and development of real estate. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Limited Partnership, is reasonable. There were no changes in the Limited Partnership's approach to capital management since inception. The Limited Partnership is not subject to externally imposed capital requirements.

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP**Notes to Financial Statements****(Expressed in Canadian Dollars)****Year Ended December 31, 2022****11. DUE TO (FROM) RELATED PARTIES**

	<u>2022</u>	<u>2021</u>
<u>Due from related parties</u>		
Due from Cynterra Projects Inc. (common control)	\$ -	\$ (366,542)
Due from Upper Mission Developments LP (common control)	-	(20,000)
Due from Langford Gateway Developments LP (common control)	-	(91,953)
	<u>-</u>	<u>(478,495)</u>
 <u>Due to related parties</u>		
Due to Evest Funds Inc. (common control)	-	212,362
Due to Promitory Developments LP (common control)	-	35,000
Due to Cynterra Projects Inc. (common control)	<u>124,106</u>	<u>-</u>
	<u>124,106</u>	<u>247,362</u>
	<u>\$ 124,106</u>	<u>\$ (231,133)</u>

The amounts due to (from) related parties are non-interest bearing, have no set repayment terms and are unsecured.

The General Partner is entitled to receive management fees in connection with the Limited Partnership as set out in the Offering Memorandum dated February 16, 2022. On February 16, 2022, the General Partner also entered into an assignment agreement which grants the General Partner the right to assign any or all of the fees it is entitled to. The General Partner has assigned all its fees to Cynterra Projects Inc.

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP**Notes to Financial Statements****(Expressed in Canadian Dollars)****Year Ended December 31, 2022****12. RELATED PARTY TRANSACTIONS**

The following is a summary of the Limited Partnership's related party transactions:

	<u>2022</u>	<u>2021</u>
Cynterra Projects Inc. (Common control)		
Management fees	\$ 585,616	\$ -
G&A fees	292,808	-
Office overhead fees	292,808	-
Marketing fees	390,411	-
Loan guarantee fee	72,000	-
	<u>1,633,643</u>	<u>-</u>
 Evest Funds Inc. (Common control)		
Management fees	30,000	-
Share issue costs	121,936	10
Property purchase deposit	-	290,010
Consulting fees	-	26,842
	<u>151,936</u>	<u>316,862</u>
	<u>\$ 1,785,579</u>	<u>\$ 316,862</u>

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP

Notes to Financial Statements

(Expressed in Canadian Dollars)

Year Ended December 31, 2022

13. COMMITMENTS AND CONTINGENCIES

According to the Offering Memorandum dated February 16, 2022, GRGP and its management companies (together "MC") will charge the costs of land administration, servicing and development to the Partnership on a monthly basis fees totaling 8% of estimated gross sales as follows:

- a) General partner fee at 3.00% of gross sales equal to \$36,601 per month;
- b) G&A fee at 1.50% of gross sales equal to \$18,301 per month;
- c) Office overhead at 1.50% of gross sales equal to \$18,301 per month; and
- d) Marketing fee at 2.00% of gross sales equal to \$24,401 per month.

14. FINANCIAL INSTRUMENTS

The Partnership's financial instruments are exposed to certain financial risks including credit risk, interest rate risk and liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfil an obligation causing the other party to incur a financial loss. The Partnership is exposed to credit risks arising from its cash holdings. The Limited Partnership manages credit risk by placing cash with major Canadian financial institutions. Management believes that credit risk related to these amounts is low.

Liquidity risk

Liquidity risk is the risk that the Limited Partnership will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Limited Partnership reviews additional sources of capital to continue its operations and discharge its commitments as they become due.

Interest rate risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Partnership's exposure to interest rate risk relates to its ability to maintain the current rate of interest on its cash equivalents. Management believes the interest rate risk to be minimal.

Price risk

The real estate industry is dependent upon the market price of comparable real estate units. There is no assurance that a profitable market will exist for the sale of the real estate once the Limited Partnership completes its proposed acquisition and development. Factors beyond control of the Limited Partnership may affect the marketability and selling price of the real estate once developed. The Limited Partnership closely monitors real estate industry to determine the appropriate course of action to be taken by the Limited Partnership.

Additional risk

Unless otherwise noted, it is management's opinion that the Limited Partnership is not exposed to significant other price risks arising from these financial instruments.

GOLDSTREAM RESIDENCES LIMITED PARTNERSHIP**Notes to Financial Statements****(Expressed in Canadian Dollars)****Year Ended December 31, 2022**

15. SUBSEQUENT EVENTS

The following events occurred subsequent to the year ended December 31, 2022:

Issuance of Limited Partnership Shares

Subsequent to year end, the Limited Partnership issued 808,932 partnership units for \$739,574.

Sales Deposits from Purchasers

Subsequent to year end, the Limited Partnership received \$322,983 in sales deposits from purchasers.

15 (b) Cynterra Real Estate Trust.

CYNTERRA REAL ESTATE TRUST

Financial Statements

Six months ended December 31, 2022

(Expressed in Canadian Dollars)

(Audited)



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P 734 1690 F 734 959 E creekinfo@h.watson.bc.ca

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Cynterra Real Estate Trust:

Opinion

We have audited the financial statements of Cynterra Real Estate Trust (the "Trust"), which comprise the statements of financial position as at December 31, 2022 and June 30, 2022, the statements of changes in unitholders' equity and cash flows for the six months ended December 31, 2022 and the period from inception on December 1, 2021 to June 30, 2022, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "the financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2022 and June 30, 2022, and its financial performance and its cash flows for the six months ended December 31, 2022 and the period from inception on December 1, 2021 to June 30, 2022, in accordance with International Financial Reporting Standards and the financial reporting framework specified in paragraph 3.2(3)(a) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards (the "Financial Reporting Framework") for financial statements delivered by registrants.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting and Restriction of Use

We draw attention to Note 1 to the financial statements which describes the basis of preparation. These financial statements are prepared in compliance with the requirements of the British Columbia Securities Commission, as set out in paragraph 3.2(3)(a) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards. As a result, these financial statements may not be suitable for other purposes. Our report is intended solely for Cynterra Real Estate Trust and the British Columbia Securities Commission and should not be used by parties other than Cynterra Real Estate Trust and the British Columbia Securities Commission. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Reporting Framework, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

[2]

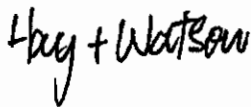
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants
Vancouver, B.C.
April 30, 2023

CYNTERRA REAL ESTATE TRUST
Statement of Financial Position
As of December 31, 2022
(Expressed in Canadian Dollars)

	Note	Dec 31, 2022	Jun 30, 2022
Assets		\$	\$
Current Assets:			
Cash		1	1
Subscription proceeds receivable		106,123	-
Investment in Bray Residences LP	4	786,105	662,991
Investment in Goldstream Residences LP	4	930,212	370,695
Investment in Jacklin Green Gardens LP	4	134,130	-
Total Current Assets		1,956,571	1,033,687
Total Assets		1,956,571	1,033,687

Unitholders' Equity

Trust Units	1,956,571	1,033,687
Total Unitholders Equity	1,956,571	1,033,687
Unitholders' Equity	1,956,571	1,033,687

Nature and continuance of operations (Note 1)
 Commitment (Note 6)
 Subsequent events (Note 7)

Approved by the Trustee of Cynterra Real Estate Trust:
 Cynterra Real Estate Trust Management Inc.


 Robert Fraser, Director

The accompanying notes are an integral part of these financial statements.

CYNTERRA REAL ESTATE TRUST
Statement of Changes in Unitholders' Equity
For the six months ended December 31, 2022
(Expressed in Canadian Dollars)

	Number of Class A Units	Amount \$
Issued on inception on December 1, 2021 – Initial Trust Unitholder	1	1
Units Issued	1,071,841	1,033,686
Balance, June 30, 2022	1,071,842	1,033,687
Units Issued	825,138	816,762
Balance, December 31, 2022	1,896,980	1,850,449

The accompanying notes are an integral part of these financial statements.

CYNTERRA REAL ESTATE TRUST
Statement of Cash Flows
For the six months ended December 31, 2022
(Expressed in Canadian Dollars)

	Note	For the six months ended December 31, 2022	For the period from inception on December 1, 2021 to June 30, 2022
		\$	\$
Cash provided by (Used in)			
Financing activities:			
Proceeds from initial Trust Unitholder		-	1
Proceeds from the issuance of Trust Units		922,884	1,033,686
		922,884	1,033,687
Investing activities:			
Subscription proceeds receivable		(106,123)	-
Investment in Bray Residences LP		(123,114)	(662,991)
Investment in Goldstream Residences LP		(559,517)	(370,695)
Investment in Jacklin Green Gardens LP		(134,130)	-
		992,884	(1,033,686)
Increase (Decrease) in cash and cash equivalents		-	1
Cash and cash equivalents, beginning		1	-
Cash and cash equivalents, ending		1	1

The accompanying notes are an integral part of these financial statements.

CYNTERRA REAL ESTATE TRUST
Notes to the Financial Statements
For the six months ended December 31, 2022
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Cynterra Real Estate Trust (the "Trust") is an unincorporated investment trust established under the laws of the Province of British Columbia pursuant to the Declaration of Trust dated December 1, 2021 made between Goldstream Residences Corp, as initial unitholder, and Cynterra Real Estate Trust Management Inc. (the "Trustee") an incorporated trustee dated January 7, 2022. The Trust has qualified as a "unit trust" and as a "mutual fund trust" under the provisions of the Income Tax Act (Canada) (the "Tax Act"). The address of the Trust is #1201-750 West Pender Street, Vancouver, BC, V6C 2T7 and the registered office of the Trust is located at Suite 700, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1S8.

As a pre-incorporation agreement, on December 1, 2021, the Trust entered into a Trust Funding Agreement with Goldstream Residences Limited Partnership ("Goldstream LP") to raise up to \$11,000,000 through a Trust offering of Trust Units at \$0.95 per unit for the first \$1,000,000 and \$1.00 per unit thereafter for investments in Goldstream LP Units with the objective of generating returns to holders of units of the Trust. All expenses of the Trust offering related to Goldstream LP will be borne by Goldstream LP. The Trust has agreed to subscribe to Goldstream LP units with the full proceeds of the Trust offering on a 1 for 1 basis. Goldstream LP is a limited partnership established on September 28, 2021 under the laws of the Province of British Columbia. Goldstream Residences Corp. is the general partner of Goldstream Residences LP. The business of Goldstream Residences LP is to develop a property in Langford (the "Goldstream Property") into residential properties, obtain approvals to develop subdivided parcels of the Goldstream Property and construct and sell the Goldstream Property residential properties for profit. The purpose of Goldstream Residences LP is to assemble land at 528 Goldstream Avenue & 532 Goldstream Avenue Road in Langford, BC. in anticipation of developing 76 real estate units. The Limited Partnership agreement between Goldstream Residences Corp. and Robert Fraser as the initial Limited Partner is dated September 28, 2021. The capital of the Limited Partnership consists of an unlimited number of Class A, Class B, Class C, and Class D units. Each Class may be subdivided into series by the General Partner.

As a pre-incorporation agreement, on December 13, 2021 the Trust entered into a Trust Funding Agreement with Bray Residences Limited Partnership ("Bray LP") to raise up to \$11,000,000 through an offering of Trust Units at \$0.95 per unit for the first \$1,000,000 and \$1.00 thereafter, for investments in Bray LP Units, one to one, with the objective of generating returns to holders of units of the Trust. All expenses of the Trust offering related to Bray LP will be borne by Bray LP. Bray LP is a limited partnership established on December 13, 2021 under the laws of the Province of British Columbia. Bray Residences Corp. is the general partner of Bray LP. The business of Bray LP is to develop a property in Langford (the "Bray Property") into residential properties, obtain approvals to develop subdivided parcels of the Bray Property and construct and sell the Bray Property residential properties for profit. The purpose of Bray Residences LP is to assemble 975 Bray Avenue, 979 Bray Avenue, and 983 Bray Avenue in Langford, BC in anticipation of developing an approximate 116 real estate units. The Limited Partnership agreement between Bray Residences Corp. and Robert Fraser as the Initial Limited Partner dated December 1, 2021 has been formed. The capital of the Limited Partnership consists of unlimited number of Class A, Class B, Class C, and Class D units. Each Class may be subdivided into series by the General Partner.

On July 15, 2022, the Trust entered into a Trust Funding Agreement with Jacklin Green Gardens Limited Partnership ("Jacklin LP") to raise up to \$10,000,000 by a Trust Offering of Trust Units at \$0.95 per unit for the first \$1,000,000 and \$1.00 thereafter for investments in Jacklin LP Units, one to one, with the objective of generating returns to holders of units of the Trust. All expenses of the Trust offering related to Jacklin LP will be borne by Jacklin LP. Jacklin LP is a limited partnership established on June 29, 2022 under the laws of the Province of British Columbia. Jacklin Green Gardens (GP) Inc. is the general partner of Jacklin LP. The business of Jacklin LP is to develop an elegant 15 story concrete building on Jacklin Road in Langford on Vancouver Island, British Columbia and sell the residential units for a profit. The purpose of the Jacklin LP is to assemble 2870 Jacklin Road and 2876 Jacklin Road in Langford, BC in anticipation of developing approximately 102 real estate units. The Limited Partnership agreement between Jacklin Green Gardens (GP) Inc and Robert Fraser as the Initial Limited Partner dated June 15, 2022 has been formed.

CYNTERRA REAL ESTATE TRUST
Notes to the Financial Statements
For the six months ended December 31, 2022
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

The capital of the Limited Partnership consists of unlimited number of Class A, Class B, Class C, and Class D units. Each Class may be subdivided into series by the General Partner.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Trust will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The application of the going concern concept is dependent upon the financial performance of Goldstream LP, Bray LP and Jacklin LP, in which the Trust has invested substantially all of its equity. The Trust has no other significant operations, and the ability of Trust to redeem its units from the unitholders for value is completely dependent on its ability to ultimately recover its investment in Goldstream LP, Bray LP and Jacklin LP together with any income or profits earned by Goldstream LP, Bray LP and Jacklin LP on the development and sale of the properties located in Langley or Victoria. There is no assurance that development of the properties in Langley or Victoria will be profitable or that the Trust unitholders will ultimately be able to recover all or any of their investments in the Trust. These material uncertainties may cast significant doubt about the Trust's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Trust be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These financial statements of the Trust were approved and authorized for issue by the Trustee of Cynterra Real Estate Trust on April 30, 2023

These financial statements reflect the substance of the activities, assets and liabilities of the Trust as of December 31, 2022. The legal structure was not considered the key factor in determining the parameters of the financial statements, but rather the basis of the economic activities.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. There were no operations of the Trust for the six months ended December 31, 2022 and therefore, no statement of operations is presented.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Trust's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

Recognition and Classification

The Trust recognized a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

CYNTERRA REAL ESTATE TRUST
Notes to the Financial Statements
For the six months ended December 31, 2022
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Financial instruments (continued)

The Trust classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Trust determines the classification of financial assets at initial recognition.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Trust can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Trust has opted to measure them at FVTPL.

The Trust's financial instruments consist of cash and investment in Goldstream LP, Bray LP and Jacklin LP.

Measurement

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Trust's own credit risk will be recognized in other comprehensive income (loss). The Trust's cash and investment in Goldstream LP, Bray LP and Jacklin LP is measured at FVTPL.

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost

The Trust recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Trust measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Trust measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Trust recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversals) that are required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

CYNTERRA REAL ESTATE TRUST
Notes to the Financial Statements
For the six months ended December 31, 2022
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Financial instruments (continued)

Unless otherwise noted, it is management's opinion that the Trust is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of cash is based on Level 1 inputs and investments in Limited Partnership units of both Goldstream LP, Bray LP and Jacklin LP are based on Level 2 inputs.

The carrying amounts of due from related parties, accounts payable and accruals approximate their fair values due to the short-term maturities of these items.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust is not exposed to interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they become due. The Trust had no liabilities as at December 31, 2022. Therefore, the Trust is not exposed to liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Trust's exposure to credit risk will be the investments in all of Goldstream LP, Bray LP and Jacklin LP. This risk will be managed by closely monitoring the development in all investments in the Limited Partnerships and the recoverability of the investment in Goldstream LP, Bray LP and Jacklin LP is entirely dependent upon the ability of the Trust to realize its investment in the Limited Partnerships.

CYNTERRA REAL ESTATE TRUST
Notes to the Financial Statements
For the six months ended December 31, 2022
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Financial instruments (continued)

Currency risk

The Trust does not have financial assets or liabilities held in a foreign currency.

(b) Provisions

Provisions are recognized when the Trust has a present legal or constructive obligation that has arisen as a result of a past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions for environmental restoration, legal claims, onerous leases and other onerous commitments are recognized at the best estimates of the expenditure required to settle the Trust's liability at the reporting date. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax interest rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(c) Income taxes

The Trust is subject to income taxes under the Tax Act to the extent that taxable income or loss is not allocated to the Trust beneficiaries which are the Trust's unitholders. The Trust expects that any excess of revenue over expenses of the Trust will be allocated and distributed to the beneficiaries at the end of each fiscal year and therefore, no taxes will be payable by the Trust.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected. The fair value of the investment in Goldstream LP, Bray LP and Jacklin LP will require management to make estimates about its recoverability and those estimates may not reflect the amounts ultimately recovered.

(e) Going concern

The assessment of whether the concern assumption is appropriate requires management to make estimates that take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Trust is unaware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Trust's ability to continue as a going concern.

(f) New accounting standards adopted

The Trust has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Trust has not early adopted any new standards and determined that there are no standards that are expected to have a material impact to the Trust.

CYNTERRA REAL ESTATE TRUST
Notes to the Financial Statements
For the six months ended December 31, 2022
(Expressed in Canadian Dollars)

4. EQUITY

Obligation to unitholders

The Trust is authorized to issue an unlimited number of Units of each of Class A, Class B, Class C, Class D, Class E and Class F. Each class of Units has identical rights and restrictions. Each Unit is without nominal or par value, entitles the holder thereof to one vote at all meetings of unitholders, entitles the holder thereof to the pro rata right to receive dividends and participate pro rata upon dissolution or liquidation, and entitles the holder to the right of redemption under the terms set forth in the Declaration of Trust.

In order to establish the Trust, one Class A unit (the "Initial Unit") was issued for cash of \$1 on December 1, 2021. At the first closing of the issuance of Units, the interest of the holder of the Initial Unit was to be redeemed by the Trust in return for its initial capital contribution of \$1, and this has not occurred.

The Trust has qualified as an "unit trust" and as a "mutual fund trust" under the provisions of the Income Tax Act (Canada) (the "Tax Act").

Trust units

Goldstream Residences Limited Partnership

On December 1, 2021, the Trust entered into a Funding Agreement with Goldstream Residences Limited Partnership ("Goldstream LP"), to divide the Class A Units into Class A Series 1, Class A Series 2, Class A Trust Units Series 1 Sub 1, and Class A Trust Units Series 1 Sub 2, which are entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust, and all such units have identical rights, restrictions, and conditions.

Goldstream Residences Limited Partnership

The Trust and Goldstream LP are raising up to \$11,000,000 by offering up to approximately 11,000,000 Goldstream LP Units at a price of \$0.95 for the first \$1,000,000 for Class A Series 1 and/or Trust Units Series 1 Sub 1, and at a price of \$1.00 thereafter for Class A Series 2 and/or Trust Units Series 1 Sub 2.

No Trust Units Series 1 Sub 1 were issued in the six months ended December 31, 2022 (202,106 in the period from December 1, 2021 to June 30, 2022 for proceeds of \$192,000) and a total of 559,517 Trust Units Series 1 Sub 2 were issued in the six months ended December 31, 2022 (178,695 in the period from December 1, 2021 to June 30, 2022) for proceeds of \$559,517 (\$178,695 in the period from December 1, 2021 to June 30, 2022). All the proceeds were invested in Goldstream LP in accordance with the Funding Agreement.

As at December 31, 2022, committed subscription proceeds of \$58,623 were recorded as receivable and were confirmed to be received in the subsequent period (\$nil as at June 30, 2022).

Bray Residences Limited Partnership

On December 13, 2021, the Trust entered into a Funding Agreement with Bray Residences Limited Partnership ("Bray Residences LP"), to divide the Class A Units into Class A Series 1, Class A Series 2, Class A Trust Units Series 2 Sub 1, and Class A Trust Units Series 2 Sub 2, which are entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust, and all such units have identical rights, restrictions, and conditions.

The Trust and Bray LP are raising up to \$11,000,000 by offering up to approximately 11,000,000 Bray LP Units at a price of \$0.95 for the first \$1,000,000 for Class A Series 1 and/or Trust Units Series 2 Sub 1, and at a price of \$1.00 thereafter for Class A Series 2 and/or Trust Units Series 2 Sub 2.

CYNTERRA REAL ESTATE TRUST
Notes to the Financial Statements
For the six months ended December 31, 2022
(Expressed in Canadian Dollars)

4. EQUITY (continued)

Trust units (continued)

26,316 Series 2 Sub 1 Trust Units were issued in the six months ended December 31, 2022 (561,042 in the period from December 1, 2021 to June 30, 2022) for proceeds of \$25,000 (\$532,991 in the period from December 1, 2021 to June 30, 2022) and a total of 98,115 Series 2 Sub 2 Trust Units were issued in the six months ended December 31, 2022 (130,000 in the period from December 1, 2021 to June 30, 2022) for proceeds of \$98,115 (\$98,115 in the period from December 1, 2021 to June 30, 2022). All the proceeds were invested in Bray LP in accordance with the Funding Agreement.

Jacklin Green Gardens Limited Partnership

On July 15, 2022, the Trust entered into a Funding Agreement with Jacklin Green Gardens Limited Partnership ("Jacklin LP"), to divide the Class A Units into Class A Series 1, Class A Series 2, Class A Trust Units Series 3 Sub 1, and Class A Trust Units Series 3 Sub 2, which are entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust, and all such units have identical rights, restrictions, and conditions.

The Trust and Jacklin LP are raising up to \$10,000,000 by offering up to approximately 10,000,000 Jacklin LP Units at a price of \$0.95 for the first \$1,000,000 in any of the Class A and Class A Trust Units, and at a price of \$1.00 thereafter in any of the Class A and Class A Trust Units.

During the period from inception on July 15, 2022 to December 31, 2022, a total of 62,242 Series 3 Sub 1 Trust Units were issued for proceeds of \$59,130 and a total of 78,948 Series 3 Sub 2 Trust Units were issued for proceeds of \$75,000. All the proceeds are to be invested in Jacklin LP in accordance with the Funding Agreement.

As at December 31, 2022, committed subscription proceeds of \$47,500 were recorded as receivable and were confirmed to be received in the subsequent period (\$nil as at June 30, 2022).

Distributions

The Trustee of the Trust is responsible for calculating and determining the Trust's distributable cash for each six-month distribution period ending on June 30 and December 31 of each year, for distributions to be made on or about the last day of the next calendar month immediately following the end of the distribution period.

In addition to the distribution of distributable cash, the Trustee may declare to be payable and make distributions, from time to time, out of income, net capital gains and the capital of the Trust or any other amounts received or held by the Trust in any year or distribution period thereof, in such amounts, and on such dates as the Trustee may determine. All such distributions payable to Unitholders pursuant to the Declaration of Trust shall be deemed to be distributions of income, net capital gains, trust capital or other items in such amounts as the Trustee, shall, in their absolute discretion, determine.

During six months ended December 31, 2022, \$nil distributions were declared (\$nil for the period from inception on December 1, 2021 to June 30, 2022).

CYNTERRA REAL ESTATE TRUST
Notes to the Financial Statements
For the six months ended December 31, 2022
(Expressed in Canadian Dollars)

5. CAPITAL MANAGEMENT

The Trust defines its capital structure as unitholder's equity. Capital requirements are driven by the Trust's investment activities. Management's objective is to ensure there are adequate capital resources to safeguard the Trust's ability to continue as a going concern. Management reviews its capital management approach on an ongoing basis and believes its approach given the relative size of the Trust is reasonable.

The Trust is not subject to any externally imposed capital requirements and the Trust did not change its approach to capital management as of December 31, 2022.

6. COMMITMENT

- a) Under the terms of a Funding Agreement dated December 1, 2021, the Trust is obligated to invest the entire gross amount of any proceeds it raises into Goldstream LP.
- b) Under the terms of a Funding Agreement dated December 13, 2021, the Trust is obligated to invest the entire gross amount of any proceeds it raises into Bray LP.
- c) Under the terms of a Funding Agreement dated July 15, 2022, the Trust is obligated to invest the entire gross account of any proceeds it raises into Jacklin LP.

7. SUBSEQUENT EVENTS

Goldstream Residences Limited Partnership

During the month from January to April 2023, 793,058 units were issued for proceeds of \$793,058 and proceeds of \$85,623 were received for subscriptions made during the six months ended December 31, 2022.

Bray Residences Limited Partnership

No units issued.

Jacklin Residences Limited Partnership

During the months from January to April 2023, 416,871 units were issued for proceeds of \$396,027 and proceeds of \$47,500 were received for subscriptions made during the six months ended December 31, 2022.

DATE AND CERTIFICATE

Dated: April 30, 2023

This Offering Memorandum does not contain a misrepresentation.

CERTIFICATE OF Goldstream Residences Limited Partnership

And by its General Partner, Goldstream Residences Corp.

ROBERT FRASER
President and Director

/S/Robert Fraser

FOR THE BOARD OF DIRECTORS OF GOLDSTREAM RESIDENCES CORP.

ROBERT FRASER
President and Director

/S/Robert Fraser

PROMOTER

/S/Robert Fraser

ROBERT FRASER

Dated: April 30, 2023

CERTIFICATE OF Cynterra Real Estate Trust

This Offering Memorandum does not contain a misrepresentation.

Cynterra Real Estate Trust, and by its trustee,

Cynterra Real Estate Management Inc.

/S/Robert Fraser

Robert Fraser
President, Secretary and Director

PROMOTER

/S/Robert Fraser

ROBERT FRASER